DEFINITIONS

ACT OR CEA
The term “Act” or “CEA” shall mean the Commodity Exchange Act, as amended from time to time.

BOARD
The Board of Directors of the Exchange or any other body acting in lieu of and with the authority of the Board.

BY-LAWS
The By-Laws of the Exchange currently in effect as may be amended from time to time, unless otherwise specified.

CERTIFICATE OF INCORPORATION
The Certificate of Incorporation of the Exchange currently in effect as may be amended from time to time, unless otherwise specified.

CFTC OR COMMISSION
The U.S. Commodity Futures Trading Commission.

CLEARING HOUSE
The CME Clearing House, also referred to as CME Clearing, a division of CME.

CLEARING MEMBER
A firm meeting the requirements of, and approved for, Clearing Membership at the CME or CBOT. The term “Clearing Member” as used in the Rules shall include all Clearing Member categories set forth in CME and CBOT Rule 900, unless otherwise specified.

EMERGENCY
Any occurrence or circumstance which, in the opinion of the Exchange, requires immediate action and threatens or may threaten fair and orderly trading, clearing, delivery or liquidation of any contracts on the Exchange. Occurrences and circumstances which the Exchange may deem emergencies are set forth in the Rules.

EXECUTIVE OFFICER
Any person elected by the board of directors of a corporation to a position established pursuant to and having duties prescribed by the charter or by-laws of the corporation and which duties pertain to the management of the corporation, or any division thereof.

EXCHANGE
The Board of Trade of Kansas City, Missouri, Inc.

FORCE MAJEURE
Any circumstance (including but not limited to an act of God, strike, lockout, blockage, embargo, governmental action or terrorist activity) which is beyond the control of the buyer or seller and precludes either party from making or taking delivery of product or precludes the Exchange from determining a final settlement as provided for in Exchange Rules.

FUTURES COMMISSION MERCHANT OR FCM
A futures commission merchant as defined under the provisions of the Commodity Exchange Act, as amended.

GLOBEX®
Globex refers to CME Globex, an electronic trading platform.

LESSEE
The term “Lessee” shall mean an individual who leases a Trading Permit from the owner thereof pursuant to the Rules.

LESSOR
The term “Lessor” shall mean an individual who leases a Trading Permit of which he is the owner.

NON-PERMIT HOLDER
Unless otherwise specified in the rules, any Person who is not a Permit Holder of the Exchange or any firm that is not represented by a duly qualified Permit Holder.

NOTICE
Except as otherwise specifically provided, a notice in writing emailed to or personally served upon the person to be notified, left at his usual place of business during business hours or mailed by U.S. First Class Mail, Certified Mail, Registered Mail or by overnight delivery to his last known place of business or residence.

PANELIST
An individual appointed to an Exchange committee who is entitled to participate in a decision on any matter under consideration by the committee or panel thereof.

PERSON
It shall include the singular or plural, and individuals, associations, partnerships, corporations and trusts.

PERMIT HOLDER
An individual who owns a Trading Permit on the Exchange in his own individual name or who leases a Trading Permit in accordance with the Rules and has been qualified for Permit Holder status in accordance with Rules and/or any partnership, corporation, limited liability company, sole proprietorship or other entity to which Exchange privileges have been conferred by a Permit Holder who is affiliated with such firm accordance with the Rules (also referred to as “Permit Holder firms”).

REGISTERED USER
Any person accessing the Electronic Trading System for purposes of trading Exchange contracts in accordance with the Rules.

RULES
The Certificate of Incorporation, By-Laws, rules, interpretations, orders, resolutions, advisories, notices, manuals and similar directives of the Exchange, and all amendments thereto. The trading and clearing of all Exchange contracts shall be subject to the Rules.

TRADING PERMIT
The right to Exchange privileges granted pursuant to the Rules.

CHAPTER 1
TRADING PERMITS

Privileges and Obligations

100.00 Personal Privilege.

Trading Permits are a personal privilege not subject to transfer or sale; provided Trading Permits may be subject to lease in accordance with the Rules.

100.01 Permit Holder Rights.

A Permit Holder is eligible to engage in activities as set out in the Rules.

100.02 Former Class B Members

Until the earlier of the death of the former Class B Member and the date on which the exchange no longer maintains open-outcry trading on the trading floor in Kansas City Missouri, Holders of Class B memberships in the Exchange as of November 30, 2014 ("Former Class B Members") will be provided admission to the trading floor without Exchange trading privileges subject to the provisions of these Rules. Access to the floor by Former Class B Members is a personal privilege not subject to transfer or sale.

101.00 Admission.

Permit Holders shall be entitled to admission to the rooms of the Exchange as long as they remain a Permit Holder, and no longer, and subject to the restrictions set forth in the Rules.

102.00 Responsibility Of Permit Holders.

Any Person who has been issued a Trading Permit shall become and be subject to all the provisions of the Rules and by continuing to utilize such Trading Permit, agrees to abide by and comply with the Rules.

102.01 Claims by Permit Holders.

A Permit Holder who commences a legal action against the Exchange, its directors, officers, employees, or agents, or another Permit Holder of the Exchange without first resorting to and exhausting the procedures established by the mandatory arbitration provisions of Chapter 16, or any other Rules relating to settlement of disputes arising out of transactions or matters pertaining to the Exchange shall be deemed to have committed an act detrimental to the interest or welfare of the Exchange. This Rule shall not abrogate an individual's right to reparations pursuant to Section 14 of the Commodity Exchange Act.

A Permit Holder who commences a legal action against the Exchange, its directors, officers, employees, or agents, after he has exhausted all of the procedures established by the Exchange, may be found to have committed an act detrimental to the interest or welfare of the Exchange in the event that at hearing the Board of the BCC determines that the Permit Holder's action was not meritorious or warranted.

103.00 Obligations Of Permit Holders.

Every Permit Holder of the Exchange shall promptly and faithfully comply with and fulfill all business obligations, whether with other Permit Holders or with other parties, and shall equitably and satisfactorily adjust and settle the same.

104.00 Firms Represented By Permit Holders.

All provisions of the Rules shall apply to firms and corporations represented by a Permit Holder in the Exchange, and each Permit Holder of the Exchange who is a Permit Holder of a partnership, or an officer, director, or stockholder of a corporation, shall be responsible for the acts, default, or misconduct of such firm or corporation the same as though committed by the Permit Holder. The Permit Holder shall be subject to the payment of such claims, fines, suspensions, expulsions, and penalties for the acts, default, or misconduct of the firm or corporation, as it would be for the Permit Holder's individual acts.

105.00 Term.

All Trading Permits shall expire and all rights attendant to such Trading Permits shall terminate upon the earlier of the death of the Permit Holder and November 30, 2014, or such later date as may be determined by the Board.

In the case of the death of a Permit Holder who is registered as representing a firm under Rule 110, the Trading Permit rights may be transferred to another partner or executive of the firm upon their approval under these Rules as a Permit Holder.

106.00 Qualifications.

Any person of good moral character, reputation and business integrity, and financial resources and credit, and of legal age, is eligible to become a Permit Holder in accordance with the Rules.

Representation

110.00 Permit Holder Privileges To Firms, Partnerships, and Corporations; Registration.

No firm, partnership, or corporation shall be permitted the privileges of trading accorded to Permit Holders of the Exchange unless one (1) of the general partners, or an executive officer of the corporation, has been approved as a Permit Holder in good standing and is registered as representing such firm's, partnership's, or corporation's activities on the Exchange, satisfactory to Exchange staff. Certification of the foregoing authority shall accompany the application of the executive officer applying for Permit Holder status and shall be deemed to be continuously in full force and effect until notice to the contrary has been duly filed with Exchange staff.

111.02 Not bona fide.

If any corporation, partnership or firm shall, upon investigation, be found not to be represented by a real, bona fide, and responsible executive officer, or if it shall be found as to any Permit Holder that the position of executive officer has been created by the corporation represented solely for the purpose of obtaining Exchange privileges for such corporation, such Permit Holder's right to use the name of the corporation as the principal on any trade or contract shall immediately cease.

112.00 Representation Registration.

Every Permit Holder shall register with Exchange staff the name of the person, partnership, corporation or firm such Permit Holder represents. Such representation shall not be changed to any other person, partnership, or corporation except upon application made to and with the approval of Exchange staff.

112.01 Permit Holder Representation – Qualified Categories.

Representations registered with the Exchange pursuant to Rule 112.00 are limited to the following qualified categories:

1. Individual – A Permit Holder may only register as representing themselves as an individual if such Permit Holder owns the Trading Permit or is a bona fide Lessee pursuant to Rule 199.00.

2. Owner – A Permit Holder may register as representing an entity if such Permit Holder has a significant bona fide ownership interest or controlling authority in the entity, satisfactory to Exchange staff.

3. Employee – A Permit Holder may register as representing an entity if such Permit Holder is a bona fide employee of the entity.

If any Permit Holder shall, upon investigation, be found not to be a bona fide owner or employee of the entity such Permit Holder is registered with the Exchange as representing, such Permit Holder's rights and privileges as a Permit Holder shall immediately cease.

114.00 May Not Represent Two Firms.

No Permit Holder may represent more than one (1) partnership, corporation or firm for the purpose of giving more than one entity Permit Holder privileges.
Limitations.

120.00 [Reserved]

122.00 Change In Status; Unapproved Partners Or Corporations.

Whenever it shall appear that any Permit Holder has formed a partnership with one (1) or more persons who are not Permit Holders, or has become an officer of a corporation that was not previously represented by Permit Holder, and that thereby the interest and good repute of the Exchange may suffer, the Business Conduct Committee may, after an investigation of the facts in the case, require the Permit Holder to withdraw from such partnership or corporation, and if the Permit Holder fails to do so within a reasonable time to be fixed by the Business Conduct Committee, such Permit Holder shall be suspended from all privileges of the Exchange until the Permit Holder shall have severed their connection with such partnership or corporation.

Approval for Permit Holder

130.00 Approval Procedure.

An applicant may be approved by Exchange staff as a Permit Holder after notice of such application has been posted on the bulletin board of the Exchange, and after submitting, if requested, to a personal examination, as to such applicant's personal, moral, and financial responsibility. An applicant not approved for Permit Holder status by Exchange staff shall be referred to a subpanel of the Permit Holder Committee for approval. The subpanel shall consist of at least two committee members and a chairman, who shall have a vote. A unanimous vote of the subpanel is required for approval of the applicant. An applicant not approved by the subpanel shall be afforded the opportunity to appear with counsel before the full Permit Holder Committee for review. The Permit Holder Committee shall decide, by majority vote, whether the applicant is qualified to be a Permit Holder. The decision of the Permit Holder Committee shall be final. An applicant rejected by the Permit Holder Committee may be reconsidered for Permit Holder status if new or additional information is subsequently brought to the attention of the Permit Holder Committee. A Trading Permit application not approved is an "access denial" subject to CFTC review, and the notice provisions of Chapter 14 apply thereto.

131.00 [Reserved].

132.00 Misrepresentation By Applicant.

If any applicant shall intentionally or willfully misstate or suppress any material fact or be guilty of any other fraudulent or dishonest act to secure approval as a Permit Holder, and thereafter and thereby becomes a Permit Holder, such fact shall be immediately reported to Exchange staff for investigation. Such matters shall be handled as a Rule violation.

140.06 Application for Permit Holder Status — Failure to Obtain Permit Holder Status.

A Lessee, if he does not already have Permit Holder status, shall apply for Permit Holder status within five (5) business days after obtaining the lease for the Trading Permit. The Lessee shall properly complete an application for Permit Holder status and file the same with Exchange staff. If the applicant is denied Permit Holder status, or if for any reason his application is withdrawn, the Exchange shall retain the transfer fee and the Trading Permit lease will be cancelled and the Trading Permit reinstated to the Lessor.

187.00 Expulsion Or Ineligibility For Reinstatement.

When a Permit Holder is expelled or becomes ineligible for reinstatement, the Permit Holder shall be deemed to have surrendered his Trading Permit, and all rights, privileges, if any, pertaining thereto and resulting therefrom, and all privileges, if any, in said Trading Permit shall be thereby terminated.

REINSTATEMENT

192.00 Application For Reinstatement.

When a Permit Holder has been suspended under the Rules, such Permit Holder shall not be readmitted to the privileges of the Exchange until all outstanding claims with all of such Permit Holder's creditors, including all obligations owed the Exchange, have been adjusted and satisfactorily settled. All such applications for reinstatement shall be made in writing and shall include a list of such Permit Holder's creditors, a statement of the amounts originally owing, and the nature of the settlement in each case.

All such applications shall be filed with Exchange staff, who shall timely post notice thereof on the bulletin board. If the applicant furnishes satisfactory proof of settlement with all creditors and if no objections to reinstatement are made, the application may be approved by Exchange staff pursuant to Rule 130.

199.00 Trading Permit Lease.

The rights and privileges of a Trading Permit may be leased to an individual (a "Lessee") upon the following terms and conditions:

a. The Lessee shall be approved by Exchange staff or the Permit Holder Committee under the standards of Rule 106.00, and shall sign a written agreement to observe and be bound by the Rules, and all amendments subsequently made thereto.

b. The lease agreement, any amendment thereto, and any termination, revocation, or renewal thereof, shall be in writing in such form as the Exchange may prescribe, and a copy thereof shall be filed by the Permit Holder with the Exchange as a pre-condition to its effectiveness: provided, however, the lease agreement shall be automatically null and void upon the happening of any of the following events:

(1) Loss of any of the qualifications for entering into a lease agreement, such as expulsion of the Lessor or the Lessee; or

(2) Bankruptcy of the Lessee.

c. Floor Access of Lessor Permit Holders — A Lessor shall not have physical access to the floor of the Exchange during the effective period of such lease.

d. Rights of Owner After Lease— Notwithstanding other provisions of this rule, a Lessor shall continue to have all of the obligations as provided in Rules, but during the time of such lease, the rights and privileges of the Lessor:

(1) The Lessor shall not have physical access to the floor of the Exchange, during the effective period of such lease except that said Lessor may nonetheless thereafter enter on the trading floor, but only under one of three conditions:

(a) As a visitor subject to the usual rules and restrictions for a visitor, including the prohibition on visitors conducting business, or

(b) As a floor clerk, if properly registered, subject to the usual rules and restrictions for a floor clerk, or

(c) If such person is fully retired, and no longer active in business, and has been issued a card in recognition thereof.

(2) Notwithstanding other provisions of this paragraph (d) and subparagraphs thereof, a Lessor may have all Exchange rights and privileges associated with ownership of another Trading Permit owned by such Lessor and may have such Exchange privileges attendant to another Trading Permit owned by someone else such as a corporation or partnership leased to such person as an officer, employee or partner of such corporation or partnership, provided there has been a separate application, full disclosure, and approval by Exchange staff.

e. Minimum Lease Term — No lease agreement shall have a term of less than three (3) months.

f. Maximum Lease Term — No lease agreement shall have a term beyond November 30, 2014; however, all lease agreements are subject to any subsequent rule amendments adopted after execution of said agreement.

g. Applications for Lease — Notwithstanding any other Rules, each applicant for Permit Holder status must demonstrate a positive personal net worth and positive personal net liquid assets in order to qualify for approval.

h. Financial Standards — Lessees must meet the same financial standards as do Permit Holders, or secure the same type of guarantee in lieu thereof

i. A firm or corporation may delegate a Trading Permit that it owns with attendant Trading Permit rights and privileges.

CHAPTER 2
GOVERNMENT

Rules 200-229. [RESERVED]

Rule 230. GENERAL

The Board shall, subject to applicable provisions in the Certificate of Incorporation and By-laws:

a. Be the governing body of the Exchange;

b. Have charge and control of all property of the Exchange;

c. Provide, acquire and maintain suitable Exchange quarters and facilities;

d. [Reserved];

e. [Reserved];

f. Designate and authorize specific appointed officers to act on behalf of the Board to execute contracts within specified budgetary limits;

g. Fix, determine and levy all fees and assessments when necessary;

h. Act in a judicial capacity in the conduct of hearings with respect to any charges proffered against Permit Holders and, after such hearings, determine what disciplinary action, if any, should be taken by the Exchange with respect to those charges;

i. Determine the commodities traded, the delivery months, hours of trading, the days of the contract month on which delivery may be made, and performance bond requirements;

j. Make and amend the Rules; provided, the Board has also delegated such authority to make and amend the Rules to the Executive Chairman of the Board and Chief Executive Officer acting together; and

k. Have power to act in emergencies. In the event that the Board or a hearing panel of the Board determines that an emergency situation exists in which the free and orderly market in a commodity is likely to be disrupted, or the financial integrity of the Exchange is threatened, or the normal functioning of the Exchange has been or is likely to be disrupted, it may take such action as may in the Board's sole discretion appears necessary to prevent, correct or alleviate the emergency condition. Board members who abstain from voting on a Significant Action as defined in Rule 234 shall not be counted in determining whether such action was approved by a majority vote, but such members can be counted for the purpose of determining whether a quorum exists. Without limiting the foregoing, the Board may: (1) suspend, curtail or terminate trading in any or all contracts, (2) limit trading to liquidation of contracts only, (3) order liquidation or transfer of all or a portion of a member's proprietary and/or customers' accounts, (4) order liquidation of positions of which the holder is unable or unwilling to make or take delivery, (5) confine trading to a specific price range, (6) modify the trading days or hours, (7) alter conditions of delivery, (8) fix the settlement price at which contracts are to be liquidated, and (9) require additional performance bonds to be deposited with the Clearing House. All Exchange contracts shall be subject to the Board's emergency powers and the specifications of each shall be deemed subject to this rule.

Any authority or discretion by these rules vested in the Executive Chairman & President, Chief Executive Officer, or other officer or delegated to any committee shall not be construed to deprive the Board of such authority or discretion and in the event of a conflict, the determination of the matter by the Board shall prevail.

Rule 231. [RESERVED]

Rule 232. EXCHANGE FACILITIES

The Exchange shall provide trading facilities which shall be open for trading on such days and at such hours as the Exchange shall determine, except during emergency situations as provided by the Rules.

Rule 233. [RESERVED]
Rule 234. AVOIDING CONFLICTS OF INTEREST

234. A. Definitions

For purposes of this rule:

1. "Significant Action" means (a) an Exchange action or Rule change which addresses an "emergency" as defined in CFTC Regulation 40.1(h); or (b) any change in Exchange performance bond levels that is designed to respond to extraordinary market conditions such as an actual or attempted corner, squeeze, congestion or undue concentration of positions, or that otherwise is likely to have a substantial effect on prices in any contract traded or cleared at the Exchange.

2. "Committee" means the Board or any Person that is authorized to take a Significant Action.

3. "Member's Affiliated Firm" means a firm in which the Permit Holder is a "principal," as defined in CFTC Regulation 3.1(a), or an employee.

234.B. Review of Position Information

1. Prior to the consideration of any Significant Action, each member of the Committee must disclose to the appropriate Exchange staff the following position information to the extent known to him:

    a. Gross positions held at the Exchange in the member's personal accounts or "controlled accounts," as defined in CFTC Regulation 1.3(j);

    b. Gross positions held at the Exchange in proprietary accounts of the Member's Affiliated Firm;

    c. Gross positions held at the Exchange in accounts in which the member is a principal;

    d. Net positions held at the Exchange in customer accounts at the Member's Affiliated Firm; and

    e. Any other types of positions, at the Exchange or elsewhere, held in the member's personal accounts or the proprietary accounts of the Member's Affiliated Firm that could reasonably be expected to be affected by the Significant Action.

2. Exchange staff will independently determine what positions are held in each of the above categories based on a review of the most recent large trader reports and clearing records available to the Exchange and any other source of information that is held by and reasonably available to the Exchange, taking into consideration the exigency of the Significant Action.

3. The requirements of sections B.1. and B.2. apply only to members who participate in either the deliberations or voting on the Significant Action in question.

234.C. Determination Whether Abstention Required

1. A member of a Committee must abstain from both the deliberations and voting by such Committee on any Significant Action if the member knowingly has a direct and substantial financial interest in the result of the vote based upon either Exchange or non-Exchange positions that could reasonably be expected to be affected by the action or is otherwise conflicted based on existing Exchange policy. Exchange staff will independently require a member of a Committee to abstain from both the deliberations and voting by such Committee on any Significant Action if, based upon the information reviewed in sections B.1. and B.2. above, Exchange staff determines that the member has a direct and substantial financial interest in the result of the vote.

2. The Exchange will prepare written records to document that the conflicts determination procedures required by this rule have been followed. Such records will include (a) the names of all members who attended the meeting in person or who otherwise were present by electronic means; (b) the name of any member who voluntarily recused himself or was required to abstain from both the deliberations and voting on a matter and the reason for the recusal or abstention, if stated; and (c) information on the position information that was reviewed for each member.

Rules 235-248. [RESERVED]

249.00 Market Reports Committee.

There shall be appointed each year by the Chairman, with the approval of the Board of Directors, a standing committee of seven (7) members to be known as the Market Reports Committee, whose duty it shall be to place upon the board at the close of the market each day, cash prices of the different varieties of grain, as evidenced by actual purchases and sales.

Rules 250-255. [RESERVED]

Rule 256. INDEMNIFICATION OF CERTAIN PERSONS

The Exchange shall indemnify its directors, officers, committee members, employees, and other persons as specified in Article VIII of the Exchange's Bylaws.

Rule 257. EXCHANGE PHYSICAL EMERGENCIES

In the event that the functions of the Exchange are, or are threatened to be, severely and adversely affected by a physical emergency such as fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns, computer system breakdowns, screen-based trading system breakdowns, malfunctions of plumbing, heating, ventilation, and air conditioning systems or transportation breakdowns, the Executive Chairman & President, Chief Executive Officer or Chief Operating Officer or their delegate may take any action necessary to deal with the emergency, including but not limited to, a suspension of trading. In the absence of the aforementioned Exchange officers or delegates, any member of the Executive Committee may act instead of the Executive Chairman & President, Chief Executive Officer or Chief Operating Officer.

Upon a determination by the Executive Chairman & President, Chief Executive Officer or Chief Operating Officer or their delegate that the physical emergency has sufficiently abated to permit the orderly functioning of the Exchange, that officer shall order restoration of trading or the removal of other restrictions imposed.

The Exchange shall notify the CFTC of the implementation, modification or termination of a physical emergency action as soon as possible after taking the action.

Nothing in this rule shall in any way limit the authority of the Board to act in an emergency situation pursuant to Rule 230.k.

Rule 258. DISCLOSURE AND TRADING BY EMPLOYEES

a. An employee of the Exchange shall not disclose to a non-employee of the Exchange any material, non-public information which such employee obtains as a result of his employment at the Exchange if such employee has or should have a reasonable expectation that such information could assist another person in trading any commodity interest; provided, however, that this provision does not prohibit disclosures made in the course of an employee's duties or to another self-regulatory organization, court of competent jurisdiction, or person who the employee reasonably believes to be a representative of a governmental agency acting in his official capacity.

b. An employee of the Exchange shall not trade, directly or indirectly any commodity interest, without regard to where a commodity interest is cleared.

Rule 259. Trading Floor.

The Board shall, on all business days, cause the facilities to be opened for the admission of Permit Holders and former Class B Members during the hours set apart for business therein. The Board shall have power to make all needful rules and regulations in regard to such facilities and to enforce the same by the necessary penalties and discipline.

Rule 260. SUMMARY ACCESS DENIAL ACTIONS

260.A. Authority to Deny Access

The Chief Regulatory Officer or his delegate, upon a good faith determination that there are substantial reasons to believe that such immediate action is necessary to protect the best interests of the Exchange, may order that Permit Holders be: 1) denied access to any or all Exchange markets; 2) denied access to the Globex platform; 3) denied access to any other electronic trading or clearing platform owned or controlled by CME Group; or (4) immediately removed from any trading floor owned or controlled by the Exchange.

Non-Permit Holders may be denied access to any or all Exchange markets or be denied access to the Globex platform or any other electronic trading or clearing platform owned or controlled by CME Group by the Chief Regulatory Officer or his delegate upon a good faith determination that there are substantial reasons to believe that such immediate action is necessary to protect the best interests of the Exchange.

260.B. Notice

Promptly after an action is taken pursuant to Rule 260.A., the party shall be informed of the action taken, the reasons for the action, and the effective date, time and the duration of the action taken ("Notice"). The party shall be advised of his right to a hearing before the Business Conduct Committee by filing notice of intent with Exchange staff within ten (10) business days of the Notice date.

260.C. Hearing

Permit Holders shall have the right to representation, at their own cost, by legal counsel or anyone other than a Permit Holder of any Exchange disciplinary committee, a Permit Holder of the Board, an employee of CME Group or a person related to the investigation. The Panel shall conduct a de novo hearing solely on the issue of the denial of access in accordance with procedures set forth by the Board for hearings before the Business Conduct Committee. Filing of a notice of intent pursuant to Rule 260.B. shall not stay the Chief Regulatory Officer's decision to deny access.

260.D. Duration of Access Denial

Any decision to deny access pursuant to Rule 260.A. or Rule 260.C. shall not remain in effect for more than 60 days unless the Chief Regulatory Officer or his delegate, upon further consideration of the circumstances that resulted in a prior access denial action, provides written Notice to the party that his access will be denied for an additional period of time not to exceed 60 days and the Notice comports with the provisions of Rule 260.B. Any subsequent extension of the access denial pursuant to this Rule must be mutually agreed to by the party and the Chief Regulatory Officer or his delegate. In the absence of such mutual agreement, Exchange staff may petition the Business Conduct Committee to take emergency action pursuant to Rule 301.01. At any time, a Permit Holder may petition the Business Conduct Committee to reconsider an access denial pursuant to this Rule based upon materially changed circumstances.

CHAPTER 3
COMMITTEES

Rule 300. COMMITTEES

300.A. General Provisions

The Board shall establish from time to time Board level committees and non-Board level committees necessary to conduct the business of the Exchange.

Every committee of the Exchange must have a chairman or co-chairmen. For purposes of these Rules, each co-chairman shall have the powers and duties of a chairman if acting in the capacity of a chairman.

The chairman or co-chairmen may either be members of the Board, if required by the Rules or applicable committee charter, Permit Holders or employees of Permit Holder firms, or non-Permit Holders. The Chairman of the Board may appoint vice-chairmen or alternate chairmen to each committee. All meetings shall be called upon request of the chairman of the committee. In the absence of the chairman or a co-chairman, the function of that office shall be performed by a vice-chairman or an alternate chairman and may be performed by the Chairman of the Board.

Meetings shall be conducted according to established procedures of the Exchange, the By-Laws or committee charter, as applicable. In the absence of established procedures, or in the case of a dispute, Robert's Rules of Order may be consulted as a guide. Voting by proxy at committee meetings shall not be permitted.

300.B. Board Level Committees

The duties of Board level committees are to establish plans for the strategic direction of the Exchange, develop regulatory policy, advise and assist the Board and perform the specific duties assigned to them elsewhere in these Rules and/or in their charters. The Board may refer to a committee any matter within the committee's jurisdiction, and it shall be the duty of the committee to meet, consider the matter and make a complete report to the Board.

A quorum of a Board level committee shall consist of a majority of the members of the committee. All members of a Board level committee shall be entitled to vote, unless otherwise provided in these Rules.

300.C. Non-Board Level Committees

The duties of non-Board level committees are to review investigation reports prepared by Exchange staff, conduct hearings and/or advise and assist the Board and perform the specific duties assigned to them elsewhere in these Rules, in their charters or by the Board. The Board may refer to a committee any matter within the committee’s jurisdiction and it shall be the duty of the committee to meet, consider the matter and make a complete report to the Board.

The Board may appoint market participants, Permit Holders or employees of Permit Holder firms and non-Permit Holders to all non-Board level committees to serve at the Board’s discretion or until new committees are appointed. The Board may at any time remove any member of a committee, with or without cause, and all vacancies shall be filled as in the case of an original appointment.

Unless otherwise provided in the Rules, a quorum of a non-Board level committee shall consist of a majority of the members of a committee or a committee panel, excluding the vice-chairman, if any. The chairman of a non-Board level committee, or another individual acting in the capacity of the chairman, may vote only to make or break a tie vote unless otherwise provided in the Rules. No more than one member of a single broker association may serve on a panel of an adjudicatory committee.

300.D. Disqualification from Certain Committees and Governing Boards

No person shall serve on the Board or any Board level committee; the Clearing House Risk Committee; the Emergency Financial Committee, the Business Conduct Committee; the Complaint Committee; any Pit Committee; or the Arbitration Committee

1) who is found by a final decision or settlement agreement (or absent a finding in the settlement agreement if any acts charged included a disciplinary offense) to have committed a disciplinary offense, as defined in Section E. below; or

2) whose CFTC registration in any capacity has been revoked or suspended; or

3) who is subject to an agreement with the CFTC or any self-regulatory organization not to apply for registration or trading privileges; or

4) who is subject to a denial, suspension or disqualification from serving on a disciplinary committee, oversight committee, arbitration panel or governing board of any self- regulatory organization as that term is defined in Section 3(a)(26) of the Securities Exchange Act of 1934; or

5) who has been convicted of any felony listed in Section 8a(2)(D)(ii) through (iv) of the Commodity Exchange Act

for a period of three (3) years from the date of such final decision or for such a time as the person remains subject to any suspension, expulsion or has failed to pay any portion of a fine imposed for committing a disciplinary offense, whichever is longer.

300.E. Disciplinary Offenses Defined

"Disciplinary offense" is defined as a:

1) Violation of any Exchange rule or the rules of a self-regulatory organization (as defined in CFTC Regulation 1.63(a)(1)), except those violations that are related to (a) decorum or attire, (b) financial requirements, or (c) reporting or recordkeeping violations which receive cumulative fines of $5,000 or less within any calendar year;

2) Notwithstanding paragraph (1) above, a “disciplinary offense” shall include a violation of any Rule or rule of another self-regulatory organization which: (a) involves fraud, deceit or conversion; or (b) results in an access denial, suspension or expulsion;

3) Violation of the Commodity Exchange Act or CFTC regulations; or

4) Failure to exercise supervisory responsibility in violation of the Rules, the rules of other self-regulatory organizations, the Commodity Exchange Act or CFTC regulations with respect to activities that involved fraud, deceit or conversion.

A Person who serves on any of the committees listed in Rule 300.D. shall inform the Exchange if he is currently ineligible, and shall immediately inform the Exchange if he later becomes ineligible, to serve on such committees under the standards set forth above with respect to disciplinary offenses. Violation of this rule shall be an act detrimental to the interest or welfare of the Exchange.

300.F. Use or Disclosure of Material, Non-Public Information

No member of any committee shall use or disclose, for any purpose other than the performance of such person’s official duties as a member of a committee, any material non-public information obtained by such person as a result of such person’s participation on any such committee; provided, however, that if any such person who effects any transactions after having received any such material, non-public information so obtained can show that such transaction was effected in the ordinary course of such person’s business, such person shall not be deemed to have used such information in violation of this rule, unless it can be shown that such person would not have effected such transaction in the absence of such information. For the purposes of this rule, the terms “material” and “non-public information” shall have the meaning set forth in CFTC Regulation 1.59(a).

Rule 301. The Business Conduct Committee

The Business Conduct Committee (sometimes referred to herein as “BCC”) shall be appointed by the Board and consist of (a) Permit Holders, and (b) public directors or persons who would qualify as a public director under Core Principle 15 for Designated Contract Markets.

Whenever the BCC is convened under these Rules, it shall do so through a panel of its participants. A panel of the BCC shall consist of the following: four (4) Permit Holders; and either a public director or someone who would qualify as a public director under Core Principle 15 for Designated Contract Markets. One of the panelists shall be appointed the chairman by the Chairman of the Exchange. The BCC shall consist of Panelists who possess sufficiently diverse interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the BCC's responsibilities. In order that BCC business can be handled, a quorum

shall be three (3) Panelists, at least one of whom shall be either a public director or someone who would qualify as a public director under Core Principle 15 for Designated Contract Markets. Should any member of the BCC be unable to serve on a particular matter and a quorum cannot be reached as a result, the Board shall appoint a substitute. Should an appointed member of the BCC resign or become permanently unable to serve, the Board shall appoint a replacement.

301.01 Emergency Actions

The BCC is authorized to determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:

1. Any actual, attempted, or threatened market manipulation;

2. Any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions;

3. Any action taken by the United States or any foreign government or any state or local government body, any other contract market, board of trade, or any other exchange or trade association (foreign or domestic), which may have a direct impact on trading on the Exchange;

4. The actual or threatened bankruptcy or insolvency of any Member or the imposition of any injunction or other restraint by any government agency, self- regulatory organization, court or arbitrator upon a Member which may affect the ability of that Member to perform on its contracts;

5. Any circumstance in which it appears that a Member or any other person or entity has failed to perform contracts or is in such financial or operational condition or is conducting business in such a manner that such person or entity cannot be permitted to continue in business without jeopardizing the safety of customer funds, Members, or the Exchange; and/or

6. Any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange.

In the event that the BCC determines, in the good faith exercise of its sole discretion, that an emergency exists, it may take any of the following emergency actions or any other action that may be appropriate to respond to the emergency:

1. Suspend, curtail or terminate trading in any and all contracts;

2. Limit or deny access to any CME Group trading or clearing platform or trading floor owned or controlled by CME Group;

3. Limit trading to liquidation of contracts only;

4. Impose or modify position limits and/or order liquidation of all or a portion of a Member or non-Member's account;

5. Order liquidation or transfer of positions as to which the holder is unable or unwilling to make or take delivery;

6. Confine trading to a specific price range;

7. Modify price limits;

8. Modify the trading days or hours;

9. Modify conditions of delivery;

10. Establish the settlement price at which contracts are to be liquidated;

11. Require additional performance bond to be deposited with the Clearing House; and/or
12. Order any other action or undertaking to address or relieve the emergency.

In accordance with the provisions of Chapter 14, all actions taken pursuant to this subsection shall be by a majority vote of the panel of the BCC members present. Exchange staff shall give appropriate notice of such

action. As soon as practicable, the Board and the CFTC shall be notified of the emergency action in accordance with CFTC regulations. Nothing in this section shall in any way limit the authority of the Board, other committees, or other appropriate officials to act in an emergency situation as defined by these Rules.

Rule 302. Complaint Committee

There shall be appointed by the Board, a standing Complaint Committee. The Complaint Committee shall consist of five (5) Panelists who possess sufficiently diverse interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Complaint Committee's responsibilities. One (1) of the five (5) Panelists of the Complaint Committee shall be either a public director or someone who would qualify as a public director under Core Principle 15 for Designated Contract Markets. The other four (4) Panelists shall be Permit Holders.

The Complaint Committee shall review Exchange staff reports of investigations into possible rule violations, to see if formal disciplinary proceedings appear necessary, and if so, approve and issue the notice of charges.

In order that the business of the Complaint Committee can be handled, a quorum shall be three (3) Panelists, at least one (1) of whom shall be either a public director or someone who would qualify as a public director under Core Principle 15 for Designated Contract Markets. Should any member of the Complaint Committee be unable to serve on a particular matter and a quorum cannot be reached as a result, the Board shall appoint a substitute. Should an appointed member of the Complaint Committee resign or become permanently unable to serve, the Board shall appoint a replacement.

Rule 303. Arbitration Committee

The Arbitration Committee shall consist of ten (10) participants who shall be Permit Holders, and they shall be appointed by the Board and serve at its discretion or until a new Arbitration Committee is appointed. In order that the business of the Arbitration Committee can be handled, a quorum shall be three (3) panelists. Should any member of the Arbitration Committee be unable to serve on a particular matter and a quorum cannot be reached as a result, the Board shall appoint a substitute. Should an appointed member of the Arbitration Committee resign or become permanently unable to serve, the Board shall appoint a replacement.

Rule 304. Pit Committee

There shall be a Pit Committee for each trading pit that exists on the trading floor. Each Pit Committee shall consist of five (5) Panelists who shall be Permit Holders, and they shall be appointed by the Board and serve at its discretion or until a new Pit Committee is appointed. Should any member of the Pit Committee be unable to serve on a particular matter and a quorum cannot be reached as a result, the Board shall appoint a substitute. A quorum shall be established where a majority of the Pit Committee panelists are present whenever the Pit Committee convenes pursuant to the Rules. Should an appointed member of the Pit Committee resign or become permanently unable to serve, the Board shall appoint a replacement.

A Pit Committee member shall not exercise his authority if he or any person, firm, or entity with which he is affiliated has a personal, financial, or other direct interest in the matter under consideration. A Pit Committee member shall be deemed to have a financial interest if the decision is likely to have an immediate financial impact on a transaction for his account or an account in which he has an interest or if the decision is likely to impact on liability for filling an order for which he or a person with whom he has a financial or business relationship was responsible.

CHAPTER 4
ADMISSION TO BOARD OF TRADE FLOOR

400.00 Permit Holders

Permit Holders shall be entitled to admission to the facilities of the Exchange as long as they remain a Permit Holder, and no longer.

400.01 Identification.

In order to have adequate identification of floor trading personnel and floor traders and uniform information regarding trades executed every Permit Holder is required to wear an identification badge approved by the Exchange in a prominent position and in proper fashion to be admitted to the trading floor. The badge must be worn at all times while on the trading floor. Failure to wear a badge shall be considered an act detrimental to the welfare of the Exchange. The Visitor Cards are non-transferable and must be renewed every six (6) months.

Note: All personnel on the floor should wear some identifying badge except:

a. Tradesmen servicing equipment;
b. Regular messengers who are in and out quickly; and
c. Regular Exchange staff.

401.00 Former Permit Holders.

Exchange staff is authorized and directed to issue Permanent Visitor Cards to former Permit Holders of the Exchange no longer active in business, which shall entitle such visitors to access to the trading floor; provided, however, that the holders shall observe the usual rules of decorum, shall not transact any business on the trading floor; and provided further, that such cards may be canceled if the holder shall thereafter engage in the grain or futures business.

402.00 Non-Permit Holders.

Besides Permit Holders and Former Class B Members pursuant to Rule 100.02, no Person shall be admitted to the trading floor of the Exchange during business hours, except those granted complimentary admission by Exchange staff, visitors introduced by Permit Holders in good standing, or Exchange officers, employees, messengers, and service personnel. No Person, unless a Permit Holder, shall transact any business with any visitor.

402.01 Non-Permit Holders; When May Enter Trading Floor.

Non-Permit Holders and employees of firms not represented by Permit Holders may not be admitted to the trading floor. Such persons may observe from the third (3rd) floor visitors' gallery.

402.02 Non-Permit Holder Employees.

Non-Permit Holder employees of firms represented by a Permit Holder firm may only enter the trading floor through the center doors, must remain behind the counter, and may only engage in business communications with Permit Holders representing their employer.

402.03 Messengers.

Permit Holders who regularly engage in business on the trading floor, may register one (1) or more persons with Exchange staff as "Messengers", for a fee of $25 a year or part of a year. (Fees are payable in advance and are nonrefundable.) Persons so registered may enter the trading floor only to communicate, deliver, or pick up messages, and to deliver or pick up samples, all with Permit Holders of the same firm. They may not conduct any business while on the floor. Only one (1) Messenger per firm may be on the floor at one time. Messengers shall not remain longer than necessary to complete their business. Permit Holders or firms are responsible for Messengers' actions while on the floor. Messengers may be registered at any time; however, they must re-register January 1 of each year

402.04 Floor Clerks.

Permit Holders who personally and regularly engage in futures transactions on the trading floor may register

with Exchange staff one (1) or more persons to assist them as "Floor Clerks". Two (2) clerks per Permit Holder may be on the floor at a time. A fee of $125 per quarter and per clerk on the floor shall be assessed. (The fee for Floor Clerks registered in mid-quarter shall be $10 for each calendar week left in the quarter or $20 if there are to be two (2) on the floor.) The Floor Committee and Exchange Staff shall ascertain that there is regular active supervision of Floor Clerks by a Permit Holder on the floor. They shall wear an appropriate badge for identification. They may be registered at any time; however, they must re-register January 1 of each year.

402.05 Floor Clerk; Conditions To Admission.

Floor Clerks registered with the Exchange shall be subject to the following conditions:

a. Floor Clerks must remain by their telephones or work stations, except that they may enter the trading pit to give orders, collect fills, and otherwise communicate with brokers to whom their firm is currently giving orders; and they may check with other Permit Holders regarding clearing authorization and other clarification of orders.

b. Floor Clerks may accept orders from any Permit Holder on the floor for execution on this or other markets.

c. Floor Clerks may communicate by phone with their employers and with non-Permit Holders, so long as they do not solicit business.

d. Floor Clerks are subject to all applicable Rules such as decorum, etc.

e. Floor Clerks may not take or place calls in the Exchange telephone booths.

f. Floor Clerks shall be within the jurisdiction of the committees discussed in Chapter 3 of these Rules, including the Pit Committee, Business Conduct Committee, Complaint Committee, and the Board. Floor Clerks are subject to the same disciplinary procedures as Permit Holders. g. Floor Clerks may perform only such services and other clerical, telephone and informational duties as are described in this Rule 402.05.

h. Floor Clerks shall not have any interest whatsoever in a commodity futures or commodity options account which contains positions in contracts traded at the Exchange. In particular, Floor Clerks cannot trade in any commodity futures or commodity options account in this Exchange or any other exchange, while on the trading floor.

402.06 Floor Clerk Trainees.

A Floor Clerk trainee may be permitted on the floor for a five (5) day period upon giving written notice to Exchange staff, provided only one (1) trainee per firm is on the floor at a time, and the privilege is not abused.

402.07 Employee Trainees.

Firms represented by a Permit Holder may, by registering such employees with Exchange staff, have one (1) trainee on the floor at a time for a period of up to four (4) weeks per trainee, so long as the privilege is not abused. Such persons may not conduct any business on the floor, and the employer firm is responsible for their actions while on the floor.

402.08 Enforcement.

Exchange staff are authorized and instructed to enforce the provisions of Rules 402.00 through 402.07.

403.00 Complimentary Admission.

Persons granted complimentary admission shall be entitled to admission for such time as may be approved by Exchange staff. Visitors introduced by Permit Holders shall be entitled to admission upon such terms and for such length of time as Exchange staff may from time to time determine, and the introducing Permit Holder shall be responsible for the visitor(s) admitted.

403.01 Duration Of Visitor Card; Conditions.

Non-Permit Holders may be admitted to the trading floor by a Permit Holder upon issuance of a visitor card, good for five (5) days in a thirty (30) day period. Visitors may not conduct any business on the floor, must observe rules on decorum, and must not get in the way of Permit Holders' activities.

403.02 Visitor Access; Minimum Age.

There shall be no admittance to the trading floor for persons under sixteen (16) years of age without the prior written consent of Exchange staff. Persons granted special permission by Exchange staff must, while on the trading floor, at all times be closely supervised by the Permit Holder or officer registering such person pursuant to Rule 405.00.

405.00 Visitor Registration.

The names of all visitors introduced by Permit Holders in good standing or an Exchange officer shall be on their visitor's identification badge and registered in a book kept for that purpose, which shall bear the date of such registration, the address of the visitor, and the name of the introducing person.

406.00 No Reports To Be Removed.

No person admitted to the facilities of the Exchange shall copy or carry away from such areas any market quotations, reports, or other information posted therein for use in any other place.

407.00 Observance Of Rules.

All persons admitted to the Exchange rooms shall observe the Rules. In the event of any infraction thereof, such person shall, on the order of Exchange staff, be denied further admission for such time as may be named in such order.

408.00 Decorum.

All Permit Holders, Floor Clerks, messengers, visitors and other persons admitted to Exchange facilities shall observe proper business decorum. Disorderly conduct, sexual harassment, physical violence, the use of profane or obscene language, the commission of any offenses as listed in Rules 408.01 and 408.02, or the violation of any Rule which relates to Exchange floor decorum is a decorum offense. Permit Holders are responsible for the conduct of their Floor Clerks, trainees, messengers and visitors. The penalty for any such offense (except for sexual harassment and physical violence, which are covered under Rule 408.03) may be a warning, a fine not to exceed $500, or a temporary expulsion or suspension from the Exchange facilities.

408.01 Dress Code.

It is essential that a measure of presentability be maintained and a serious, business atmosphere be presented to the many visitors and spectators that witness our daily activities.

In keeping with this, Permit Holders shall be responsible for adherence of their employees to this directive. This includes Permit Holders, Permit Holders' employees, and employees of the Exchange. The following attire shall be mandatory at all times (not only during trading hours) on the Exchange floor:

1. Conventional, businesslike attire shall be worn.

2. Permit Holders shall wear a business jacket (trading jacket) or suit.

3. Employees of Permit Holders shall wear a jacket as prescribed by the Exchange (i.e., sleeves not rolled up past the elbow).

4. All men must wear a shirt with a collar. Shirttails shall be tucked in. If a necktie or bowtie is worn, it shall be worn in a conventional manner, tied above the second button.

5. Men must wear socks. Gym shoes may be worn if they are clean and presentable.

6. Every Permit Holder, employees of Permit Holders, and Exchange floor staff must wear an identification badge, as approved by staff of the Exchange. The badge must be worn in plain view, on the upper front of each jacket or shirt.

7. Personal attire shall be neat, clean and presentable.

The following attire is not acceptable on the Trading Floor.

1. Denim jean pants, jean jumpsuits, bib overalls, painter pants, harem pants, jungle pants, walking shorts, tie-dies, sweat pants, culottes, and all pants that are dirty, frayed, torn, badly wrinkled or otherwise inappropriate.

2. Attire which exposes the body (chest, back, midriff, thighs) that draws excessive attention or detracts from a businesslike atmosphere (i.e., bare midriffs, revealing dresses, hot pants, miniskirts, shorts, tube tops, T-shirts bearing messages, pictures, slogans, sweatshirts, etc.). All clothing that is dirty, faded, torn, frayed, badly wrinkled, too short, or appropriate for manual labor.

3. Footwear with extremely high heels, high platform shores, thongs, and bedroom slippers.

4. Head-scarves, hats, or similar head coverings.

5. Attire of a general unkempt or ungroomed appearance that does not lend itself to the business atmosphere of a financial institution.

Any Permit Holder, Permit Holder employee, or employee of the Exchange will not be allowed on the Trading Floor if he or she does not meet the requirements of this directive.

408.02 Offensive Conduct.

The following enumeration shall constitute offensive conduct subject to the provisions of Rule 408.00. Visitors shall abide by the same code of conduct as Permit Holders, and in the event of an offense by a visitor, such person shall be immediately expelled from the trading floor and visitation privileges withheld from such visitor for such time as provided in these Rules.

Floor rules apply at all times. The following are prohibited:

1. Sitting on tables, desks, or counters located in the trading hall;

2. Sitting on steps of trading pit;

3. Spitting on the floor;

4. Deliberate littering of floor with paper, grain, or other matter;

5. Throwing, flipping, or tossing of grain or other missiles;

6. Carrying beverages and/or food onto trading floor;

7. Creating a loud or disturbing noise;

8. Molesting;

9. Outburst of vulgar or abusive language;

10. Possession or display of any offensive pictures or publications;

11. Matching of coins or other open forms of gambling on the trading floor; and

12. Smoking on the trading floor or in the lounge areas.

408.03 Physical Violence / Sexual Harassment.

All Permit Holders and other persons admitted to Exchange facilities shall not initiate or participate in physical violence or sexual harassment. Violators may be fined up to $5,000.00 for any violation hereof and expelled and suspended from the facilities. For actions involving a suspension or expulsion of more than one (1) business day, the respondent may request a full disciplinary proceeding pursuant to Rule 408.04 by filing a written request for such with Exchange staff within five (5) business days of the date of notification of such action.

Sexual harassment will not be tolerated anywhere on the premises of the Exchange. Sexual harassment

consists of unlawful verbal or physical conduct directed at a person when that conduct is based on that person's sex and has a substantive adverse effect on him or her in the workplace. Such conduct may include, but is not limited to, the following:

1. Requests for sexual favors that may or may not be accompanied by threats or promises of preferential treatment with respect to an individual's employment status;

2. Verbal, written or graphic communications of a sexual nature, including lewd or sexually suggestive comments, off-color jokes of a sexual nature or displays of sexually Patting, pinching, hitting or any other unnecessary contact with another person's body or threats to take such action.

408.04 Enforcement of Decorum.

Exchange staff shall conduct a review of any alleged violation of the provisions of Rules 408.00 through 408.03. A brief report shall be drafted summarizing the alleged rule violations and any pertinent factual evidence collected. Such report shall be forwarded to the Complaint Committee for a determination of sanctions as provided for in these rules. The Complaint Committee shall afford the parties involved in the alleged infraction the opportunity to make a brief presentation before the committee at their meeting. In order to provide advance notice of such meeting to the parties involved, the Complaint Committee shall meet no earlier than the business day following the alleged infraction.

An informal appeal of the Complaint Committee's decision may be taken to a panel of the Business Conduct Committee, provided the Permit Holder subject to the decision files a written request for appeal with Exchange staff within three (3) business days following the date such Permit Holder was notified of the decision. Notwithstanding the foregoing sentence, an informal appeal shall not be permitted where the Complaint Committee decision includes a sanction that is less than $5,000. The decision of the Business Conduct Committee on appeal shall be final. Absent an appeal, any sanctions shall become effective on the fifth (5th) business day following the date the Notice of the Complaint Committee decision is received by the Permit Holder subject to the action. In the case of an appeal, any sanctions shall become effective on the second (2nd) business day following the decision of the Business Conduct Committee.

CHAPTER 5
MISCELLANEOUS

Radio, Video and Internet-based Transmissions

500.00 Transmission Prohibition

No Permit Holder or other person admitted to the trading floor shall transmit, cause, or permit to be transmitted, from Kansas City or any other point, by any kind of radio , video or internet-based service, in which the Permit Holder's own name, the name of the firm, company, or corporation the Permit Holder represents, or in which the name of any employee or person in any way connected with the Permit Holder or the firm, company, or corporation the Permit Holder represents, is mentioned, any market quotations, reports, or gossip of any kind without first having the approval of Exchange staff.

500.01 Permission.

The granting of such permission shall be limited to such time and material as Exchange staff may grant.

500.02 Radio Broadcasting.

Blanket approval has been granted to Permit Holders of the Exchange to sponsor radio broadcasting of Kansas City market quotations and permission to state the name, address, phone number, and personnel of the sponsor; a factual statement of the services rendered by the sponsor; and permission to solicit business, i.e., invite inquiries, furnishing of brochures upon request, etc.

501.00 Taking Credit.

Taking credit, or allowing credit to be given, by radio, personal statement, letter, circular, card, or in any other manner, for furnishing such information for radio , video or internet-based service shall be construed as a violation of this Chapter.

502.00 Penalties.

Any Permit Holder violating any provision of this Chapter shall be subject to available disciplinary action as set forth within these Rules.

Reporting Requirements

505.00 Stocks, Receipts and Shipments.

All Permit Holders, firms, or corporations operating any facility for the receipt and shipment of grain or other commodities into, out of, or through the switching district of an Exchange approved delivery location set forth in Rule 2000.03, shall submit the following reports;

1. Daily reports of previous business day's activity shall be submitted to the Exchange no later than 30 minutes prior to the opening of the Exchange's wheat futures market on the business day following the date of the report. Such report shall reflect, by commodity, in bushels; total beginning stocks; amounts unloaded into and loaded out of such facility reported separately for rail, truck and barge conveyance; and total ending stocks.

2. Weekly reports shall be submitted to the Exchange no later than 3:00 p.m. on each Monday following the Friday covered by the report. If Monday is a holiday, the report shall be submitted no later than 3:00 p.m. on the next business day. Such report for each warehouse shall reflect, in bushels, as of the close of business each Friday; the total quantity of deliverable grades of Hard Red Winter Wheat stored in the warehouse, excluding CCC stocks; the total quantity of non-deliverable and ungraded Hard Red Winter Wheat stored in the warehouse, excluding CCC stocks; the total quantity of Hard Red Winter Wheat CCC stocks stored in the warehouse; and the total quantity of deliverable, non- deliverable/ungraded, and CCC stocks of Hard Red Winter Wheat stored in the warehouse.

3. All such individual warehouse reports submitted pursuant to this rule shall be kept confidential by the Exchange, but shall be made public in total, by location. For the daily reports submitted under subsection 1 above, such public totals shall be reported separately, by location, by commodity, and, for receipts and shipments, reported separately by each form of conveyance. Any Permit Holder who fails to report the

information's required by this rule within the prescribed time deadlines or submits a false report to the Exchange pursuant to this rule, shall be subject to disciplinary action under Chapter 14 of these rules.

561.00 REPORTS OF LARGE POSITIONS

General Provisions

Clearing members, omnibus accounts and foreign brokers shall submit to the Exchange a daily report of all positions required to be reported as set forth below. Positions at or above the reportable level in a particular expiration month of a futures contract or in all puts or in all calls of a particular option contract expiration month trigger reportable status. For a person in reportable status in a particular contract, all positions, regardless of size, in any futures contract month and in any put or call on that futures contract must be reported.

Additionally, the daily Large Trader submission to the Exchange must include for each reportable account 1) the EFRP volume bought and sold in the reportable instrument, by contract month, and for EOOs by put and call strike and 2) the number of delivery notices issued and the number of deliveries stopped in the reportable instrument.

Failure by an omnibus account or foreign broker to submit required information may result in a hearing by the Business Conduct Committee and result in limitations, conditions or denial of access of such omnibus account or foreign broker to any Exchange market. Notwithstanding the above, clearing members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange.

All large trader reports shall be submitted in a form acceptable to the Market Regulation Department. The Exchange may require that more than one large trader report be submitted daily. The Business Conduct Committee or the Market Regulation Department may require reports from any clearing member, omnibus account or foreign broker on a lesser number of positions than reflected in the Position Limit, Position Accountability and Reportable Level Table.

Clearing members, omnibus accounts and foreign brokers must provide the Market Regulation Department with the required CFTC Form 102 (“Identification of Special Accounts”) accurately identifying the owners, controllers, controlled accounts and any additional information required for each reportable account within three Business Days of the first day that the account in question becomes reportable. Notwithstanding the three Business Day requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Market Regulation Department, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

Any material changes to the information previously provided to the Market Regulation Department will require the submission of a revised form within three Business Days of such changes becoming effective. Additionally, in the absence of any material changes, the Market Regulation Department may require the submission of a new form on a biennial basis for the maintenance of accurate records.

Reportable Levels

Wheat futures – 150 contracts

Wheat futures options – 150 contracts

Wheat Calendar Swaps (Cleared-Only) – 25 contracts

CHAPTER 6 [Reserved.]

CHAPTER 7 [Reserved.]

CHAPTER 8 [Reserved.]

CHAPTER 9
ELECTRONIC TRADING

900.00 Electronic Trading System

The term “Electronic Trading System”, when used in this Chapter shall refer to the electronic trading platform operated by Chicago Mercantile Exchange Inc. under the name CME Globex®.

CME and CME Globex are trademarks of the Chicago Mercantile Exchange Inc. and are registered in the United States. CME Group is a trademark of CME Group Inc.

901.00 Rules & Regulations.

The rules contained in this Chapter govern those Exchange contracts that are traded through the Electronic Trading System. To the extent that the provisions in this Chapter conflict with other Rules, this Chapter supersedes those Rules and governs the manner in which contracts are traded through the Electronic Trading System. Otherwise, contracts traded on the Electronic Trading System are fully subject to all other applicable Rules of the Exchange unless specifically and expressly excluded therefrom.

901.02 Electronic Trading System Procedures.

The Exchange may immediately adopt, cancel or modify procedures of the Electronic Trading System, including but not limited to, access, order entry, open, execution, confirmation, closing, clearing, reporting, notification and recordkeeping procedures determined to be necessary so as to comply with the Commodity Exchange Act, Commission Regulations, the Rules, and surveillance obligations, or other controlling or governing authority; or determined to be in the best interest of the Exchange.

903.00 Clearing Authorization.

(a) Each Permit Holder or each non-Permit Holder with a direct connection who enters transactions through the Electronic Trading System must be properly qualified by a CME or CBOT Clearing Member. The qualifying Clearing Member shall guarantee and assume financial responsibility for all such transactions traded through the Electronic Trading System under its Clearing Member ID. The qualifying Clearing Member shall be liable upon all such trades made by the qualified Permit Holder or qualified non-Permit Holder and shall be a party to all disputes arising from such trades.

(b) Revocation of Clearing Authorization – A Clearing Member may revoke its qualification of a Permit Holder or non-Permit Holder without prior notice. Written Notice of the revocation of such qualification shall be immediately provided to the Clearing House, which shall thereby terminate such Exchange privileges and cancel all orders of the Permit Holder or non-Permit Holder.

904.00 Authorized Products.

The Board shall determine the contracts and/or products which shall be listed on the Electronic Trading System. The following products are authorized for trading:

a. Hard Red Winter Wheat Futures (“Wheat Futures”)

b. Options on Wheat Futures (“Wheat Options”)

905.00 Trading Hours.

The Board shall determine the business day hours during which the Electronic Trading System shall operate for the trading of each contract or product. The trading hours for the authorized products are as follows:

a. Wheat Futures – 5:00 p.m. to 2:00 p.m., Sunday through Friday
b. Wheat Options – 5:00 p.m. to 2:00 p.m., Sunday through Friday

909.00 Priority of Execution.

Orders received by a Permit Holder or Registered User shall be entered into the Electronic Trading System in the sequence received. Orders that cannot be immediately entered into the Electronic Trading System must be entered when the orders become executable in the sequence in which the orders were received.

910.00 Good Faith Bids and Offers.

A Permit Holder or Registered User shall not knowingly enter, or cause to be entered, bids or offers into the Electronic Trading System other than in good faith for the purpose of executing bona fide transactions.

911.00 Records of Transactions Effected Through the Electronic Trading System.

All written orders and any other original records pertaining to orders entered through the Electronic Trading System must be retained for five (5) years. For orders entered into the Electronic Trading System immediately upon receipt, the data contained in the Electronic Trading System shall be deemed the original records of the transaction.

912.00 Trading Against Customer Orders, Crossing Orders and Pre-Execution Communications.

(a) Trading Against Customer Orders – During an Electronic Trading System trading session, a Permit Holder or Registered User shall not knowingly cause to be entered or knowingly enter into a transaction in which he takes the opposite side of an order entered on behalf of a customer, for the Permit Holder's or Registered User's own account or his employer's proprietary account unless the customer order has been entered immediately upon receipt and has first been exposed on the Electronic Trading System for a minimum of five (5) seconds for futures contracts and a minimum of fifteen (15) seconds for options contracts. Such transactions that are unknowingly consummated shall not be considered to have violated this regulation.

(b) Crossing Orders – Independently initiated orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay, provided that the orders did not involve pre-execution communications.

Opposite orders for different beneficial accounts that are simultaneously placed by a party with discretion over both accounts may be entered, provided that one (1) order is exposed on the Electronic Trading System for a minimum of five (5) seconds for futures contracts and a minimum of fifteen (15) seconds for options contracts.

An order allowing for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order entered by the same firm only if the second order has been entered immediately upon receipt and has been exposed on the Electronic Trading System for a minimum of five (5) seconds for futures contracts and a minimum of fifteen (15) seconds for options contracts.

(c) Pre-Execution Communications Prohibited – Pre-execution communications are communications between two market participants for the purpose of discerning interest in the execution of a transaction prior to the entry of an order on the Electronic Trading System. Pre-execution communications and transactions arising from such communications are prohibited except with respect to Exchange of Futures transactions pursuant to Rules 1128.00 and 1129.00, if applicable.

Violations of this rule shall be considered an act detrimental to the best interest and welfare of the Exchange.

913.00 Disclosure Statement.

No Permit Holder or Clearing Member shall accept an order from, or on behalf of, a customer for entry into the Electronic Trading System, unless such customer is first provided with the Uniform Electronic Trading and Order Routing System Disclosure Statement developed by the National Futures Association.

914.00 Disciplinary Procedures.

All access denials, suspensions, expulsions and other restrictions imposed upon a Permit Holder or Registered User by the Exchange pursuant to disciplinary procedures contained in Chapter 14 of the Rules shall restrict with equal force and effect access to, and use of, the Electronic Trading System.

915.00 Misuse of Electronic Trading System.

Misuse of the Electronic Trading System is strictly prohibited. It shall be deemed an act detrimental to the interest and welfare of the Exchange to either willfully or negligently engage in unauthorized access to the Electronic Trading System, to assist any individual in obtaining unauthorized access to the Electronic Trading System, to trade on the Electronic Trading System without the authorization of a Clearing Member, to alter the equipment associated with the Electronic Trading System, to interfere with the operation of the Electronic Trading System, to use or configure a component of the Electronic Trading System in a manner which does not

conform to the Electronic Trading System's acceptable use policy, to intercept or interfere with information provided on or through the Electronic Trading System, or in any way to use the Electronic Trading System in a manner contrary to the Rules.

916.00 Termination of Electronic Trading System Connection.

The Exchange, at its sole discretion, shall have the right to summarily terminate the connection of any Permit Holder or non-Permit Holder, or the access of any Registered User. Additionally, the Exchange, at its sole discretion, shall have the right to direct a Permit Holder or non-Permit Holder with a direct connection to immediately terminate access to the Electronic Trading System of any user.

917.00 Books and Records, Participation in Exchange Investigations

It shall be an offense:

1. to fail to appear before the Board, Exchange staff or any investigative or hearing committee at a duly convened hearing or scheduled staff interview, or in connection with any investigation;

2. to fail to fully answer all questions and produce all books and records at such hearing, or in connection with any investigation, or to make false statements; and

3. to fail to produce any books or records requested by duly authorized Exchange staff, in the format and medium specified in the request, within ten (10) days after such request is made or such shorter period of time as determined by Exchange staff in exigent circumstances.

918.00 LIMITATION OF LIABILITY, NO WARRANTIES

A. EXCEPT AS PROVIDED BELOW, THE EXCHANGE, CHICAGO MERCANTILE EXCHANGE INC. ("CME"), THE BOARD OF TRADE OF THE CITY OF CHICAGO INC. ("CBOT") AND THE NEW YORK MERCANTILE EXCHANGE INC. ("NYMEX") (INCLUDING EACH OF THEIR RESPECTIVE SHAREHOLDERS, SUBSIDIARIES AND AFFILIATES), THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, PERMIT HOLDERS, AND CLEARING MEMBERS, SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:

   (i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF THE EXCHANGE, CME, CBOT OR NYMEX, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PERMIT HOLDERS AND AUTHORIZED EMPLOYEES OF PERMIT HOLDERS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR

   (ii) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF THE EXCHANGE, CME, CBOT OR NYMEX, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

   (iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE, CME, CBOT OR NYMEX OR ANY EXCHANGE, CME, CBOT OR NYMEX SYSTEMS, SERVICES OR FACILITIES; OR

   (iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE, CME, CBOT OR NYMEX SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE COMMODITY EXCHANGE ACT AND REGULATIONS THEREUNDER. A PARTY WHO HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT MAY NOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE.

B. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY THE EXCHANGE, CME, CBOT OR NYMEX (INCLUDING THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES), THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, AND LICENSORS RELATING TO ANY SYSTEMS OR SERVICES OF THE EXCHANGE, CME, CBOT OR NYMEX OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE GLOBEX SYSTEM.

C. ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF CME OR THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH CME OR THE EXCHANGE (INCLUDING ITS SUBSIDIARIES AND AFFILIATES), OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS OR LICENSORS IS A PARTY SHALL BE ARBITRATED PURSUANT TO CME AND EXCHANGE RULES. ANY ARBITRATION SHALL BE BROUGHT WITHIN THE PERIOD PRESCRIBED BY CME AND EXCHANGE RULES. ANY OTHER ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OF THE ABOVE MUST BE BROUGHT WITHIN TWO (2) YEARS FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH C SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY CME OR EXCHANGE RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT SUCH DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS AND WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ANY PROVISIONS OF ILLINOIS LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION.

D. THE EXCHANGE, CME, CBOT AND NYMEX MAY, IN THEIR SOLE DISCRETION, ASSUME RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE NEGLIGENCE OF GLOBAL COMMAND CENTER OR OTHER EXCHANGE, CME, CBOT OR NYMEX STAFF AND/OR ORDER STATUS ERRORS PROVIDED BY THE GLOBAL COMMAND CENTER AND/OR THE CLEARING CUSTOMER SERVICE DESK. IF SUCH LIABILITY IS ACCEPTED, THE TOTAL AGGREGATE OBLIGATIONS FOR THE EXCHANGE, CME, CBOT AND NYMEX SHALL NOT EXCEED $200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH, EXCEPT FOR LOSSES CAUSED BY PHANTOM ORDERS WHICH ARE SUBJECT TO THE PROVISIONS OF PARAGRAPHS F. AND G. BELOW. ANY DISPUTED CLAIM MADE UNDER THIS RULE MUST BE ARBITRATED PURSUANT TO EXCHANGE RULES.

E. IN NO EVENT SHALL THE COLLECTIVE TOTAL AGGREGATE LIABILITY FOR THE EXCHANGE, CME, CBOT AND NYMEX FOR ALL CLAIMS ARISING OUT OF ANY NEGLIGENCE, FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, ORDER STATUSING ERRORS OR ANY OTHER CAUSES, EXCEPT FOR PHANTOM ORDERS WHICH ARE SUBJECT TO THE PROVISIONS OF PARAGRAPHS F. AND G. BELOW, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE EXCHANGE'S, CME'S, CBOT'S OR NYMEX'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF EXCHANGE, CME, CBOT OR NYMEX STAFF, EXCEED $200,000 IN ANY CALENDAR MONTH.

   IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS IN A SINGLE CALENDAR MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE MONTHLY LIABILITY LIMITATION, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT AVAILABLE FOR THAT MONTH.

F. NOTWITHSTANDING THE FOREGOING, THE EXCHANGE, CME, CBOT AND NYMEX MAY, IN THEIR SOLE DISCRETION, ASSUME RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET NET LOSSES

DIRECTLY CAUSED BY PHANTOM ORDERS (AS DEFINED BELOW). IF SUCH LIABILITY IS ACCEPTED, THE TOTAL AGGREGATE OBLIGATIONS FOR THE EXCHANGE, CME, CBOT AND NYMEX SHALL NOT EXCEED $5,000,000 FOR ALL SUCH LOSSES SUFFERED IN A SINGLE CALENDAR MONTH. ANY DISPUTED CLAIM MADE UNDER THIS RULE MUST BE ARBITRATED PURSUANT TO EXCHANGE RULES.

FOR THE PURPOSES OF THIS RULE AND RULE 921, A PHANTOM ORDER IS AN ORDER: 1) THAT WAS NOT AUTHORIZED BY A PERSON BUT WAS CAUSED BY A FAILURE, MALFUNCTION OR NEGLIGENT OPERATION OF GLOBEX OR ANY OTHER EXCHANGE, CME, CBOT OR NYMEX SYSTEM, SERVICE OR FACILITY, OR 2) WHOSE TERMS (E.G. CONTRACT, CONTRACT MONTH, QUANTITY, PRICE OR DIRECTION) WERE CHANGED WITHOUT AUTHORIZATION OF THE PERSON PLACING THE ORDER SOLELY AS A RESULT OF A FAILURE, MALFUNCTION, OR NEGLIGENT OPERATION OF GLOBEX OR ANY OTHER EXCHANGE, CME, CBOT OR NYMEX SYSTEM, SERVICE OR FACILITY.

G. IN NO EVENT SHALL THE COLLECTIVE TOTAL AGGREGATE LIABILITY FOR THE EXCHANGE, CME, CBOT AND NYMEX FOR DIRECT, OUT-OF-POCKET NET LOSSES DIRECTLY CAUSED BY PHANTOM ORDER(S) EXCEED $5,000,000 IN A SINGLE CALENDAR MONTH. COMPLIANCE WITH THE TERMS OF RULE 922.F. IS REQUIRED IN ORDER FOR LOSSES TO BE CONSIDERED BY THE EXCHANGE PURSUANT TO THIS RULE.

IF THE AMOUNT OF DIRECT, OUT-OF-POCKET NET LOSSES DIRECTLY CAUSED BY PHANTOM ORDERS IN A SINGLE CALENDAR MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE MONTHLY LIABILITY LIMITATION, ALL SUCH LOSSES SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT AVAILABLE FOR THAT MONTH.

A CLAIM AGAINST THE EXCHANGE, CME, CBOT OR NYMEX ARISING OUT OF ANY FAILURE, MALFUNCTION OR PHANTOM ORDER SHALL BE STRICTLY SUBJECT TO THE RESPECTIVE LIABILITY LIMITS OF THIS RULE.

920.00 Fees.

The Exchange shall determine the transaction and clearing fees that shall be assessed each contract transacted on the Electronic Trading System.

921.00 GLOBAL COMMAND CENTER

A. Customer Support

The Global Command Center ("GCC") provides Globex customer support and problem management only to Members, Clearing Members, Permit Holders and customers designated by Clearing Members. In addition, designated MGEX Members and Clearing Members may also receive customer support and problem management from GCC with respect to contracts traded on Globex. In order to be eligible for GCC support, such persons must register with the GCC ("Registered Contacts"). The GCC provides customer support via a specified telephone number and during specified hours. GCC employees may not always be available to assist Registered Contacts. Persons other than Registered Contacts must contact their Clearing Members to make support requests.

B. GCC Communications

As provided in Rule 918, the Exchange shall not be liable for any loss resulting from any inability to communicate with the GCC. The liability of the Exchange for the negligent acts of GCC staff shall be subject to the limitations and conditions of Rule 918. In no event, however, shall the Exchange be liable for the negligence of the GCC if the person claiming to have suffered a loss could have secured the support it sought from GCC through its own administrative terminal, its clearing member's terminal or an Independent Software Vendor's ("ISV") terminal. For purposes of this rule, a person is deemed able to take action through its own administrative terminal, a Clearing Member's terminal or an ISV's terminal unless such terminal was inoperative or such terminal service was interrupted at the time the GCC took action.

C. Order Status

A person who believes he has received an incorrect order status or does not receive an appropriate status shall immediately notify the GCC. In the event that the GCC and an Exchange system, service or facility provide

conflicting information relating to an order status, a person may only reasonably rely on the information received from the GCC. Additionally, such person shall take any necessary and appropriate market action to mitigate any potential losses arising from the incorrect order status or lack of appropriate order status immediately after the person knew or should have known that the order status information was incorrect or should have been received. Any liability of the Exchange for incorrect order status shall be subject to the limitations and conditions of Rule 918.00.

D. Cancellation of Orders at Prices Outside of the Applicable Globex Price Limits

In certain circumstances, the price limits applicable to contracts traded on Globex may vary depending on the time of day. In this situation, it is possible for an order to be entered into the Globex system during one time period at a price that is outside of the price limit that applies during a subsequent time period. If this order remains in the system at the beginning of the subsequent time period, the system will freeze in the event a market order on the opposite side of the market is entered and there are no other resting orders against which it can be matched rather than allow the match to occur at a price outside of the applicable price limit. Accordingly, whenever the GCC becomes aware of a bid or offer in the Globex system for any contract that is outside of the applicable price limit, the GCC will cause such bid or offer to be cancelled and will promptly notify the affected Globex user of such cancellation.

922.00 TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

A. Global Command Center Authority Regarding Trade Cancellations and Price Adjustments

The following shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations of trade certainty by market participants. This rule authorizes the Global Command Center ("GCC") to adjust trade prices or cancel trades where, in its absolute and sole discretion, the GCC believes such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading system or by system defects. Notwithstanding any other provisions of this rule, the GCC may, in its absolute and sole discretion, adjust trade prices or cancel any trade if it believes that allowing the trade(s) to stand as executed could have a material, adverse effect on the integrity of the market. All decisions of the GCC shall be final. Subject to the limitations and conditions of Rule 918, and irrespective of the terms of any order entered into Globex, the Exchange shall not have any liability for losses resulting from price adjustments or trade cancellations by the GCC under this Rule.

B. Review of Trades

The GCC may determine to review a trade based on its independent analysis of market activity or upon request for review by a user of the electronic trading system. A request for review must be made to the GCC via telephone within eight minutes of the execution of the trade. Any other form of communication with the GCC will not constitute a request for review as set forth in this Section. GCC phone numbers are available on the CME Group website.

The GCC shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the GCC deems it to be appropriate, the GCC may determine, in its sole discretion, that a trade shall not be subject to review.

Upon deciding to review a trade, the GCC will promptly issue an alert indicating that the trade is under review.

C. Price Adjustments and Cancellations

Upon making a determination that a trade will be subject to review, the GCC will first determine whether the trade price is within the Non-Reviewable Range for futures or within the Bid/Ask Reasonability Allowance for options, as described in Section G. The Bid/Ask Reasonability Allowance for an option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the Non- Reviewable Range for the option. In applying the Non-Reviewable Range, the GCC shall determine the fair value market price for that contract at the time the trade under review occurred. The GCC may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the electronic trading system, a more recent price in a different contract month, the price of the same or related contract established in another venue or another market, the market conditions at the time of the trade, the theoretical value of an option based on the most recent implied volatility and

responses to a Request for Quote (RFQ).

1. Trade Price Inside the Non-Reviewable Range

If the GCC determines that the price of the trade is inside the Non-Reviewable Range, the GCC will issue an alert indicating that the trade shall stand.

2. Trade Price Outside the Non-Reviewable Range

a. Futures Contract

If the GCC determines that a trade price is outside the Non-Reviewable Range for a futures contract (including futures spreads), the trade price shall be adjusted to a price that equals the fair value market price for that contract at the time the trade under review occurred, plus or minus the Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to cancel rather than price adjust such transactions. The GCC will issue an alert regarding its decision.

b. Option Contracts

If the GCC determines that a trade price is outside the applicable Non-Reviewable Range for an option contract, the trade price shall be adjusted. In the case of a buy (sell) error, the price will be adjusted to the determined ask (bid) price set forth in the Bid/Ask Reasonability Allowance in Section G. plus (minus) the Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to cancel rather than price adjust such transactions. The GCC will issue an alert regarding its decision.

Cancelled trade prices and any prices that have been adjusted shall be cancelled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

D. Alternative Resolution by Agreement of Parties

With the approval of the GCC, parties to a trade that is price adjusted may instead mutually agree to cancel the trade. With the approval of the GCC, parties to a trade that is cancelled may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of Section C.

Parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the GCC and the parties maintain a record of the adjustment.

An executed trade may not be reversed via transfer except where such trade is determined by GCC to be outside of the Non-Reviewable Range but not reported timely, subject to agreement of the parties and approval of the GCC. Any such transfer must occur at the original trade price and quantity; however the parties may mutually agree to a cash adjustment.

E. Liability for Losses Resulting from Price Adjustments or Cancellations and Prohibition on Claims for Losses Arising From Error Trades Executed Within the Non-Reviewable Range

A party entering an order that results in a price adjustment or trade cancellation shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or cancelled provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not filed in a timely manner or is not permitted by this section and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade cancellation or a price adjustment and to the Clearing Member through which the trade was placed. Such party, or the Clearing Member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability. To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement

must be provided to the Exchange.

To the extent that liability is denied, the party making the claim may submit the claim to arbitration in accordance with the Rules. Such claims must be submitted to the Market Regulation Department within ten business days of the date the party was issued notification that liability was denied.

Claims for losses incurred as a result of trades executed in error at prices within the non- reviewable range may not be submitted for arbitration pursuant to the provisions of the Rules.

F. Permissible Responses to Phantom Orders

If the GCC has reason to believe that Phantom Orders as defined in Rule 918 have been or are being entered into any Exchange system, service or facility, the GCC shall be empowered to take appropriate action to protect the integrity of the market, including, without limitation, suspending trading and/or canceling unfilled orders. The GCC shall also be empowered, in its sole discretion, to cancel transactions or adjust the trade prices of transactions that were directly or indirectly caused by Phantom Orders, whether or not such transactions were executed at prices outside of the non-reviewable range specified in this Rule.

If Phantom Orders directly cause transactions to be executed on any Exchange system, service or facility and such transactions are not canceled, the GCC shall promptly direct the clearing member carrying positions resulting from such transactions to liquidate the positions in a commercially reasonable manner. Such positions shall be liquidated within 30 minutes of such notification or within 30 minutes of the time the Clearing Member knew or should have known that it had been assigned transactions resulting from Phantom Orders, whichever is sooner. The GCC, in its sole discretion, may waive the 30 minute liquidation requirement if it determines that such requirement may have a material, adverse impact on the integrity of the market.

The GCC shall provide notification to the marketplace regarding any action taken or to be taken with respect to the entry of Phantom Orders or execution of a transaction as a result of Phantom Orders, and, in the event transactions are not otherwise canceled or price adjusted by the GCC, any actions required to be taken by Clearing Members. Such notification(s) shall be made as soon as practicable, but in no event more than 30 minutes after the time that the GCC has accurate information regarding the Phantom Orders that is sufficient to support the necessary notification(s).

Any Exchange, CME, CBOT or NYMEX liability for losses resulting from Phantom Orders shall be subject to the limitations of Rule 918.00.

923.00 Globex Opening

Each business day, Globex will open with a single price for each instrument unless otherwise designated by the Exchange.

Prior to the opening of each Globex Session, Globex will provide an indicative opening price or prices, based on the Globex equilibrium price algorithm described below, and on all pending orders that may be executed on the opening. During the 30–second period prior to the opening, no previously entered orders may be modified or cancelled, although new orders may be entered.

Globex will establish an equilibrium price that will be the opening price. The equilibrium price is the calculated price between sell pressure and buy pressure where the largest volume of trading can occur. The price will be determined in accordance with the following methodology:

1. Any bid at a given price may also be executed at a lower price.

2. Any offer at a given price may also be executed at a higher price.

3. The bid volume at any price is the quantity bid at that price plus the sum of the quantities bid at all higher prices.

4. The offer volume at any price is the quantity offered at that price plus the sum of the quantities offered at all lower prices.

5. Sell pressure occurs when the offer volume exceeds the bid volume at a particular price.

6. Buy pressure occurs when the bid volume exceeds the offer volume at a particular price.

7. The trade volume at any price is the smaller of the bid volume or the offer volume.

8. The price overlap is the range of prices where trades are possible.

9. The equilibrium is the price range within the price overlap where buy pressure changes to sell pressure.

10. The equilibrium price is one of the following:

(a) The price within the equilibrium that has the largest trade volume and the lowest unmatched volume at that price remaining after the opening.

or

(b) If more than one price has the same trade volume and the same unmatched volume at that price, the equilibrium price is the one nearest the previous day's settlement price.

11. If there is no equilibrium (there is only buy pressure or sell pressure), there will be no opening price until a trade occurs unless there is a bid higher than, or an offer lower than, the previous day's settlement price.

12. After the provisional opening price is determined as set forth above for all orders excluding stop and stop limit orders, the calculations are repeated with any such orders that would be triggered at such price included until a new provisional opening price is determined. If such new price would trigger additional stop or stop limit orders, the process is repeated until no more orders are triggered.

13. Bids and offers will be selected for matching at the opening price based on price and time priority.

924.00 Globex Access Restrictions

All connections to the Globex system, including direct connections of non-clearing members or customers, must be guaranteed by a clearing member that assumes financial responsibility for all activity through the connection. With respect to transactions given up to other clearing members, such guarantee is effective only until such time that the other clearing member accepts the trade.

All individuals entering non-member customer orders in other than a clerical capacity must have appropriate industry registration. Non-member customer orders may be entered only from designated areas on the floor of the Exchange or from the premises of an entity registered to conduct customer business.

Clearing members shall assist the Exchange in any investigation into potential violations of the rules or the Act which occur through or with respect to a Globex connection guaranteed by the clearing member. Such assistance must be timely and may include, but not be limited to, requiring any non-member customer to produce documents, to answer questions from the Exchange, and/or to appear in connection with an investigation.

Clearing members shall suspend or terminate a non-member customer's Globex access if the Exchange determines that the actions of the non-member customer threaten the integrity or liquidity of any contract or violate any Exchange rule or the Act, or if the non-member customer fails to cooperate in an investigation.

If a clearing member has actual or constructive notice of a violation of Exchange rules in connection with the use of Globex by a non-member for which it has authorized a direct connection and the clearing member fails to take appropriate action, the clearing member may be found to have committed an act detrimental to the interest or welfare of the Exchange.

925.00 Identification of Globex Terminal Operators

Each Globex terminal operator shall be identified to the Exchange, in the manner prescribed by the Exchange, and shall be subject to Exchange rules. If user IDs are required to be registered with the Exchange, it is the duty of the clearing member to ensure that registration is current and accurate at all times. Each individual must use a unique user ID to access Globex. In no event may a person enter an order or permit the entry of an order by an individual using a user ID other than the individual's own unique user ID.

926.00 CME Globex Trade Matching Algorithms

The CME Globex platform employs multiple predefined sets of matching algorithms used to match trades on the platform. Information concerning the matching algorithm applicable to a particular product is set forth in the CME Globex Price Banding document available at www.cmegroup.com/globex/files/PriceBanding.pdf. Information on the operation of the matching algorithms is available at www.cmegroup.com/globex/introduction.

CHAPTER 10
COMMODITY EXCHANGE ACT

1000.00 Commodity Exchange Act, As Amended; Controlling.

In order to comply with the Act of Congress known as the Commodity Exchange Act, as amended, it is hereby provided that all Rules shall be construed with reference to, and shall be deemed subject to, and modified by, the provisions of said Act, and by any lawful regulation or order made by authority of said Act.

1001.00 Records And Reports.

Every Permit Holder shall make and file such reports and keep such records of all transactions as required to be made, filed, or kept by the Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder; and shall make such records open at all times to the inspection of any representative of the CFTC or United States Department of Justice as provided by said Act. On failure to do so, such Permit Holder shall be suspended by the BCC from all privileges of a Permit Holder until compliance with the said provisions of said Act and the said rules, and regulations promulgated thereunder has been made.

1001.01 Reporting Infractions.

1001.01.A. General

All data, records and other information required by the rules to be reported to the Exchange or the Clearing House, as applicable, must be submitted in an accurate, complete and timely manner.

1001.01.B. Sanctions

1. The Chief Regulatory Officer or his designee shall have the authority to impose summary fines on Members and Member firms not to exceed $5,000 per offense for individual Members or $10,000 per offense for Member firms for the inaccurate, incomplete or untimely submission of data, records or information required to be submitted to the Exchange or the Clearing House.

2. Members and Member firms shall have 15 days following receipt of the notice of a summary fine to present evidence to the Market Regulation Department that the fine should be rescinded or reduced. Absent the submission of such evidence within the designated time period, the fine shall be deemed final and may not be appealed.

1001.01.C. Hearings and Appeals

If the Chief Regulatory Officer or his designee determines that evidence submitted by a Member or Member firm pursuant to Section B.2. is insufficient to support the requested rescission or reduction of the fine, the Member or Member firm may, within 10 days of the decision, file a written appeal with the Market Regulation Department. A written appeal that fails to specify the grounds for the appeal and the specific error or impropriety of the original decision shall be dismissed. The appeal shall be heard by a Panel of the Business Conduct Committee whose decision shall be final. The appellant shall be entitled to be represented by counsel, appear personally before the BCC Panel and present evidence that he may have in support of his appeal. The BCC Panel shall not set aside, modify or amend the appealed decision unless it determines, by a majority vote, that the decision was:

1. Arbitrary, capricious, or an abuse of the Exchange staff's discretion;
2. In excess of the Exchange staff's authority or jurisdiction; or
3. Based on a clearly erroneous application of Exchange rules.

Notwithstanding the provisions of Sections B.1. and B.2. above, the Market Regulation Department, may, at any time, refer matters that it deems egregious to the Complaint Committee.

1002.00 Suspension Of Trading Privileges.

Any Permit Holder who, under any provision of said Commodity Exchange Act, as amended, shall be deprived of the privileges of trading in contract markets, shall be suspended from all privileges of trading at the Exchange, for such period as may be specified in the order of the CFTC against such Permit Holder.

An order of suspension by the CFTC is self-executing; and while the Exchange must enforce such order, no

formal action is required of the Exchange, such as issuing an identical Board resolution.

1003.00 Trading With Suspended Permit Holder.

Any Permit Holder who shall accept or execute an order from any person who, under any provision of the Commodity Exchange Act, as amended, shall have been deprived of the privilege of trading in contract markets, shall be subject to the disciplinary procedures of the Exchange and shall be suspended from all privileges of a Permit Holder for such time as the appropriate disciplinary committee and the Board, on appeal, if taken, in their discretion, shall determine.

1004.00 Exchange Use of Regulatory Data.

Pursuant to CFTC Regulation §38.7, the Exchange may not use for business or marketing purposes any proprietary data or personal information collected or received, from or on behalf of any Person, for the purpose of fulfilling its regulatory obligations; provided however, that the Exchange may use such data or information for business or marketing purposes if the Person from whom it collects or receives such data or information clearly consents to the Exchange's use of such data or information in such manner. The Exchange may, where necessary or appropriate for regulatory purposes, share such data or information with one or more designated contract markets or swap execution facilities registered with the CFTC. The Exchange is precluded from conditioning access to its markets on a Person's consent to the use of such data for business or marketing purposes.

1005.00 Cooperation with Other Exchanges and Clearing Organizations and International Government Information-Sharing Agreements.

The Chief Executive Officer or the President, or their delegates, are authorized to provide information to:

A. an exchange or clearing organization that is a party to an information sharing agreement with the Exchange, in accordance with the terms and conditions of such agreement;. or

B. a duly authorized foreign regulator or governmental entity, as directed by the Commission, in accordance with an information-sharing agreement executed with the Commission.

CHAPTER 11
TRADING PRACTICE TRANSACTIONS SUBJECT TO RULES

1100.00 Contracts Subject To Rules

All Contracts of a Permit Holder, a firm having a Permit Holder as a general partner, or any other corporation having Permit Holder representation incident to the purchase and sale of futures contracts are contracts subject to these Rules.

1100.01 Consent to Exchange Jurisdiction.

Any Person initiating or executing a transaction on or subject to the Rules directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

TIME AND PLACE

1101.00 Time of Trading. See the Rules for the appropriate contract.

1102.00 Place of Trading. See the Rules for the appropriate contract.

1103.00 Change of Time And Place. See the Rules for the appropriate contract.

1104.00 Prohibition; Exceptions. See the Rules for the appropriate contract.

1104.01 Permit Holders Not Trading; Open And Close.

Permit Holders not actively trading should not be within the pit itself during the first ten (10) minutes and the last ten (10) minutes of trading in the pit each day.

U.S. GRAIN STANDARDS

1106.00 Change of Grades. See the Rules for the appropriate contract.

TRADING FOR CUSTOMERS

1108.00 Registration; Futures Commission Merchants.

No account for the purchase and sale of commodities for future delivery at the Exchange shall be accepted or carried where the party in whose name the account is held is known to be acting for and on behalf of others unless such party is properly registered with the CFTC and/or National Futures Association pursuant to the requirements of the Commodity Exchange Act, as amended.

TRADING RULES

1110.00 Trades Executed Openly And Competitively.

All orders received by any Permit Holder, firm, or corporation doing business on the Exchange to buy or sell for future delivery any commodities dealt in on the floor of the Exchange (except transfer trades or when futures are exchanged for cash property as permitted by Rules 1127.00 and 1128.00) must be executed openly and competitively as to price, by open outcry in the trading pit or other place designated for such trading.

1111.00 Open And Close.

The pit reporter shall be the judge of the proper opening and closing range of quotations to be officially issued. Such quotations must be based upon transactions made in the pit on bids or offers made in such manner as to be open to all Permit Holders.

Futures traders and brokers on both sides of a trade are responsible, by trade custom, for reporting any trades missed by the pit reporter, particularly those which constitute a new high, a new low, an adjustment to the opening or closing range, or an opening trade or the only trade for the session for that contract. Such trades, if

missed by the pit reporter, should be reported promptly to the pit reporter so the trade can be timed, recorded, posted, and disseminated. Failure to report such trades may result in a disciplinary action.

1111.01 Official Opening And Closing.

The official opening and closing of the Exchange's market shall be understood to include all prices at which the opening and closing orders are executed, provided that in the opinion of the pit reporter, due promptness and diligence have been observed in handling such orders. In case of disagreement, an appeal may be taken to the Pit Committee, which shall determine the official opening or closing after hearing the interested parties. The size of the orders involved and the condition of the market shall be considered by the pit reporter and the Pit Committee in forming their decision.

1111.02 Closing Period; Time.

The close period for all contracts traded at the Exchange is as follows:

Contract Close Period

Wheat Futures: – Last 30 seconds of trading ** Wheat Options: – Last one minute of trading

** The closing period can be expanded by up to one minute on a particular trade date at the discretion of the Pit Committee to address unique market conditions. Any such expansion of the closing period must be communicated to the market at least five minutes prior to the beginning of the revised close for that date.

1111.03 Settlement Price Appeal.

Any Permit Holder can immediately appeal the settlement price orally to the Pit Committee, which will be convened on the spot. A quorum of at least three (3) Committee members (or alternates picked from Permit Holders on the floor) shall immediately determine the settlement price and such determination shall be final.

1111.04 Post Settlement Session.

As soon as practicable, following the posting of the settlement prices for all contract months, but no later than fifteen (15) minutes following the close of regular trading hours unless a later start time is approved by the Pit Committee, there shall be a two (2) minute trading period (the "post settlement session"). All trades which may occur during regular trading hours may occur during this post settlement session, under the following conditions:

a. Trades may be made at any price within the established daily price limit for the contract.

b. New customer orders may be entered into the session for execution.

c. Permit Holders may trade in the pit as a principal and/or agent during the session.

d. Orders entered for execution during normal trading hours remain eligible for execution during the session unless cancelled.

e. Spread trades must be executed using prices within the daily price limit.

f. The prices at which trades occur during the post settlement session may establish a new high or low in an outright contract month or quoted spread or combination transaction.

g. Except as otherwise set forth in this Rule and Rule 1114.02, the rules applicable to trading during regular trading hours shall be applicable to trading during the post settlement session.

This post settlement session rule is applicable to wheat futures and options contracts traded at the Exchange.

1112.00 Limitation On Fluctuation Of Prices. See the Rules for the appropriate contract.

1112.01 Daily Trading Limits. See the Rules for the appropriate contract.

1112.02 Minimum Price Fluctuation. See the Rules for the appropriate contract.

1113.00 No Trading During End of Delivery Month. See the Rules for the appropriate contract.

1114.00 Orders And Cancellations Accepted On A "Not Held" Basis.

All orders and cancellations that reach the trading floor fifteen (15) minutes or less before the opening of the market and all orders and cancellations that reach the trading floor fifteen (15) minutes or less before the close of the market may involve extraordinary problems and hence will be accepted solely at the risk of the customer on a "not held" basis.

1114.01 Permit Holder To Permit Holder Verbal Orders.

Permit Holder to Permit Holder verbal orders (Type 3 trades as described at CFTC Regulation Section 1.35 (e)(3)) shall be handled the same as customer orders. The executing Permit Holder must have in their possession, or lacking that, must prepare a written order in non-erasable ink conforming with the requirements of Rule 11-1130.00-1 before executing such order. The requirements of this rule shall not apply to transactions that are executable as part of intermarket spread transactions or option offset transactions.

1114.02 Opening And Closing Orders.

Floor brokers who are unable to execute price limit or stop orders during the opening, reopening following a trading halt, closing period or post settlement session, while using due diligence in handling such orders, shall not be held liable. Nothing herein shall preclude the Pit Committee (pursuant to Rules 1111.00 & 1111.01) from considering the circumstances pursuant to which such orders were not executed in determining the proper prices to be officially quoted during such periods.

1115.00 Trading Records.

(a) Each Permit Holder who executes purchases or sales of any contract traded on the Exchange, shall prepare regularly and promptly in non-erasable ink a trading record showing such purchases and sales. Such trading record shall show the Permit Holder's trading initials, the Clearing Member’s code, transaction date, time to the nearest minute, quantity, commodity, delivery month, price or premium, put or call, strike price, opposite floor trader or broker's trading initials with whom the transaction was executed and the opposite Clearing Member's code. Such trading record must reflect all purchases on the buy side of the record in order of occurrence and all sales on the sell side of the record in order of occurrence, without skipping lines between trades: Provided, however, that trades recorded on order tickets must reflect both purchases and sales in order of occurrence without skipping lines between trades, and provided further, however, that spread transactions executed in accordance with Rules 1145.00 and 1146.00 may be recorded on one side of the trading record corresponding to the front month of the spread. Such trading record shall also identify the purchases and sales executed during the opening and closing periods by drawing a line to separate those trades from other trades recorded on the record. The opening and closing periods are defined in Rules 1111.01 and 1111.02.

(b) In addition to the requirements in subsection (a) above, each Permit Holder recording purchases and sales for the Permit Holders' personal account shall:

(i) Correct errors by crossing out erroneous information or rewriting the trading card. The Permit Holder is accountable pursuant to paragraph (b) (vi) of this Rule for any card that is subsequently rewritten;

(ii) If lines remain after the last execution recorded on a trading card, the remaining lines must be marked through;

(iii) Use trading cards that are pre-printed with the Permit Holder's trading initials;

(iv) Use trading cards that contain pre-printed sequence numbers that will permit the intra-day sequencing of the cards. The pre-printed sequence numbers must distinguish each of the trading cards prepared by the Permit Holder from other such trading cards for no less than a one-week period;

(v) Use a new trading card at the beginning of each designated thirty (30)-minute interval unless no trades were recorded during the preceding thirty (30)-minute interval;

(vi) Be accountable for all such trading cards in exact numerical sequence, whether or not such trading cards are relied on for entering trade data into the Clearing House;

(vii) Submit such trading cards to a Clearing Member (acting as custodian for the cards) in accordance with the provisions of Rule 1115.02 (a).

1115.02 Collection And Accountability Of Trading Records.

Trading records prepared by a Permit Holder which are relied upon for entering trade data into the Clearing House shall be submitted to the Clearing Member as often as is practicable, but no later than fifteen (15) minutes following the end of each thirty (30)-minute interval, commencing with the beginning of each trading session. Trading records prepared in the thirty (30)-minute interval during which the close occurs shall be submitted to the Clearing Member no later than fifteen (15) minutes following the close of trading. Partially-filled orders are exempt from the above submission requirements until completely filled, provided, however, that partially-filled orders must be submitted no later than fifteen (15) minutes following the close of trading.

(a) Trading records submitted to a Clearing Member pursuant to paragraph (a) above, shall be time stamped promptly to the nearest minute by the Clearing Member.

(b) Each Clearing Member acting as custodian for the trading cards of a Permit Holder prepared pursuant to Rule 1115.00(b), shall be accountable for such trading cards in exact numerical sequence on at least a daily basis, whether or not such trading cards are relied on for entering trade data into the Clearing House. Accountability means that each Clearing Member must be able to produce all sequentially-numbered trading cards for a given day or provide an acceptable explanation as to why a trading card is missing or missequenced.

1116.00 Optional Timing Requirements. See the Rules for the Appropriate Contract

1117.00 Volume Bids And Offers.

Permit Holders in the pit who make volume bids or offers will be required to accept against such bids or offers, any and all lesser offers or bids, as appropriate, up to the quantity quoted. This also means that "all or none orders" will not be accepted.

1118.00 Dissemination Of Prices.

The Exchange will record and disseminate the price of all trades and changes in bids and offers, including "volume" bids and offers (these being bids or offers for multiples of one (1) contract, open interest, and open and closing ranges for actively traded contracts at the Exchange.

1118.01 Quotations; No Change.

Quotations based on transactions made in the open market after being officially issued shall not be cancelled or changed.

1119.00 Fast Market.

A fast market situation exists when a condition in the market not necessarily limited to the following, but similar, exists:

1. Larger than normal price changes between pit reported prices.

2. Market is bid up or offered down rapidly.

3. Quotations, bids or offers are happening too rapidly to be fully reported.

1119.01 Not Held, No Readjustment.

Whenever price fluctuations of the commodities dealt in on the Exchange are rapid and the volume of business is large, it is of common occurrence that different prices are bid and offered for the same delivery month in different parts of the pit at the same time. The normal result of such conditions is, at times, the execution by Permit Holders of orders at prices not officially quoted, or the inability of a Permit Holder to execute an order at a limited price. This is unavoidable, but is in nowise the fault of anyone, and it is not permissible for Permit Holders to readjust the price at which orders have been filled, nor to report as filled orders that have not been filled. To do so is a grave offense.

1119.02 No Cancellation.

Any quotations based on a transaction made in the open market, already distributed or sent out over the wire,

shall not be cancelled.

1119.03 Fast Symbol.

Whenever a fast market situation exists the symbol FAST shall be used. But see Rule 1119.05.

1119.04 Intervening Prices.

The reporter, subject to supervision of the respective Pit Committee, shall be the judge of when the symbol should be used and any trades made at intervening prices are to be considered officially quoted. During this period of activity in all commodities, it only slows reporting of quotations on the ticker to utilize the symbol FAST. Thus, reporters will report the market to the best of their ability using FAST, and whenever possible, it shall be printed in the ticker.

1119.05 Not Retroactive.

In no case shall a FAST MARKET be declared to have existed retroactively, but it may be presumed to have existed for a short period of time prior to its invocation.

1119.06 End.

It shall also be the duty of the reporter, subject to the supervision of the respective Pit Committee, to declare an end to the FAST MARKET situation.

Notes:

1. These rules apply to all futures contracts.

2. In practice, the pit reporter consults with the Chairman of the respective Pit Committee prior to declaring the existence or end of a fast market, and would not make the determination alone.

3. The Pit Committees normally function by the chairman or acting chairman consulting with available members and then advising the reporter. Should there be any uncertainty the members present will take an immediate vote. If less than three members are present, the chairman or acting chairman appoints one or more temporary members to consider and vote on the issue.

4. A broker is not held for executions during a fast market.

5. Rules 1119.00 and 1119.01 will be read together as alternative conditions indicating a fast market.

1120.00 Give-ups.

A Permit Holder must have prior permission from a Clearing Member to give up its name for a trade executed at the Exchange. A Clearing Member whose name is so given up in the pit must enter the trade into the Clearing House in its name. Give up orders are prohibited when used as a pricing mechanism in connection with cash market contracts. Such transactions must be done only on a versus- cash basis.

1120.02 Average Price System.

Application of Average Prices

The Exchange's Average Price System ("APS"), or a proprietary APS developed by a Clearing Member, allows a Clearing Member to confirm to customers an average price when multiple execution prices are received on an order or series of orders for futures, options or combination transactions. An order or series of orders executed during the same trading day at more than one price may be averaged pursuant to APS only if each order is for the same account or group of accounts and for the same product and expiration month for futures, or for the same product, expiration month, put/call and strike price for options.

Requirements for APS Trades

A Clearing Member may have the Exchange calculate average prices or a Clearing Member may calculate average prices internally for contracts executed on the Exchange. The requirements enumerated below must be met for APS transactions.

1. The customer must have requested average price reporting.

2. Each individual trade must be submitted and cleared by the Exchange at the executed price.

3. If a Clearing Member computes and confirms the average price to its customers, it must compute the weighted mathematical average price, as set forth in Section C.

4. If a Clearing Member calculates the average price, it must possess the records to support the calculations and allocations to customer accounts and must maintain these records pursuant to CFTC regulations.

5. A Clearing Member must ensure that its proprietary trades are not averaged with customer APS trades.

Computation of Average Price

Upon receipt of an execution or match at multiple prices for an APS order, the weighted mathematical average must be computed by: (a) multiplying the number of contracts purchased or sold at each execution price by that price, (b) adding the results together and (c) dividing by the total number of contracts. An average price for a series of orders will be computed based on the average prices of each order in that series. The actual average price or the average price rounded to the next price increment may be confirmed to customers. If a Clearing Member confirms the rounded average price, the Clearing Member must round the average price up to the next price increment for a buy order or down to the next price increment for a sell order. The residual created by the rounding process must be paid to the customer. APS may produce prices that do not conform to whole cent increments. In such cases, any amounts less than one cent may be retained by the Clearing Member.

Disclosure

Each Clearing Member that confirms an average price to a customer must indicate on the confirmation and monthly statement that the price represents an average price.

1128.01 Clearing; Exchange Futures For Cash.

All such trades must be cleared through the Clearing House as required by Rule 1185.00, appropriately identified by symbol on Clearing House reports and supported by a report showing a description of the futures transaction with the price, the name of the opposite Clearing Member, and the amount and commodity involved in the cash transaction.

1128.02 Evidence of Cash Transaction.

Upon request of the Exchange, each Permit Holder shall provide documentation of cash transactions underlying exchanges of Exchange futures for cash commodities or exchanges of Exchange futures in connection with cash commodity transactions. For the purposes of this paragraph, documentation means those documents customarily generated in accordance with cash market practices which demonstrate the existence and nature of the underlying cash transactions, including, but not limited to, contracts, confirmation statements, telex, printouts, invoices and warehouse receipts or other documents of title.

1129.00 Exchange For Risk ("EFR") Transactions.

Transactions involving the exchange of futures or options contracts for or in connection with over-the- counter derivative ("OTC") transactions shall be allowed, provided the provisions of Rules 1129.00 through 1129.02 are met. Such transactions (hereinafter referred to as "EFR") may be made at such prices as are agreed upon by the parties. An EFR shall consist of two separate but related component transactions – an OTC transaction and a futures or options transaction. Each holder of futures or options contracts involved in an EFR must also be the holder of the economically offsetting OTC transactions involved in such EFR. The OTC component shall involve the commodity underlying the futures or options contracts (or a derivative, by-product or related product of such commodity). The quantity covered by the OTC component must be approximately equivalent to the quantity covered by the futures or options contracts. The OTC component of an EFR must comply with any applicable regulatory requirements prescribed by the CFTC.

1129.01 Clearing; Exchange For Risk.

All such trades must be cleared through the Clearing House as required by Rule 1185.00, appropriately identified by the symbol "Z" on Clearing House reports.

1129.02 Evidence of OTC Transaction.

Upon request of the Exchange, each Permit Holder shall provide all documentary evidence of OTC transactions underlying an EFR. For the purposes of this paragraph, documentary evidence means those documents customarily generated in accordance with market practices, which demonstrate the existence and nature of the underlying OTC transactions, including, but not limited to a master swap agreement and any supplements thereto.

FLOOR BROKERS

1130.00 Broker; Defined.

A floor broker is defined to be a Permit Holder who buys and sells futures contracts in the trading pit, not for the Permit Holder's account, but as an agent of another Permit Holder, where the name of the principals are announced on making of the futures contract, and the broker at no stage of the transaction becomes the actual owner of the property.

1130.01 Registration.

No Permit Holder shall act as a futures or options floor broker unless that Permit Holder is registered with the CFTC as a futures or options floor broker, and such registration has not expired nor been suspended (and the period of such suspension shall not have expired) nor been revoked; and such floor broker shall properly file with the Exchange a copy of any Form 3-R required to be filed under appropriate regulations. Each Permit Holder registered as a floor broker must file biennial updates with the National Futures Association ("NFA") using Form 8-R within thirty (30) days following a date specified by the NFA. Failure to file the biennial Form 8-R within the aforementioned time frame shall be deemed to be a request to withdraw from registration. Voluntary withdrawal of floor broker registration can be accomplished by completing Form 7-W and filing such with the NFA in accordance with Commission Regulation 3.33(e), a copy of which must be provided to the Exchange.

1130.02 Broker Associations.

Permit Holders of "broker associations" shall comply with the following provisions of this rule in registering and updating information pertaining to their association.

a. Definition. "Broker Association" is defined as two or more Permit Holders with floor trading privileges, of whom at least one is acting as a floor broker, who: (1) Engage in floor brokerage activity on behalf of the same employer, (2) have an employer and employee relationship which relates to floor brokerage activity, (3) share profits and losses associated with their brokerage or trading activity, or (4) regularly share a deck of orders.

b. Registration required. It shall be unlawful for any Permit Holder of a broker association to receive or to execute an order unless the broker association is registered with the Exchange.

c. Information to register. The following information must be supplied in writing to the Exchange no later than ten (10) calendar days following the establishment of such relationship in order for such broker association to be considered properly registered with the Exchange:

    (1) Name;

    (2) Form of organization, e.g., partnership, corporation, trust, etc.;

    (3) Name of each person who is a Permit Holder or otherwise has a direct beneficial interest in the association;

    (4) Badge symbols for all Permit Holders;

    (5) Account numbers for all accounts of any Permit Holder, accounts in which any Permit Holder(s) has an interest, and any proprietary or customer accounts controlled by any Permit Holder(s);

    (6) Identification of all other broker associations with which each Permit Holder is associated; and

    (7) Individual(s) authorized to represent the association in connection with its registration obligations.

d. Updating registration information. Any registration information provided to the Exchange which becomes deficient or inaccurate must be updated or corrected within ten (10) calendar days.

1131.00 Trading Ahead Of Customer.

Each floor broker is prohibited from trading ahead of a customer order:

a. Own Account; No Purchasing. Each floor broker is prohibited from purchasing any commodity for future delivery for the broker's own account, or for any account in which such Permit Holder has an interest, while holding an order of another person for the purchase of the same commodity which is executable at the market price or at the price at which such purchase can be made for the Permit Holder's own account or the account in which such Permit Holder has an interest.

b. Own Account; No Selling. Each floor broker is prohibited from selling any commodity for future delivery for the broker's own account or for any account in which such Permit Holder has an interest, while holding an order of another person for the sale of the same commodity which is executable at the market which such Permit Holder has an interest.

1132.00 Disclosure Of Orders.

Each floor broker is prohibited from disclosing at any time that such broker is holding an order of another person or from divulging any order revealed to such broker by reason of the broker's relationship to such other person except at the request of an authorized representative of the CFTC or the contract market.

1133.00 Taking Other Side.

Each floor broker is prohibited from taking, directly or indirectly, the other side of any order of another person revealed to such Permit Holder by reason of the Permit Holder's relationship to such other person.

1134.00 Prearranged Sale.

Each Permit Holder is prohibited from making any purchase or sale which has been prearranged.

1135.00 Allocation of Trades.

Each floor broker is prohibited from allocating trades among accounts.

1136.00 Withholding or Withdrawal of Orders.

Each floor broker is prohibited from withholding or withdrawing from the market any order or part of an order of another person for the convenience of another Permit Holder.

1137.00 Prompt Give-Up Of Clearing Permit Holder.

Each floor broker is required to promptly give up the Clearing Member for each transaction executed on the floor. On failing to do so, the floor broker shall thereafter be held responsible for such trade at the option of the party with whom the trade was made. The floor broker shall also be held liable for acceptance of such trade by the principal.

1138.00 Customer Discretionary Accounts.

Each floor broker is prohibited from executing any transaction for any customer discretionary account except that orders for such an account may be placed with another Permit Holder for execution. The phrase "customer discretionary account" means an account with a floor broker on behalf of a customer other than the broker's employer, partnership, or corporation.

Notes:

1. "Discretionary Accounts" under these Rules do not include Permit Holders of a floor broker's immediate family, so that a broker holding such orders would have to treat them as if they were orders of non-Permit Holders and execute them ahead of the broker's own trades.

2. The CFTC has granted the Exchange an exemption from the CFTC Regulation Section 155.2(c) "handing

off" requirement for discretionary orders originated by a floor broker for the individual, partnership, or corporation which the floor broker represents within the meaning of these Rules. Under the Rules a floor broker is permitted to execute discretionary orders on behalf of only one person or one entity which the broker represents. As a result a broker may only execute discretionary orders on behalf of those categories of persons or entities that are either contract market Permit Holders or entities vested with Permit Holder privileges. This means that if the broker is also an account executive with a FCM and has trading authority over any discretionary accounts, that broker cannot execute trades for those accounts.

SPREAD TRANSACTIONS

1144.00 Strip Transactions; Permitted.

A strip transaction is permitted at the Exchange provided the following conditions are met. The Board shall determine which contracts may offer strip transactions pursuant to this Rule.

a. Definition. A strip transaction shall consist of either the simultaneous purchase or sale of an equal number of contracts in each of two or more consecutive futures contract months.

b. Account. All of the two or more consecutive futures contract months representing the strip purchase or sale must be for the same account.

c. Price. A strip shall be quoted and traded at a single price (generally such price approximates the average of the outright futures prices for the months comprising the strip transaction). Such price must be in line with prevailing contract prices for strip transactions.

d. Open Outcry. All strip transactions must be executed by open outcry in the trading pit.

e. Record. When strip trades are transacted, the executing Permit Holder on each side of the transaction shall record on the trading record (in addition to quantity, opposite broker, time and opposite Clearing Member) the first and last month of the strip in the month box, the single price reported in the price box, and the strip symbol in the code box. When strip trades are entered for clearing, the price assigned to each month comprising the strip shall be the trade price. For strip trades of an equal number of monthly contracts in each of two or more consecutive months, the strip symbol "M" shall be recorded in the code box. For strip trades of an equal number of calendar day contracts in each of two or more consecutive futures contract months, the strip symbol "C" shall be recorded in the code box. In the latter case, the number of daily contracts is what is recorded in the amount column of the trading record and when entering for clearing must be multiplied by the number of calendar days to arrive at the number of contracts applicable to each contract month of the strip transaction.

f. Reporting. A strip transaction shall be reported, recorded, and publicized as a strip at the single price quoted, traded and reported.

g. Stop Orders. Strip transactions shall not set off stop orders in any contract.

1144.01 Option Strip Transactions; Permitted.

Option strip transactions are permitted at the Exchange provided the following conditions are met. The Board shall determine which contracts may offer option strip transactions pursuant to this Rule.

a. Definition. A strip transaction shall consist of either the simultaneous purchase or sale of an equal number of options contracts of the same strike price in each of two or more consecutive option contract months.

b. Account. All of the option contracts representing the strip purchase or sale must be for the same account.

c. Price. A strip shall be quoted and traded at a single price (generally such price approximates the average of the options premiums for the strike prices of the months comprising the strip transaction). Such price must be in line with prevailing contract prices for strip transactions.

d. Open Outcry. All strip transactions must be executed by open outcry in the trading pit.

e. Record. When strip trades are transacted, the executing Permit Holder on each side of the transaction shall record on the trading record (in addition to quantity, opposite broker, time and opposite Clearing

Member) the first and last month of the strip in the month box, the single price reported in the price box, and the strip symbol in the code box. When strip trades are entered for clearing, the price assigned to each month comprising the strip shall be the trade price. For strip trades of an equal number of monthly contracts in each of two or more consecutive months, the strip symbol "M" shall be recorded in the code box. For strip trades of an equal number of calendar day contracts in each of two or more consecutive months, the strip symbol "C" shall be recorded in the code box. In the latter case, the number of daily contracts is what is recorded in the amount column of the trading record and when entering for clearing must be multiplied by the number of calendar days to arrive at the number of contracts applicable to each contract month of the strip transaction.

f. Reporting. A strip transaction shall be reported, recorded, and publicized as a strip at the single price quoted, traded and reported.

g. Stop Orders. Strip transactions shall not set off stop orders in any contract.

1145.00 Spread Transactions; Permitted.

A spread transaction involving the purchase and sale of different futures at a price difference is permitted at the Exchange.

1146.00 Requirements.

A spread transaction at the Exchange must meet the following conditions:

a. Same Account. Each side of the spread must be for the same account;

b. Executed Competitively. Such trades must be executed competitively by public outcry in the pit;

c. Prices. Both sides of the spread transaction must be assigned prices within the daily price limit;

d. Reporting. The transaction shall be reported, recorded, and publicized as a spread; and

e. Designation. The transaction shall be designated as a spread on the trading cards by an appropriate word or symbol clearly identifying such transaction.

Note: A spread is designated by the symbol S on the trading card.

1147.00 Option Spread Transactions; Permitted.

A spread transaction involving the purchase and sale of different options or the purchase and sale of options and the underlying futures, at a price difference, is permitted at the Exchange provided the conditions of Rule 1148.00 are met.

1148.00 Option Spreads; Requirements.

Spreads allowed under Rule 1147.00 must meet the following conditions:

a. All sides of the spread must be for the same account;

b. Such spread must be executed competitively by public outcry in the pit;

c. All sides of the spread must be executed at prices within the daily price limit;

d. The transaction shall be reported, recorded, and publicized as a spread in the ratio in which it was executed, provided such spread was executed simultaneously at a price difference.

e. When spread transactions are executed simultaneously, the executing Permit Holder on each side of the transaction shall designate each part of the trade as a spread on the trading cards by an appropriate word or symbol clearly identifying each part of such transaction;

Note: An option spread is designated by the symbol R on the trading card.

f. Only the futures which underlie the options may be included in spreads traded at a price difference;

g. Spreads that involve the trading of futures and options contracts that do not offset to reduce economic risk shall not be executed simultaneously at a price difference. Each side of such spread trade must be executed separately in the respective designated trading area for such contract.

1149.00 Spread Transactions To Rectify Errors.

A spread transaction executed at a differential pursuant to Rule 1146.00 or 1148.00 must be for the same account, except, however, that in the event an order was executed in the wrong month or strike price, a spread transaction at a differential may be executed to both fill the terms of the original order and liquidate the erroneous trade previously executed, provided the following conditions are met:

a. If the error was on the part of a floor broker not employed by the Clearing Member representing the order:

    1. The floor broker places the position erroneously acquired and the subsequent offsetting position entered into as part of a spread transaction into his error account; and

    2. A Permit Holder representing (employed by) the Clearing Member initiating the mishandled order approves the execution price used in the spread transaction (for filling the order erroneously handled) by initialing the trading card used to record the spread transaction.

b. If the error was on the part of a Clearing Member representing the order or its floor broker employee:

    1. The Clearing Member places the position erroneously acquired and the subsequent offsetting position entered into as part of a spread transaction into its error account; and

    2. The Pit Committee chairman (or a member of the Pit Committee in his absence) reviews the propriety of the execution price used in the spread transaction (for filling the order erroneously handled) using Time and Sales information, the time received stamped on the order and any other relevant information. If a dispute arises between the Pit Committee Chairman and the Clearing Member, the matter may be appealed to the full Pit Committee present for a final decision in the matter. The chairman or any other member of the Pit Committee may not take part in the review or resolution in the case of an appeal, if such member has a financial, personal or other direct interest in the matter under consideration.

c. The circumstances surrounding the nature and resolution of the error are clearly documented by the floor broker or Clearing Member, as the case may be, and such document is provided to the Exchange the same day the error occurred.

CONTROLLED ACCOUNTS

1150.00 Controlled Accounts.

No account for the purchase and sale of commodities for future delivery on the Exchange shall be accepted or carried for any person who has given trading authority to another person, not a Permit Holder of the same family, unless the requirements of Rules 1108.00 and 1151.00 are observed.

1151.00 Requirements.

No controlled account shall be accepted or carried unless trading authority pursuant to Rule 1150.00 has been obtained, the registration requirement of Rule 1108.00 has been met, and each of the following conditions has been fulfilled:

a. A monthly statement shall be sent directly to the customer showing the exact position of the account, including all open trades figured to the market;

b. Each transaction shall be specifically designated with the customer's name at the time the order is accepted;

c. No transaction shall be held open in the customer's account which can be closed by making up an account purchase and sale; and

d. Confirmations of all trades shall be sent promptly to both the customer and the party acting for the

customer.

RECORD KEEPING

1165.00 Non-Permit Holder Corporation Or Association; Orders.

No Permit Holder shall accept from a non-Permit Holder firm orders for the purchase or sale of any of the commodities dealt in under the rules of the Exchange for future delivery, unless there be on file in the records of such Permit Holder a certified copy of the resolution of the board of such corporation or association authorizing some designated representative of such non-Permit Holder firm to place such orders for its account and naming some other representative of non-Permit Holder firm to receive duplicate confirmations of all trades made for its account. Permit Holders must handle their confirmations in accord with this rule.

1165.01 Time For Compliance.

Permit Holders receiving orders from non-Permit Holder firms who do not have a resolution from such corporation's or association's board of directors on file in their own records shall be allowed a reasonable time within which such authorization may be obtained.

1166.00 Confirmations.

Whenever a Permit Holder acting on his or her own behalf, or as the representative of a firm or corporation, shall have made a purchase or sale for another party for future delivery of contract grades of commodities dealt in at the Exchange, such Permit Holder, or the firm or corporation which such Permit Holder represents, shall on the day of the purchase or sale notify in writing the party for whom such purchase or sale was made. The notice shall include the price at which the purchase or sale was made, the commodity, and the quantity. Noncompliance with this rule shall be deemed uncommercial conduct subject to the disciplinary procedures set forth in Chapter 14.

1167.00 Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction executed on the trading floor or on the Globex platform on the record of transactions submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

> CTI 1: Electronic Trading and Open Outcry – Applies to transactions initiated and executed by an individual Permit Holder for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a Permit Holder for the proprietary account of a Clearing Member firm must be designated as CTI 2 transactions.
>
> CTI 2: Electronic Trading and Open Outcry – Applies to orders entered or trades executed for the proprietary accounts of a Clearing Member.
>
> CTI 3: Electronic Trading – Applies to orders entered by a Permit Holder or a nonmember terminal operator for the account of another individual Permit Holder or an account controlled by such other individual Permit Holder.
>
> CTI 3: Open Outcry – Applies to orders that a Permit Holder executes on behalf of another individual Permit Holder, or for an account such other Permit Holder controls or in which such other Permit Holder has an ownership or financial interest.
>
> CTI 4: Electronic Trading and Open Outcry – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.

PROHIBITED TRANSACTIONS

1170.00 Permit Holder May Not Be Both Principal And Agent.

No Permit Holder is allowed, under any circumstances, knowingly and willfully, to be both principal and agent in any transaction in any of the commodities dealt in under the Rules (except when futures are exchanged for cash, Rule 1128.00).

1171.00 Wash, Cross, Accommodation, Or Fictitious Trades.

It shall be a violation of these Rules to enter into or confirm the execution of any transaction, if such transaction is of the character of, or is commonly known to the trade as a "wash trade," "cross trade," "accommodation trade," or is a fictitious sale.

Note: It is a violation of this Rule for a Permit Holder to give a name and thereby make accommodation trades, offsetting two (2) opposed trades for the purpose of concealing the true nature of the crossed transactions.

1172.00 False Price.

It shall be a violation of these rules to enter into or confirm the execution of any transaction if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

1173.00 Detrimental Acts.

It shall be a violation of these rules if a Permit Holder is or has engaged in conduct that is detrimental to the best interest of the Exchange, impairs the good name of the Exchange, or is inconsistent with just and equitable principles of trade.

1173.01 Intermarket Trading Restrictions.

If a Permit Holder or person associated with a Permit Holder or Permit Holder firm executes or causes to be executed, for an account in which such Permit Holder or person has a direct or indirect pecuniary interest or for an account with respect to which such Permit Holder or person exercises investment discretion, any transactions described below to take advantage of material, non-public information which can reasonably be expected to have an immediate, favorable impact in relation to such transactions, such Permit Holder or persons may be in violation of this rule which prohibits certain types of intermarket trading activity:

In determining whether a Permit Holder or person has taken advantage of material, non-public information, it is not necessary for the Exchange to demonstrate that another person has been disadvantaged. Further, such Permit Holder or person may be in violation of just and equitable principles of trade regardless of whether the other person has given permission for such trading.

However, nothing herein shall prevent such Permit Holder or person from establishing, in a futures market, a bona fide hedge of risk such Permit Holder or person may have assumed or agreed to assume in facilitating the execution of any other person's stock program or stock index option orders. The risk to be hedged must be the result of having established a position or having given a firm commitment to assume a position, and the offsetting hedging transaction must be commensurate with such risk.

In addition, a Permit Holder or person associated with a Permit Holder organization who implements a proprietary market strategy involving a stock program or stock index option transaction(s) and a related stock index futures transaction by executing the stock index futures trade(s) prior to the execution of the stock program or the stock index option transaction(s) will not be deemed to be in violation of this policy. However, if the Permit Holder or person executes or causes to be executed a transaction in one market to take advantage of such Permit Holder's or person's imminent transaction in a related market, that Permit Holder or person may be engaging in manipulative activity.

1174.00 Permit Holders Not Take Trades For Their Own Account.

No Permit Holder, firm, or corporation, under any circumstances, shall assume to have executed any order(s) or portion thereof, by knowingly and willfully taking the trades, or any portion of them, for their own account, either directly or indirectly, in their own name or that of an employee, broker, or other Permit Holder.

1175.00 Match Trades.

A Permit Holder having in hand, at the same time, both buying and selling orders from different principals for the same commodity in the same delivery month, may execute such orders directly between such principals at the market price if the requirements of Rules 1175.01 through 1175.05 are met.

1175.01 Open Outcry; Observer.

To execute a valid match ("ring") trade, the orders must first be offered openly and competitively in the trading

pit by bidding and offering the orders at the same price at least two times, and if neither the bid nor offer is accepted by another Permit Holder, the orders may be executed directly, followed immediately by an announcement of the quantity matched. This transaction must be executed in the presence of the pit reporter.

For example, a broker having a buy order for 100 Dec wheat at 4.55 per bushel and an order to sell 50 Dec wheat at 4.55 per bushel, would shout (witness by a pit reporter):

"Buy or sell Dec at 5," "Buy or sell Dec at 5," "Ring 50"

1175.02 Record.

The Permit Holder executing a valid match trade must clearly identify all such transactions on the trading card by appropriate descriptive word or symbol. The trading card shall be made at the time of execution and shall record the exact time of execution. The trading card shall be promptly presented to the pit reporter for verification and initialing.

1175.03 No Interest.

The FCM or floor broker receiving or executing such orders shall have no interest therein, directly or indirectly, except as FCM or floor broker.

1175.04 Not Violate Rule 1170.00.

The execution of orders in accordance with the conditions described in Rules 1175.00 through 1175.03 will not be deemed to be the filling of orders by offset within the meaning of Rule 1170.00 or to be cross trades within the meaning of Section 4c of the Commodity Exchange Act, as amended.

1175.05 Exchange Record.

Each valid match trade executed shall be made a matter of permanent record by the Exchange, showing the date, price, quantity, commodity, delivery month, by whom executed, and the exact time of execution.

1176.00 Other Prohibited Activities. No Permit Holder in connection with any order or contract for or on behalf of any person shall:

a. Not Cheat. Cheat, defraud, or attempt to cheat or defraud such person;

b. No False Report. Willfully make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

c. Not Willfully Deceive. Willfully deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract, the disposition of or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person;

d. Not Bucket. Bucket such order, fill such order by offset against the order(s) of any other person, willfully and knowingly become the buyer in respect to any selling order of such person, become the seller in respect to any buying order of such person, or knowingly trade with or be associated with persons engaged in such activities;

e. Not Extort. Be guilty of any extortion or attempted extortion, or of any fraudulent, corrupt, uncommercial, or dishonest practices in any business dealings with Permit Holders or others;

f. Not Manipulate. Attempt to manipulate the prices of grain or other commodities, or corner, or attempt to corner any grain or other commodities. No False Business Reports. Be guilty of making or circulating any false or slanderous reports relative to the business affairs of other Permit Holders, or relative to the officers, appointees, and committees of the Exchange, or the general management of the market; and

g. No False Market Reports. Knowingly disseminate any false, misleading, or inaccurate report concerning crop or market information or conditions that affect or tend to affect the price of any commodities in interstate commerce or otherwise.

1177.0 Telephone, Hand-held and Headset Technology in Trading Pits.

1. Corded Devices - No Permit Holder or any other person holding a telephone or any other device with a cord that can cause a safety hazard may enter any of the Exchange trading pits.

2. Wireless telephone, hand-held and headset technology – All Permit Holders and Permit Holder firms are eligible to receive authorization to utilize wireless technology in the trading pits. Only Permit Holders may operate approved wireless technology in the trading pits. The use of wireless technology is subject to an application and approval process by Exchange staff, who may establish reasonable, non-discriminatory guidelines for the approval and use of such technology. Permit Holders and Permit Holder firms employing individuals utilizing wireless technology either in the trading pits or at their floor booth are responsible for ensuring that such individuals comply with the Exchange's guidelines. Use of wireless technology involving customer orders is subject to the following:

   a. Any Permit Holder using a wireless telephonic link between such Permit Holder's floor booth and a broker in the trading pit for the transmission of customer orders must ensure that the requisite information pursuant to Rule 11-1130.00-1 (Written Record Of Customer Or Option Customer Order) is being properly recorded by such Permit Holder's floor personnel at the booth.

   b. Any Permit Holder using a wireless telephonic link that involves the transmission of customer orders directly to a broker in the trading pit from other than a floor booth must simultaneously have the Permit Holder's floor booth linked so that floor personnel can record the information required by Rule 11-1130.00-1.

   c. Any Permit Holder using technology that transmits customer orders electronically to a hand-held device operated by a broker in the trading pit is not required to maintain a floor booth link provided that such technology captures the requisite information pursuant to Rule 11-1130.00-1. Further, such broker is not required to record such trades on a trading card provided the hand-held device captures the requisite information pursuant to Rule 1115.00 (Trading Records).

FEES AND CHARGES

1190.00 Discretion On Fees.

Commissions or charges permitted to be charged by these Rules shall be in such amounts as the Exchange shall charge in their discretion, and their imposition shall not violate these Rules.

1191.00 Futures Trades.

A commission shall be charged for buying and selling, or selling or buying, grain for future delivery. Such commission shall include the service of taking delivery of the grain on the futures contract, and such delivery shall, for the purpose of these rules, be deemed completed by acceptance of the warehouse receipts and payment therefor.

1191.01 Redelivery.

A futures commission charge shall be made for making delivery on futures contracts when the grain to be delivered has previously been obtained by delivery on futures contracts.

1192.00 Financing Charges. A charge shall be made to non-Permit Holders, resident Permit Holders, and non-resident Permit Holders as a financing commission in addition to interest charges for:

a. Carried Over. Financing grain delivered on contract during one (1) contract delivery month and carried to another contract delivery month and redelivered;

b. Ten Day Lapse. Where the grain taken on delivery is not redelivered and payment from the principal or otherwise is not received until more than ten (10) days have elapsed from the time of acceptance of delivery;

c. Customer's Account; Redelivery. When grain taken on delivery is carried for the customer's account and redelivered in the same contract month, the said financing charge shall not be made. In such cases a futures commission charge shall be made on each transaction in addition to interest charges; and

d. Interest Rate. Interest charged according to the provisions of these rules shall be computed from the time of delivery until reimbursement is made.

1192.01 No Compulsory Financing.

Nothing herein contained shall be construed as making it compulsory for a Permit Holder to finance deliveries.

1193.00 Grain In Store; Financing.

In addition to the finance charge provided for in Rule 1192.00, a charge shall be made for selling grain while in store represented by warehouse receipt(s) obtained by the taking of delivery on futures contracts when financed by a commission merchant or when financed by a customer. However, if the holder of the grain obtained the same by taking delivery of the futures contracts executed by the same Permit Holder, firm, or corporation, there shall be deducted the futures commission previously paid on such transaction.

1194.00 Ordering Out.

A charge equal to the commission on consignments shall be made for ordering out and supervising the loading and/or shipping of grain delivered on futures contracts, whether financed by the Permit Holder, firm, or corporation making such charge, or financed by the customer holder of such receipts. The charge shall be in addition to the finance charge provided for in Rule 1192.00. If the futures contract has been executed by the same Permit Holder, firm, or corporation, the commission for such futures contract shall be deducted from the charge provided in this rule.

1195.00 Receiving; Delivering Cash Grain On Futures.

A consignment selling commission shall be charged for receiving cash grain, arranging for the storage thereof, selling the futures and delivering the cash grain on the futures contracts so made. If a storage commission charge has been made previously on the same cash grain, there shall be deducted from the charge herein provided for the amount previously collected.

1196.00 Reserved

1197.00 Fees And Charges On Futures Trades.

All taxes, Exchange fees, and regulatory charges, if any, on a sale for future delivery shall be charged to the party for whom the sale is made.

1198.00 Brokerage.

Permit Holders registered with the CFTC shall charge a brokerage commission or fee for execution of futures orders in the trading pit.

1199.00 Clearing Fee.

Clearing Members shall charge a fee for reporting and clearing trades, and may charge a larger fee for carrying a trade overnight.

11-1130.00-1 Written Record Of Customer Or Option Customer Order

Immediately upon receipt on the floor of the Exchange of a Customer's or option customer's order, the Permit Holder or its designee shall prepare a written record of such order including the Account Identification, Order Number and the Date and Time, to the nearest minute, such order was transmitted or received on the floor of the Exchange. The Date and Time shall be recorded thereon by a time stamp or other timing device.

Such order may then be transmitted physically, verbally or by hand signals to the floor broker by the Permit Holder or its designee. If such order is not transmitted immediately to the floor broker, the order must be time stamped when it is transmitted.

(a) If the order is transmitted physically to the floor broker, when the order is received back from the floor broker, the order must also be time stamped;

(b) If the order is transmitted verbally or by hand signals to the floor broker, when a report of execution, or the

fact that it is unable to be executed is received from the floor broker, the order must also be time stamped.

All Permit Holders shall initiate written procedures to ensure compliance with this rule.

INTERPRETATIONS

INTRP 11-1115.00-1 Recording Trading Quantity

Effective Friday, January 2, 1998, the term "quantity," as used in Rule 1115.00 respecting the items required to be recorded on a trading record, shall mean "number of contracts."

Note: Prior to 1/2/98, wheat futures quantity was recorded in thousands of bushels rather than contracts.

INTRP 11-1128.00-1 Exchange Of Futures For Cash

Rule 1128.00 pertaining to the exchange of futures for cash commodities or in connection with cash commodity transactions may only occur between two parties wherein one of the parties is the buyer of the futures contracts and the seller of the cash commodity and the other party is the seller of the futures contracts and the buyer of the cash commodity. The transaction must be submitted to the Clearing House by a Clearing Member acting on its own behalf or for the beneficial account of a customer who is a party to the transaction. Pass-through of futures is prohibited.

INTRP 11-1146.00-1 Futures Trading; Spread Requirements

Intramarket Spreads; Market Up The Limit

Question: When the market is up the limit, can a futures trader enter into spreads with one side of the spread being lower than the current price which was up the daily limit?

Answer: Rule 1146.00 permits such spreading transactions provided there is an open outcry in the pit and the pit reporter is advised of the spread transaction. The restrictions of Rule 1146.00 apply to all such transactions.

INTRP 11-1146.00-2 Futures Trading; Trading Requirements - Bid/Ask Differences
Rule 1146.00(c) shall mean the following:

"Spread transactions occurring in contract months which have no daily quotation range, must be concluded at prices which reflect the bid/ask differences available by open outcry in the pit."

CHAPTER 11A
CLEARING HOUSE AND PERFORMANCE BONDS

11A00.00 CLEARING HOUSE

The Exchange shall utilize the services of the CME Clearing House in order to protect market participants and to maintain the integrity of the contracts traded on or processed through the Exchange. Membership in the Clearing House shall be a right and privilege granted by the Board of Directors which may, from time to time, establish such classes of membership in the Clearing House, together with the duties, rights and privileges thereof, as it deems necessary.

11A01.00 MANAGEMENT

The general direction of the Clearing House shall be under the jurisdiction of the Clearing House Risk Committee. The Chief Executive Officer with the approval of the Board shall appoint a President of the Clearing House, who shall be responsible for the daily operation of the Clearing House and the implementation of the rules applicable to the Clearing House. The President of the Clearing House may also delegate authority for certain aspects of the daily operation of the Clearing House to staff of the Clearing House.

Clearing House staff shall adopt, establish, publish and amend from time to time a Clearing House Manual of Operations ("Manual"). This Manual shall contain, among other things, information and directions for preparing trade data, completing prescribed memoranda and meeting other Clearing House requirements. The Manual and amendments thereto shall constitute part of the rules of the Exchange.

11A03.00 LIMITATION OF LIABILITY

The liability of the Clearing House shall be limited to losses resulting from the substitution of the Clearing House upon contracts between Clearing Members and to losses in connection with substitution of another Participating Exchange for Clearing Members (i.e., the Mutual Offset System), and to losses in connection with amounts due and owing from a Partner Clearing House. The Clearing House shall not be liable for any other obligations, including but not limited to, obligations of a non-Clearing Member, obligations of a Clearing Member to a non-member, obligations of a Clearing Member to another member of the Clearing House who is acting for him as broker, or obligations to a customer by a Clearing Member; nor shall the Clearing House become liable to make deliveries to or accept deliveries from a customer of its Clearing Members.

11A804.00 SUBSTITUTION

Except with respect to trades made pursuant to Rules 1128.00, 1129.00 and 11A853.00, the Clearing House shall, through the process of novation, be substituted as, and assume the position of, seller to the buyer and buyer to the seller of the relevant number of Exchange contracts upon the successful matching of trade data submitted to the Clearing House by the Clearing Members on the long and short sides of a trade. With respect to contracts that are traded on and matched by another exchange or market, the Clearing House shall be substituted as, and assume the position of, seller to buyer and buyer to seller of the relevant number of such contracts upon matching of trade data submitted to and accepted by the Clearing House.

Upon such substitution, each Clearing Member shall be deemed to have bought the contracts from or sold the contracts to the Clearing House, as the case may be, and the Clearing House shall have all the rights and be subject to all the liabilities of such member with respect to such transaction. Such substitution shall be effective in law for all purposes.

With regard to trades made pursuant to Rules 1128.00, 1129.00 and 11A853.00, the Clearing House shall be substituted at the time payment of the first settlement variation and performance bond due for such trades pursuant to Rule 11A814.00 is confirmed by the appropriate settlement bank for both members.

11A805.00 OPEN POSITIONS

All contracts for the purchase or sale of any product for future delivery shall remain open and in force, and shall continue to be binding upon the original parties until liquidated by offset as provided in Rule 11A806.00 or by delivery or failure to perform as provided in the relevant delivery chapter or product chapter.

11A806.00 OFFSET PROCESS

When a Permit Holder buys and sells the same commodity for the same delivery month or a put or call option

with the same strike price and expiration month and such contracts are cleared through the Clearing House, the purchases and sales are not automatically offset one against the other. Transactions can only be offset against one another by complying with Rule 11A811.00.

11A807.00 OPEN LONG POSITIONS DURING DELIVERY MONTH

At such times and in such manner as shall be prescribed by the Manual, Clearing Members shall submit a complete and accurate record of dates of all open purchases for use in making deliveries. Clearing Members shall be fully responsible for inventories submitted to the Clearing House. This rule shall not apply to trading in options contracts.

11A808.00 CME CLEARPORT: PROCEDURES FOR TRADE SUBMISSION

(A) Scope of Rule. This rule governs transactions not competitively executed on the Exchange ("Transactions") that are submitted via CME ClearPort for clearing in connection with a contract that is listed on the Exchange for clearing only or listed for trading and clearing on the Exchange. In submitting such Transactions to CME ClearPort or in allowing such Transactions to be submitted to CME ClearPort, the two parties to the Transaction shall be deemed to have mutually agreed to initiate a process to substitute their transaction for a standardized futures contract listed for trading and clearing on the Exchange. For purposes of this rule, the two principals in such Transactions shall be referenced as the "Parties to the Transaction."

(B) Transactions: Compliance with Regulatory Exemptions and Exclusions. Each of the Parties to the Transaction shall be responsible for ensuring that the Transaction complies with CFTC regulatory requirements as applicable for such transaction, including as appropriate compliance with the terms of a statutory exemption or exclusion under the Commodity Exchange Act from other CFTC regulation relied upon by the Parties to the Transaction.

(C) Submission of Transactions. The process of submission of a Transaction shall not be deemed to have been completed unless and until the Parties to the Transaction have successfully concluded the submission of the Transaction to the Exchange as an Exchange of Futures for Physicals ("EFP"), an Exchange of Futures for Risk ("EFR"), an Exchange of Options for Options (EOO) or a Block Trade, as applicable, pursuant to the respective provisions of Exchange Rules 538 and 526 and the provisions of this Rule.

(D) Trade Submission Procedures. All Transactions submitted to the Clearing House pursuant to this rule must be submitted in accordance with the procedures established by the Clearing House for this purpose, as amended from time to time. The Parties to the Transaction and any Party authorized under Section (E) of this Rule with brokering capability ("Broker" or "Brokers") authorized to submit executed transactions on their behalf to the Clearing House and authorized for related activities shall be exclusively responsible, both individually and jointly, for accurately confirming the details of the Transaction to the Clearing House. Once submitted, all such transactions, subject to the rules for trade adjustments set forth in Section (G) of this Rule, shall be deemed final. Neither the Clearing House nor a Clearing Member carrying the account of either party will have any responsibility in the confirmation of trade terms for the Transactions.

(E) Registration of Eligible Participants, Eligible Accounts and Authorized Brokers. Each Clearing Member must register with the Clearing House in the manner required for any customer authorized by the Clearing Member to submit transactions to the Clearing House pursuant to this rule, and must also register with the Clearing House the applicable account numbers for each such customer. For each such account, the Clearing Member carrying that account also must submit to the Clearing House in the manner provided the name of any Broker(s) who has registered with the Clearing House for services provided by the Clearing House, and who is authorized by the customer to act on its behalf in the submission of executed transactions to the Clearing House and related activity.

For any such Brokers authorized by the customer and submitted to the Clearing House by the Clearing Member, such submission by the Clearing Member will not constitute an endorsement or ratification of the customer's authorization of the Broker. Moreover, submission of Brokers authorized by the customer will not mean that the Clearing Member is in privity with, has a relationship with and/or is otherwise standing behind any of the customer's authorized Brokers, and the Clearing Member will have no responsibility for any such Brokers selected by the customer and no duty or obligation to supervise the activities of any such Brokers.

(F) Establishment of Authorized Commodities and Total Risk Value. For each account number that has been registered with the Clearing House pursuant to Section (E) of this rule, a Clearing Member also must input into the Exchange's system authorization indicating the specific commodities for which a Transaction may be submitted to the Clearing House pursuant to this rule and the risk value(s) assigned by the Clearing Member for

Transactions for that account.

(G) Trade Deletion Procedures for Transactions Submitted via CME ClearPort. Following submission of the trade details by Broker or Parties to the Transaction (or by Clearing House staff as mutually agreed by the Parties to the Transaction), an e-mail will be transmitted to the Parties to the Transaction notifying them that they have been listed as counterparties in a Transaction that has been submitted to the Clearing House. Following such submission, a buyer or seller may not unilaterally reject the trade terms previously submitted to the Clearing House. However, in order to correct an error resulting from the good faith actions of the Broker or Clearing House staff, as applicable, and upon mutual consent of the Parties to the Transaction, Broker or Clearing House staff, as applicable, may void the transaction provided, however, that this void response is received by the Clearing House within sixty (60) minutes of the time of the initial submission of the Transaction to the Clearing House.

(H) Entry of Transactions. For a Transaction submitted to the Clearing House pursuant to this rule, such transaction first will be routed to the Exchange's credit check system. The time of entry of a Transaction into CME's system will be recorded by the system and will be used by the Clearing House as the time that a credit check was conducted pursuant to Section (I) below.

(I) Use of Credit Check System. The Clearing House will conduct a credit check for each Transaction. The credit check will confirm whether the Clearing Member carrying that account has authorized that account for Transactions submitted pursuant to this rule in the commodity involved in the Transaction, and confirm whether the entry of the Transaction into clearing would fall within the risk value(s) established by the Clearing Member. At all times until both sides (Buy and Sell) of the Transaction have successfully cleared the credit check, a Transaction submitted to the Clearing House pursuant to this rule shall remain as an uncleared Transaction. In the event that either side of the Transaction is rejected as a result of the credit check test, the Parties to the Transaction and their respective Clearing Members would be informed accordingly. Thereafter, any determination as to further action with respect to the Transaction would be resolved by the Parties to the Transaction.

(J) Trade Submission Deadlines. Transactions that are submitted, confirmed and accepted for clearing, as further provided by Section (K) of this rule, prior to 4:15 p.m. Chicago time on a Clearing House business day will be included by the Clearing House for clearing for that business day. The Clearing House reserves the right to modify these business hours without notice at any time. The CME ClearPort Facilitation Desk will generally be available to assist users 24 hours a day on all Clearing House business days.

(K) Clearance by Both Sides of the Transactions of Credit Check. Upon clearance by both sides of the Transaction of the credit check, the transaction shall be deemed to have been accepted for clearing and will be routed automatically to the Clearing House's clearing system. Notwithstanding the above, a Clearing Member also shall be responsible for accepting and clearing a position for a Transaction entered into the Clearing House's clearing system for clearing following any non-operation of the credit check functionality for the applicable account carried by the Clearing Member.

11A809.00 TRADE DATA PROCESSING SYSTEM

Trade Data

Every Clearing Member must submit accurate trade data for the day's business to the Clearing House no later than the time specified by the Clearing House.

Matched and Unmatched Trades

The Clearing House shall process all trade data submitted by Clearing Members but shall accept only those trade records (transactions) which are in agreement with the corresponding trade records submitted by the opposite Clearing Members.

Trade records will be matched, to the extent the opposite trade information is consistent, through the tiered matching process.

Resubmitted trade data will be processed by the Clearing House. Trades with unmatched trade information remaining after the tiered matching process will be rejected and outtrade notices will be issued to Clearing Members.

Trades unreconciled after the final reconciliation must be submitted on the following business day as "as-of-trades."

Trade Register and Clearing Reports

From the trade data cleared during each day's reconciliation, the Clearing House will produce a trade register for each Clearing Member which will itemize by commodity and contract: the opening long and short position, the contracts bought and/or sold during the day, the prices at which executed, and the settlement amounts.

The Clearing House will also produce a recap ledger for each Clearing Member that will itemize various position and financial information that includes but is not limited to, commodity positions, settlement amounts and performance bond information.

Reconciliation of Outtrades

It shall be the primary responsibility of the Clearing Member to see that all trades are cleared prior to the opening of the following day's open outcry market.

Each Permit Holder, if applicable, and Clearing Member firm shall designate a person or persons who will be available and responsible for reconciling the Permit Holder or Clearing Member firm's outtrades. The person or persons shall be qualified to resolve outtrades as the Permit Holder or Clearing Member firm's designated outtrade representative. Failure to have a qualified representative available, with all materials necessary to reconcile outtrades, at the time specified above shall constitute negligence in the determination of responsibility for any outtrades. If one firm cannot locate another firm's broker or representative for clearing purposes during these time periods, it shall report such fact to the President of the Clearing House. If the President of the Clearing House or his designee cannot find the broker or representative of the firm, fines will be assessed in the amounts of $1,000, $2,000 or $3,000 sequentially, for violations occurring within a 30-day period.

11A810.00 FALSE ENTRIES ON CLEARING MEMORANDA

No Party shall place any false or inaccurate entries on any clearing memoranda, including, with respect to a Participating Clearing Member, the clearing memoranda of a Cross-Margining Clearing Organization.

11A811.00 POSITION CHANGE DATA

Position change data must be submitted to the Clearing House each trading day not later than the time specified by the Clearing House. Position change data will be in such form and contain such information as prescribed by the Clearing House. When requested, the identification of accounts will be made available to the Audit Department.

11A814.00 SETTLEMENT VARIATION

When a Clearing Member is long or short any amount of any futures contract at the end of the trading day, as indicated by its clearing memoranda, settlement shall be made with the Clearing House to the settlement price for that day, and such member shall be liable to pay to, or entitled to collect from, the Clearing House any loss or profit, as the case may be, represented by the difference between the price at which the commodity was bought or sold and the settlement price of the commodity at the end of the trading day. After making such settlement with the Clearing House, such Clearing Member shall be deemed long or short (or long and short) such commodity, as the case may be, at the settlement price of the trading day. Notwithstanding the foregoing, the Clearing House shall not be required to pay any profit to a Participating Clearing Member in the event that such member or its Cross-Margining Affiliate fails to make any required settlement for that trading day with a Cross-Margining Clearing Organization.

If the market conditions or price fluctuations are such that the Clearing House deems it necessary, it may call upon the Clearing Members which in its opinion are affected to deposit with the Clearing House by such time as specified by the Clearing House the amount of funds that it estimates will be needed to meet such settlements as may be necessary. The Clearing House may pay out funds to those Clearing Members that in the opinion of the Clearing House will have credit balances as a result of those same market conditions or price fluctuations, except that in no instance may the Clearing House pay out funds to a Clearing Member, other than at the regular settlement, in excess of the total original performance bond deposits it holds for such Clearing Member. All deposits and payments made under this Rule shall be subject to the procedures prescribed by the Clearing House and set forth in the Manual.

Settlement variation, as figured to the market at such times as the Clearing House shall determine, must be paid in cash or any other form of collateral approved by the Clearing House Risk Committee.

11A818.00 CLOSE-OUT NETTING

If at any time, Chicago Mercantile Exchange Inc. ("CME") is subject to a Bankruptcy Event (as defined in CME's Close-Out Netting Rule (Rule 818)), then all open positions in the CME Clearing House shall be closed in accordance with CME Rule 818. If at any time, CME is in default (as defined in CME's Close-Out Netting Rule (Rule 818)), a Clearing Member's open proprietary and customer positions at the CME Clearing House shall, at the election of the Clearing Member, be promptly closed in accordance with CME Rule 818. The procedures for netting, offsetting and valuing Clearing Member positions in a Bankruptcy Event or a default involving CME are set forth in CME's Close-Out Netting Rule (Rule 818).

11A819.00 LIEN ON COLLATERAL

Each Clearing Member hereby grants to the Clearing House a first priority and unencumbered lien against any property and collateral deposited with the Clearing House by the Clearing Member. Clearing Members shall execute any documents required by CME to create and enforce such lien.

11A820.00 PERFORMANCE BONDS

Performance bond requirements will be as determined by Exchange staff from time to time.

Subject to the terms and conditions as approved by Exchange staff, the Clearing House will accept as performance bond, cash, equity securities, shares of mutual funds, United States Treasury and agency Securities, Letters of Credit, units in CME's Interest Earning Facility Program, shares in CME's Interest Earning Facility 2 Program, permitted investments allowable under CFTC Regulation 1.25, "readily marketable securities" as defined by Securities and Exchange Commission Rules, as applicable, and "London Good Delivery" gold, as defined by the London Bullion Market Association (as used in this Rule 11A820.00, such assets and any proceeds thereof are collectively referred to as "Assets"), all of which must be and remain unencumbered. The Clearing House may include other forms of collateral within the definition of "Assets" upon the approval of the Clearing House Risk Committee and notice to Clearing Members.

All performance bond collateral, as herein described, shall be placed to the credit of the member paying the same for its customers' trades or its own (so-called "house") trades as designated by the Clearing Member. The Clearing House shall value performance bond collateral as it deems appropriate. The Clearing Member shall transfer the performance bond collateral to the Exchange or to an approved depository for safekeeping in an Exchange account and the Exchange shall retain control over such performance bond collateral. Neither the Exchange nor the Clearing House shall have any obligation or responsibility to preserve, protect, collect or realize upon, and under no circumstances shall the Exchange or Clearing House be liable for, any loss or diminution in value or depreciation in the performance bond collateral maintained pursuant to this rule. A Clearing Member who maintains performance bond collateral for its benefit pursuant to this rule shall hold the Exchange and Clearing House harmless from all liability, losses and damages which may result from or arise with respect to the care and sale of such performance bond collateral. All initial and additional performance bonds shall be retained by the Clearing House in whole or in part, as Exchange staff may deem necessary, until the trades for which such performance bond collateral has been deposited, have been offset, cash settled, delivered or otherwise closed out as determined by Exchange staff.

Each Clearing Member shall reimburse the Clearing House for all fees, expenses, charges and costs assessed by a depository against the Exchange with respect to all performance bond collateral maintained in its account, and shall make deposits as may be required by the Clearing House by reason of any depreciation in the market value of such performance bond collateral. If a Clearing Member defaults to the Clearing House with respect to performance bonds, the performance bond collateral maintained in its account pursuant to this rule shall be taken over by the Clearing House and sold without notice and the proceeds of the performance bond collateral deposited for customers' trades shall be applied against the performance bond requirements for the Clearing Members' customers' accounts, and the proceeds of performance bond collateral deposited for the house trades shall be applied against the requirements for the Clearing Member's own (so-called "house") account.

11A824.00 ADDITIONAL PERFORMANCE BOND

Whenever, in the opinion of the Clearing House Risk Committee, the President of the Clearing House or, in his absence, his delegate, unstable conditions relating to one or more products exist, they may from time to time, call for additional performance bond collateral from Clearing Members. Such additional performance bond calls may be as much as or more than the original performance bond collateral. The performance bond collateral thus called for may be for one or more contract(s) from one or more Clearing Member(s) and on long positions, short positions or both.

In the event market conditions and price fluctuations at any time shall cause the Clearing House Risk Committee or the President of the Clearing House or, in his absence, his delegate, to conclude that additional performance bond collateral is required to maintain an orderly market or to preserve fiscal integrity the Clearing House Risk Committee or the President of the Clearing House or his delegate may call for additional performance bond collateral to be deposited with the Clearing House during the next banking hour after demand therefor, or at such times as may be specified. Such additional performance bond collateral may be called from the longs or the shorts or from both.

When the Clearing House Risk Committee or the President of the Clearing House or, in his absence, his delegate, shall be of the opinion that any Clearing Member is carrying commitments or incurring risk in its proprietary, customer and/or cross-margin accounts, that are larger than is justified by the financial condition of that Clearing Member, then the Clearing House Risk Committee, the President of the Clearing House or, in his absence, his delegate, may require additional performance bond collateral of such Clearing Member which shall be deposited with the Clearing House during the next banking hour after demand therefor, or at such time as may be specified, or a portion of the open positions of said Clearing Member may be required to be transferred to the books of another Clearing Member.

11A827.00 SECURITIES LENDING PROGRAM

United States Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Bond Principal Strips, Agency Securities, and other financial instruments approved by Exchange staff, (collectively, "Securities") that are deposited with the Clearing House by Clearing Members as performance bond for their own (i.e., "house") trades may be loaned out by the Exchange pursuant to the Securities Lending Program. Clearing Members depositing Securities with the Exchange as performance bond for house trades that are loaned out pursuant to the Securities Lending Program are deemed to agree that the lending of Securities under arrangements having safeguards consistent with generally accepted market practices will constitute reasonable care of the Securities in the possession of the Exchange or its securities lending custodian.

11A830.00 CROSS-MARGINING

Definitions

1. Cross-Margining Affiliate: An affiliate of a Participating Clearing Member with which such Clearing Member is cross-margining its positions at the Clearing House and a Cross-Margining Clearing Organization.

2. Participating Clearing Member: A Clearing Member that is cross-margining its positions at the Clearing House with its own or a Cross-Margining Affiliate's positions at a Cross- Margining Clearing Organization.

3. Cross-Margining Clearing Organization: A clearing organization that has entered into a Cross-Margining Agreement with the Clearing House.

4. Joint Cross-Margining Program: A cross-margining program in which the Clearing House and one or more Cross-Margining Clearing Organizations each hold a joint security interest in positions, margin and other property of Participating Clearing Members and, if applicable, their Cross-Margining Affiliates.

5. Guaranteed Cross-Margining Program: A cross-margining program in which a guaranty is provided by and between the Clearing House and one or more Cross-Margining Clearing Organizations and each entity holds an individual security interest in positions, margin and other property of Participating Clearing Members and, if applicable, their Cross-Margining Affiliate.

Cross–Margining Programs

1. The Clearing House may establish cross-margining programs as approved by the Clearing House Risk Committee and the Board. A Clearing Member may become a Participating Clearing Member to participate in a Joint Cross-Margining Program by establishing with the Clearing House one or more cross-margin accounts for cross-margining positions with either its own positions or those of a cross-margining affiliate at a Cross-Margining Clearing Organization. In order to establish a cross-margin account, a Clearing Member shall enter into the agreements required by the Clearing House, including a Cross-Margined Account Agreement and Security Agreement with the Clearing House, the Cross-Margining Clearing Organization, and, if applicable, the member's Cross-Margining Affiliate. That Agreement shall provide, among other things, that the Clearing House and the Cross-Margining Clearing Organization shall jointly have a first lien on and security interest in all positions held in the cross-margin account, all related performance bond, and all proceeds of the foregoing, as security for the obligations of the Clearing Member and, if applicable, its

Cross-Margining Affiliate, to the Clearing House and the Cross-Margining Clearing Organization. Failure to comply with the terms of such Agreements may constitute an act detrimental to the interest or welfare of the Exchange.

2. A Clearing Member may become a Participating Clearing Member in a Guaranteed Cross-Margining Program by entering into a Cross-Margining Participant Agreement with the Clearing House, the Cross-Margining Clearing Organization, and, if applicable, the Clearing Member's Cross-Margining Affiliate. That Agreement shall provide, among other things, that a Participating Clearing Member shall immediately be obligated to reimburse the Clearing House ("Reimbursement Obligation") in the event the Participating Clearing Member or its Cross-Margining Affiliate defaults in the payment of any obligation to a Cross-Margining Clearing Organization and the Clearing House is required to make a guaranty payment to such Cross-Margining Clearing Organization. In addition, the Agreement shall provide that the Clearing House shall have a first lien and security interest in all positions held, all related performance bond, and all proceeds of the foregoing, as security for the obligations of the Clearing Member and, if applicable, its Cross-Margining Affiliate, to the Clearing House. Failure to comply with the terms of such Agreement may constitute an act detrimental to the interest or welfare of the Exchange.

   The provisions of this Rule 11A830.00 and the corresponding sections of the Clearing House Manual shall apply to all CME–cleared positions held pursuant to a cross–margining program and shall supersede all other provisions of the Rules to the extent inconsistent therewith. In addition, the Clearing House shall determine what positions will be eligible for cross-margining.

Performance Bonds for Cross–Margining Program

Performance bond requirements for a Joint and Guaranteed Cross–Margining Program shall be determined as set forth in the Cross-Margining Agreement, and that Agreement shall also govern what forms of performance bond will be permitted and how such performance bond will be held.

Close–Out of Cross–Margin Positions

A Participating Clearing Member may be suspended if it or its Cross-Margining Affiliate, if any, is in default in payment of any obligation, including a Reimbursement Obligation, with respect to a Joint or Guaranteed Cross–Margining Program.

The cross-margin account of a Clearing Member participating in a Joint Cross–Margining Program may be liquidated by the Clearing House at the request of a Cross-Margining Clearing Organization whether or not the Exchange or the Clearing House suspends, or is permitted under the Rules to suspend, such Clearing Member. Upon the suspension of a Participating Clearing Member, or upon receiving notice from a Cross-Margining Clearing Organization of its suspension of a Participating Clearing Member or its Cross-Margining Affiliate, the Clearing House shall have the right to liquidate the positions in the cross-margin account, convert to cash the performance bond therefor, and dispose of the proceeds thereof, all in accordance with the terms of the Cross-Margining Agreement.

The positions of a Clearing Member participating in a Guaranteed Cross-Margining Program may be liquidated by the Clearing House in the event that the Participating Clearing Member or its Cross-Margining Affiliate defaults in the payment of any obligation to the Clearing House or a Cross-Margining Clearing Organization. Upon the suspension of a Participating Clearing Member, or upon receiving notice from a Cross-Margining Clearing Organization of its suspension of a Participating Clearing Member or its Cross-Margining Affiliate, the Clearing House may liquidate: the positions of the Participating Clearing Member; all related performance bond; and all proceeds of the foregoing. The Clearing House may then apply all such liquidated proceeds to satisfy the Participating Clearing Member's obligations to the Clearing House, all in accordance with the terms of the Cross-Margining Agreement.

11A852.00 SURCHARGES FOR ERRORS, DELAYS AND OMISSIONS

Exchange staff may establish, and from time to time revise, schedules of surcharges to be imposed upon Clearing Members for errors, delays and omissions with respect to trade data and certain other information required to be provided to the Clearing House. These surcharges are to be collected by the Clearing House and are in addition to any disciplinary sanctions that may be imposed by Market Regulation, the BCC or CHRC for the violation of Exchange rules.

11A853.00 TRANSFERS OF TRADES AND CUSTOMER ACCOUNTS

Transfers of Trades

1. Subject to the limitations of Rule 11A854.00, existing trades may be transferred either on the books of a Clearing Member or from one Clearing Member to another Clearing Member provided:

i. The transfer merely constitutes a change from one account to another account provided the underlying beneficial ownership in said accounts remains the same; or

ii. An error has been made in the clearing of a trade and the error is discovered and the transfer is completed within three Business Days after the trade date.

2. Subject to the limitations of Rule 11A854.00, Exchange staff may, upon request by the Clearing Member(s), approve a transfer of existing trades either on the books of the same Clearing Member, or from the books of one Clearing Member to the books of another Clearing Member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

3. Exchange staff may, with the consent of the Clearing Member(s) involved, permit the transfer of existing trades if, in staff's opinion, the situation so requires and such transfer is in the best interests of the Exchange.

4. Provided that the transfer is permitted pursuant to Sections 1, 2 or 3 above, transactions in all physically delivered futures contracts must be recorded and carried on the books of the receiving firm at the original trade dates; all other transactions may be recorded and carried at either the original trade date or the transfer date. Futures transactions may be transferred using either the original trade price or the most recent settlement price; options transactions may be transferred using either the original trade price or a trade price of zero.

5. All transfers shall be reported to the Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The Clearing Members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

Transfers of Customer Accounts

1. Subject to the limitations of Rule 11A853.00, after receipt of a signed instruction from a Clearing Member (the "Carrying Clearing Member") to transfer all or a portion of a customer account to another Clearing Member (the "Receiving Clearing Member"), and provided that such instruction contains the customer's name and account number (and, if the transfer is not of the entire account, a description of which portion is to be transferred), and provided that the Receiving Clearing Member agrees to accept the account, the Exchange shall promptly transfer the account (or the relevant portion thereof), without requiring any close-out or rebooking of positions in connection with the transfer, provided that:

i. The transferred positions will satisfy Exchange performance bond requirements at the Receiving Clearing Member; and

ii. Any remaining positions in the customer account at the Carrying Clearing Member will satisfy Exchange performance bond requirements.

11A854.00 CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

A. Concurrent long and short positions in the same commodity and month may be held by a Clearing Member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the Clearing Member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing House.

B. Concurrent long and short positions in physically delivered contracts that are held by the same owner during the delivery month and two business days prior to the delivery month must be offset by transactions

executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. Such positions may not be offset via netting, transfer, or position adjustment except to correct a bona fide clerical or operational error on the day the error is identified and provided that the quantity of the offset does not represent more than one percent of the reported open interest in the affected futures contract month.

C. Clearing Members which, pursuant to this rule, carry concurrent long and short positions, must report to the Clearing House both sides as open positions. When either side or both sides are reduced in accordance with Section B. of this rule, the open positions as reported to the Clearing House must be reduced accordingly.

D. The Exchange takes no position regarding the internal bookkeeping procedures of its Clearing Members which, for the convenience of a customer, may "hold open" a position only on their books. However, the Clearing Member must accurately report to the Exchange and the Clearing House, as appropriate, large trader positions, long positions eligible for delivery and open interest.

CHAPTER 12
DELIVERIES

CLEARING HOUSE

1200.00 Deliveries; Clearing House.

Deliveries on all futures contracts shall be made through the Clearing House. Delivery notices will be given and received, based upon positions (short and long) as shown on the records of the Clearing House as of the close of the business day next preceding the day of delivery notice.

1200.01 Seller; Delivery Notice.

A seller obligated to make delivery of commodities shall issue and deliver to the Clearing House a signed delivery notice which shall contain the name and business address of the issuer and which shall state the quantity and kind of grain to be delivered.

1200.02 Seller; Time.

Delivery notices must be issued and delivered to the Clearing House before 4:00 p.m. on the second business day preceding the day of delivery except that, on the last notice day of the delivery month, delivery notices may be delivered to the Clearing House until 2:00 p.m. on the last notice day (business day preceding the last delivery day).

1200.03 Seller; Warehouse Receipts Delivered.

When warehouse receipts are to be delivered, notice shall describe the warehouse receipts by giving the name of the elevator, the serial number, the quantity, and the grade of grain.

1200.04 Clearing House; Notice To Buyer.

The Clearing House, upon receipt of such notice of intention to deliver, shall immediately issue notice to the buyer to whom the delivery will be made. Delivery must be accepted by the said buyer.

1200.05 Time Of Delivery; Application By Clearing House.

Deliveries on futures contracts shall be made to the Clearing House not later than 11:00 a.m. The Clearing House shall apply such deliveries as soon as possible that same day. This limit shall not be changed by any resolution of the Board advancing the hours of trading and other time limits contained in these rules. The Clearing House shall refuse to accept any tender of delivery after the time limit here provided.

1200.06 Longer Notice.

Whenever the CFTC by order requires the giving of longer notice of delivery than herein provided, such order shall be observed by sellers, but the time of delivery of notices to the Clearing House shall be as herein provided. No order of the CFTC shall apply to then existing contracts.

1201.00 Failure To Deliver.

Failure to make delivery of commodities within proper time after tender of notice as herein provided shall be deemed uncommercial conduct subject to the disciplinary procedure of Chapter 14. Further, such failure shall be deemed a default and the provisions of Rules 1225.00 through 1228.00 shall be applicable.

WAREHOUSE RECEIPTS

1205.00 Delivery By Warehouse Receipts.

Except as otherwise provided, delivery of commodities shall be made by the delivery of registered warehouse receipts issued by warehousemen against stocks in warehouses which have been declared regular by the Board.

1206.00 Deliverable Warehouse Receipts.

All warehouse receipts deliverable on futures contracts shall be for quantities or parcels sold, accompanied by a memorandum of the property to be delivered, with the price of the same, together with the amount due therefore. All warehouse receipts which are tendered on a contract shall be for 5,000 bushels of grain.

1207.00 Storage Allowance and Other Allowances.

Effective with the September 2011 wheat futures contract month, no warehouse receipts covering grain in store shall be valid for delivery on futures contracts unless the storage and insurance charges set forth in Rule 17-1715.00-2 (but not load-out fee) on such grain have been paid up to the first calendar day of each contract delivery month (whether or not such receipts will be delivered in satisfaction of futures contracts) and such payment endorsed on the warehouse receipt. Such endorsement may be made, at the option of the holder, by the regular warehouse issuing the receipt or Exchange staff upon payment to the Exchange Secretary as agent of the warehouse company. Unpaid accumulated storage and insurance charges and the load-out fee shall be assumed by the buyer. Failure to pay the storage and insurance charges by the business day preceding the first calendar day of each contract delivery month shall be deemed a violation subject to the disciplinary procedures set forth in Chapter 14 of the Rules.

1208.00 Charges.

On all deliveries by regular warehouse receipts, the deliverer (seller) shall allow storage and insurance charges accrued to date of delivery.

1209.00 Loading Out; Documents Required.

Delivery of grain by regular warehouses when ordered loaded out by holders of regular warehouse receipts shall be by tender of an Official Inspection Certificate and with a weight certificate supplied by a Federally licensed weigh master attached. All deliveries on regular warehouse receipts shall be settled on weights and grades of the respective market.

1209.01 No Freight Requirement.

The Warehouseman is not required to furnish transit billing on grain represented by warehouse receipt deliveries. Delivery shall be flat.

1210.00 Inspection Governing.

Grain loaded against warehouse receipts that have been delivered on futures contracts shall grade at the loading elevator according to the Official Inspection Certificate the same grade as specified on warehouse receipt surrendered.

DELIVERIES ON WAREHOUSE RECEIPTS; PROCEDURE

1215.00 Surrender Warehouse Receipts.

Permit Holders who hold warehouse receipts and desire delivery of grain shall surrender the warehouse receipts to the issuer thereof with written load-out instructions in duplicate, stating the grade and amount of grain called for by said receipts. The parties issuing said warehouse receipts shall deliver the amount and kind of grain called for into covered hopper rail cars (hereinafter referred to as cars), or such other equipment mutually agreed upon by the parties. The duplicate order shall be signed by the issuer to acknowledge receipt thereof, and returned to the holder.

1215.01 United States Origin Only.

A futures contract for the sale of wheat shall be performed on the basis of United States origin only upon written request by a taker of delivery at the time load-out instructions are submitted.
(See also Rule 2000.05)

1216.00 Order Cars.

In accordance with trade practices, the issuer of warehouse receipts shall be responsible for ordering, in writing, the cars necessary for the shipment ordered to be loaded against such receipts and shall give a copy thereof to

the holder. However, the holder of the warehouse receipts may elect, in writing, to furnish cars to the elevator of the warehouse receipts issuer to expedite shipment and shall give notice to the loading elevator accordingly. Cars furnished by the taker on delivery shall apply against the delivering elevator's empty car order. Any charges incurred for the ordering or cancellation of car orders made at the request of the holder by written instructions shall be for the account of the holder.

1217.00 Evidence.

In case the receipt holder elects, in the notice given, to have the issuer order the cars necessary for the loading requested, or in the event that railroad companies will furnish empty cars only on the order of elevator operators, the issuer shall immediately place an order with the railroad for all of such cars as the notice specifies and furnish to the receipt holder the railroad order number or other communication from the respective railroad company giving satisfactory evidence that the cars have been ordered.

1218.00 Loading Cars.

Within five (5) business days after the receipt of the loading order request the delivering elevator shall commence loading all applicable rail equipment that has been actually placed or constructively placed to the delivering elevator at the applicable daily/weekly rate pursuant to subsections (a) and (b) below. The cars are to be loaded in the order they are placed and applied to the respective loading instruction in
the order they were furnished. However, in the event cars for more than one set of loading instructions are on constructive placement, the loading elevator shall be required to order from constructive placement those cars furnished for the earliest loading request.

a. Warehouse Receipted Wheat Delivered and Not Loaded Out	Load-Out Requirements In-Hopper Cars	
	Daily	Weekly
Up to 3,000,000 Bushels	30	150
3,005,000 to 4,000,000 bu.	40	200
4,005,000 to 5,000,000 bu.	50	250
Each Like Increment up, Add	10	50

b. Reporting requirements

The operator of a facility that is declared regular for delivery is to report the total quantity delivered on current and prior contracts that has not yet been loaded-out as of the close of business on the last business day of the expiring contract month. Such information shall be reported to the Exchange not later than 9:00 a.m. on the next following business day (first business day of the month immediately following the expiring month).
c. Publicizing the Load-Out Rate

The Exchange is charged with publicizing the load-out rate for each warehouse declared regular whose load-out rate is above the minimum thirty (30) cars per day.

d. Duration of Established Load-Out Rate

The published load-out requirement is to remain in effect through the close of business on the last delivery day of the next following contract month, at which time the new load-out rate will be determined pursuant to subsections (a) and (b) above.

1219.00 Storage Charges.

Storage charges for account of the holder of the warehouse receipts will cease on any amount on the date that amount is loaded. Furthermore, provided cars are actually or constructively placed, storage charges for the account of the holder will also cease on any bushels not meeting the minimum weekly load-out requirements on

the final day that loading is due. In the event loading orders are subsequently cancelled before completion, storage charges will accrue on the total remaining balance.

1220.00 Default.

A default on the entire remaining delivery obligation shall be deemed to have been made if the loading elevator becomes more than twenty (20) business days delinquent in maintaining the minimum load-out capacity, if applicable cars are available, or does not comply with other provisions of these rules.

1220.01 Conditions Beyond Control.

No default shall exist if the deliverer can submit satisfactory proof that, because of conditions beyond the deliverer's control, the deliverer has not been able to load the grain as prescribed. These conditions include, but are not limited to fire, flood, strike, windstorm, and other conditions generally considered acts of God.

DEFAULT

1225.00 Defaulted Delivery; Purchaser's Options.

In case any property contracted for future delivery is not delivered at maturity of contract, the purchaser may elect to:

a. Consider the contract forfeited and cancel the same at the last settlement price as determined by Rule 1187.00;
b. Purchase the property on the market for the account of the seller by 11:00 P.M. of the next business day and notify the seller of such purchase before 2:30 P.M. of the same day; or
c. Require a settlement with the seller at the average market price on the day of the maturity of contract.

Any damage or loss due to the purchaser by reason of such purchase or declared settlement shall be due and payable by the seller immediately.

1226.00 Buyer's Default; Seller's Rights.

In case any property contracted for future delivery is not received and paid for when property tendered, it shall be the duty of the seller, in order to establish any claim on the purchaser, to sell the property at any time during the next twenty-four (24) hours after such default shall have been made. The purchaser shall be notified within one (1) hour of such sale. Any loss resulting to the seller shall be paid by the
party in default.

1227.00 Unreasonable Charges Not Allowed.

Rules 1225.00 and 1226.00 shall not be construed as authorizing unjust or unreasonable claims based upon manipulated or fictitious markets. In case of any disagreement arising from any action taken under these Rules, the expressed willingness of either party to the controversy to submit the controversy to arbitration under these Rules shall be accepted and construed by the appropriate committee as
evidence of the Permit Holder's readiness to equitably adjust and settle the disputed obligation. Such Permit Holder shall not be subject to discipline while the matter is pending arbitration. Such Permit Holder shall abide by the same in good faith and in case of an award, shall promptly perform such award.

1228.00 Parties To Arbitration On Default.

In case of default on any contract month's deliveries, when the transactions have been carried through the Clearing House, the arbitration of all disputes in reference thereto shall be in one (1) arbitration, so that all the controversies and rights of all parties for any one (1) month's deliveries may be settled at one and the same time. The parties to such arbitration shall be the Clearing House and all parties to whom deliveries were to have been made. All the provisions of the rules and regulations of the Exchange as to arbitration shall apply.

1240.00 thru 1260.00 [Reserved]

1270.00 Deliveries in Bankruptcy Situation.

a. For purposes of this Rule:

(i) The term "carrying Clearing Member" means a Clearing Member which carries accounts for customers of a debtor on an omnibus basis.

(ii) The term "customer" shall mean any person for whom a Permit Holder carries an Exchange futures contract.

(iii) The term "debtor" shall mean any Permit Holder with respect to which an order for relief is entered under the Bankruptcy Code.

(iv) The term "person" shall include an individual, partnership, corporation, trust, association or any other organization.

(v) The term "order for relief" means the filing of a petition in bankruptcy in a voluntary case and the adjudication of bankruptcy in an involuntary case.

(vi) The term "tender" with respect to a notice of delivery shall mean:

A. In the case of a short Clearing Member that has presented such a notice to the Clearing House, the assignment of such notice by the Clearing House to a long Clearing Member;

B. In the case of a long Clearing Member, the acceptance by such Clearing Member of such notice from the Clearing House;

C. In the case of a short non-Clearing Member that has requested its Clearing Member to issue such a notice, the presentment by such carrying Clearing Member of such notice to the Clearing House; and

D. In the case of a long non-Clearing Member, the allocation of such notice to the debtor by its carrying Clearing Member and the allocation of such notice to a customer by the long non-Clearing Member.

b. This Rule shall apply only in the event and under the circumstances set forth in paragraph (c) hereof.

c. Any provision of the By-Laws or Rules to the contrary notwithstanding, in the event that a debtor carries for a customer any Exchange futures contract in the current delivery month with respect to which the underlying physical commodity has not become a part of the debtor's estate on the date of the entry of the order for relief, and with respect to which:

(i) Trading has ceased on the date of the entry of the order for relief; or

(ii) Notice of delivery has been tendered on or before the date of the entry of the order of relief; or

(iii) Trading ceases before such futures contract can be liquidated by the trustee of the debtor's estate; then, any customer for whose account such debtor is holding any such futures contract shall make delivery of and receive payment for, or receive delivery of and make payment for, the physical commodity as required to fulfill such contract as follows:

A. If the debtor is a Clearing Member, directly with the Clearing House and the Clearing House shall receive delivery of and make payment for, or make delivery of and receive payment for, such commodity in accordance with these Rules; provided, however, that in lieu of making and taking delivery, any such customer and the Clearing House may settle any such contract in any manner permitted under the Clearing House's rules.

B. If the debtor is not a Clearing Member, through the carrying Clearing Member that carried the customer's account in an omnibus account for the debtor in accordance with the provisions of paragraph (d).

d. (i) Immediately upon learning that an order for relief under the Bankruptcy Code has been entered with respect to a debtor which is not a Clearing Member, the carrying Clearing Member shall communicate

with the debtor or its trustee in bankruptcy to ascertain the identity and address of each customer of the debtor who is to make or take delivery pursuant to this Rule 1270.

(ii) Immediately upon ascertaining such information, the carrying Clearing Member shall:

A. Notify each such customer that such customer is to make or take delivery, as the case may be, through the carrying Clearing Member as if the customer maintained an account directly with the carrying Clearing Member, and

B. Specify the actions which the customer is required to take to consummate such delivery.

(iii) If, prior to the time when delivery is required to be consummated pursuant to the By-Laws and Rules, the carrying Clearing Member, after good faith efforts, is unable to communicate with a customer or if the customer, for any reason fails or refuses to timely undertake the actions required pursuant to Rule 1270, the carrying Clearing Member shall have no further obligation or liability to the debtor or such customer in connection with such delivery.

(iv) Nothing contained in this Rule 1270 shall prevent a customer and a carrying Clearing Member from making mutually agreeable arrangements to settle deliveries on terms other than those set forth in paragraph (d).

e. The making or taking of delivery or payment with respect to any futures contract in accordance with paragraph (c) or (d) shall discharge in full the obligations of such customer and such opposite Clearing Member or carrying Clearing Member, as the case may be, to the debtor with respect thereto, but shall not discharge the debtor from any of its obligations with respect to such contract except to the extent that such delivery or payment is made.

Nothing contained in this Rule 1270 shall relieve any customer of its obligation to make or take delivery under any Exchange futures contract for the sole reason that delivery must be made to or taken from a commodity broker which is a debtor.

1271.00 DECLARATIONS OF FORCE MAJEURE

If a determination is made by the Chief Executive Officer, President or Chief Operating Officer, or their delegate, that delivery or final settlement of any contract cannot be completed as a result of Force Majeure, he shall take such action as he deems necessary under the circumstances, and his decision shall be binding upon all parties to the contract. The Exchange shall notify the CFTC of the implementation, modification or termination of any action taken pursuant to this Rule as soon as possible after taking the action.

It shall be the duty of clearing members, members and regular facilities to notify the Exchange of any circumstances that may give rise to a declaration of Force Majeure.

Nothing in this Rule shall in any way limit the authority of the Board of Directors to act in a Force Majeure situation pursuant to Rule 230.k.

INTERPRETATION OF CHAPTER 12 RULES

Note: Any examples used in this Interpretation are based on the minimum load-out rate of 30 cars per day or 150 cars per week. Any elevator subject to a higher load-out rate pursuant to Rule 1218.00 must take such higher rate of load-out into consideration and adjust such examples accordingly.

The delivery rules charge the loading elevator to begin loading requested delivery wheat within five (5) business days, which is on day six (6) following receipt of the taker's load-out instructions on day one. Business days do not count Saturdays, Sundays or holidays. Rules include loading requirements per day or per week because some elevators may have to load on a daily basis rather than on a weekly basis. However, an elevator may choose to consolidate his loadings to even once a week. The stop storage rule is to be figured on a weekly basis. Under these rules neither prior business nor new business is of any consequence and does not affect loading requirements or applicable stop of storage. However, an elevator may choose to delay loading, for whatever reason, and allow storage to stop, but must load at a rate adequate to avoid default. Therefore, storage would stop with day ten (10) on 495,000 bushels if no wheat has been loaded or on any portion of this amount that has not been previously loaded. Storage charges would include day ten (10). Loadings made prior to a stop storage deadline would have charges due through the actual day of loading. Storage would stop in a like manner on additional 495,000 bushels at five (5) business day increments thereafter.

Because communications between parties is encouraged, any amendments to the loading request would continue to have time count for stop storage requirements. However, if the order is cancelled and reinstated at a later date, the time begins again at the reinstatement date. Also, if the order is cancelled, then storage charges will accrue from day one on the total remaining balance, whether or not any of the bushels had previously passed a stop storage date. Subsequent amendments or modifications of an existing load-out request do not constitute cancellation of a loading order. A taker may request any railroad covered rail hopper cars or elect to provide private car equipment. Any charges that may be incurred for the ordering or cancellation of car orders shall be paid by the taker. The intent is for the taker to be responsible for reasonable costs of placing and canceling car orders. If cars are not available, as requested in load-out instructions, then the obligation to load is suspended and time does not count until cars are available.

While an elevator may choose to load the required amount after a stop storage date, the intent is not to delay loading unreasonably. The intent of the default rule is therefore intended as only a serious extreme limit. An elevator would be in default on the entire remaining delivery obligation on day 31 if it has not loaded at least 495,000 bushels by day 30. Default on the entire remaining delivery obligation would also be deemed to have occurred after each following five day increment if the elevator becomes more than 20 business days delinquent in maintaining the minimum load-out schedule.

While communication is encouraged, throughout the delivery rules there are various requirements that communication be confirmed in writing. This is intended to provide a clear audit trail of the delivery process.

12-1215.00-1 Deliveries on Warehouse Receipts; Requirements

Deoxynivalenol (also known as Vomitoxin) Restriction

When warehouse receipts are surrendered to the issuer for load-out pursuant to Rule 1215.00, the taker of delivery shall have the option to, at taker's expense, request in such written load-out instructions that the wheat contain no more than 2 ppm (two parts per million) of deoxynivalenol (vomitoxin). A determination of the level of deoxynivalenol shall be made at the point of origin by the Federal Grain Inspection Service or such other third party inspection service mutually agreeable to the maker and taker of delivery. The determination of the level of deoxynivalenol shall be based on the average test results of the wheat loaded in a single day from a single warehouse for each taker of delivery. As of the effective date of this rule (September 1, 2011), any warehouse receipts previously issued and outstanding shall be subject to the provisions of this Rule.

INTRP 12-1209.00-1 Charges To Move Or Transport Grain

Warehouse receipts delivered to fulfill a futures contract obligation shall be interpreted as "in store" a regular elevator and that any and all charges to move or transport the grain from the elevator is for the account of the warehouse receipt holder. This includes elevation, weight certificates, grade certificates and other charges known or unknown at this time.

CHAPTER 13
FINANCIAL REQUIREMENTS

1301.00 Guaranty Of Futures Trades.

A guaranty of trades protects the other side of a futures trade made in the pit by a guaranteed Permit Holder until the trade has been accepted for clearing. At that point the trade becomes the responsibility of the Clearing Member accepting the trade. Usually such Clearing Member will also be the guarantor, but this may not be the case. Trades made by a guaranteed Permit Holder at another futures market are not covered by such guaranty.

1301.01

Withdrawal Of Guaranty. Except as otherwise provided in these rules, privileges accorded a Permit Holder shall terminate when the Permit Holder's guaranty of trades by a Clearing Member is withdrawn by such Permit Holder's Clearing Member.

CHAPTER 14
DISCIPLINE

INVESTIGATIONS

1400.00 Staff To Conduct

The Exchange shall conduct a prompt and thorough investigation of any possible rule violation regardless of how such matter was called to their attention.

1401.00 Discovery Of Violations.

If, during the progress of any arbitration or other investigation before any committee of the Exchange, it shall appear to such committee that any person may be guilty of violating or attempting to violate these Rules, such committee shall report such matters to Exchange staff. Thereafter, such matter shall be handled as any other possible rule violation.

1402.00 Time To Commence.

Normally an investigation will be commenced within four (4) weeks of receipt of information suggesting an investigation of a possible Rule violation is necessary, and the investigation shall be completed as soon as reasonably possible.

1403.00 Notice To Permit Holders.

Persons under investigation shall be advised unless not feasible due to press of time or other factors.

1405.00 Written Report.

A written investigation report shall be made by Exchange staff on conclusion of the investigation where it has reasonable cause to believe a violation of the Rules has occurred.

1406.00 Warning Letter.

Exchange staff is authorized to issue a warning letter to a person under investigation or to recommend the Complaint Committee issue such a letter.

1410.00 Committee.

The Complaint Committee shall review all matters involving possible violations of these Rules. That Committee shall be charged with the duty to review the written reports submitted by Exchange staff.

1411.00 Exchange Staff Report Submitted To Committee.

The investigation report must be given to each member of the Complaint Committee once it is prepared unless Exchange staff clearly feels there is no evidence of a rule violation. The Committee shall, by majority vote, take one of the following actions:

A. If the Committee determines that a reasonable basis exists for finding that a violation of a Rule may have occurred which warrants disciplinary action, it shall issue appropriate charges.

B. If the Committee determines that a reasonable basis exists for finding that a violation of a Rule may have occurred, but that the issuance of charges is unwarranted, it shall direct that a warning letter be issued.

C. If the Committee determines that no reasonable basis exists for finding that a violation of a Rule may have occurred it shall direct that no further action be taken.

D. Direct that Exchange staff investigate the matter further.

The Committee shall direct Exchange staff to give notice of the charges to the respondent in accordance with these Rules and to the BCC.

If the Complaint Committee refuses to issue any charge requested by Exchange staff, the Committee shall

explain the reason(s) for such refusal in writing. Exchange staff may appeal to the Board any refusal by a Panel to issue those charges requested. If such an appeal is requested, the Board shall conduct a hearing on the matter in accordance with the procedures in Rules 1435.00-1442.02.

No person shall serve on the Complaint Committee unless he has agreed in writing that he will not publish, divulge or make known in any manner, any facts or information regarding the business of any person or entity or any other information which may come to his attention in his official capacity as a member of the Complaint Committee, except when reporting to the Board or to a committee concerned with such information or to the Legal Department or Market Regulation Department, when requested by the CFTC or other governmental agency or when compelled to testify in any judicial or administrative proceeding.

All information, records, materials and documents provided to the Complaint Committee and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

1412.00 Committee Convene; Time.

The Complaint Committee shall endeavor to consider the investigation report within thirty (30) days of the receipt thereof.

1413.00 Committee Decision; Time.

The decision of the Complaint Committee shall be made within ten (10) business days, absent extraordinary circumstances.

1414.02 Notice Of Charges; Content. The Notice of Charges shall state:

a. The acts, practices, or conduct in which the person is alleged to have engaged;

b. The Rule(s) alleged to have been violated (or about to be violated);

c. Reserved.

d. That the charged person is entitled to a hearing on the charges unless waived or a written offer of settlement is submitted and ultimately accepted and approved (Rule 1416.00);

e. That the charged party may file a written answer within twenty-one (21) business days;

f. That the charged party may file a written "nolo contendere" plea, neither admitting nor denying guilt, but waiving all proceedings except a hearing to set any appropriate penalty;

g. That failure to answer the charges in writing within the time prescribed in paragraph (e) above shall be deemed admitted plea and a hearing will be scheduled before the BCC where the person shall be deemed to waive his right to a hearing on the charges and the BCC shall find that the violation(s) alleged in the Notice of Charges have been committed;

h. That sufficient facts to prove a rule violation must be presented at any hearing before the BCC in order for a penalty to be imposed; and

i. Recommend that the charged party carefully review the rules of the Exchange and the CFTC Regulations on disciplinary matters.

1414.03 Notice Of Charges; Service On Permit Holder.

The Notice of Charges shall be sent by certified mail to the most current business address known by the Exchange, or the last known residence of the charged party. Proof of mailing in such fashion shall be deemed sufficient notice.

1416.00 Offers Of Settlement

A respondent that is the subject of an investigation or who is charged with a Rule violation(s) may submit for consideration by a panel of the BCC a written offer of settlement in disposition of such investigation or charges.

A respondent may submit an offer of settlement without admitting or denying the Rule violations upon which the penalty is based; provided, however, that an offer must include a consent to entry of findings by the BCC regarding the conduct and Rule violations at issue and to the penalty to be imposed.

If Exchange staff does not oppose the respondent's offer of settlement, the respondent's written offer of settlement and staff's supporting statement shall be submitted to the BCC for consideration.

If staff opposes the respondent's offer of settlement, the respondent, following the issuance of any charges by the Complaint Committee, may submit a written unsupported offer of settlement for consideration by the BCC no less than twenty-eight (28) days in advance of the originally scheduled hearing date.

If a respondent submits an unsupported offer less than 28 days before a scheduled hearing date, or after the hearing has commenced, the offer shall not be considered unless agreed upon by the parties. Exchange staff shall be entitled to file a written response to an unsupported offer of settlement within ten (10) days of receiving the unsupported offer. In considering whether to accept the respondent's offer, the Committee shall examine the respondent's written offer of settlement and the staff's written opposition thereto. The respondent may not submit more than one unsupported offer of settlement. Notwithstanding the preceding sentence, a respondent may submit a single additional unsupported offer of settlement if the charging memorandum has been modified pursuant to these Rules. subsequent to the BCC's consideration of an unsupported offer of settlement.

A respondent may withdraw an offer of settlement at any time prior to final acceptance by the BCC. If the BCC accepts the offer, a written decision setting forth the BCC's findings and sanction shall be issued, and written notice of the decision shall be given to the respondent.

If the BCC rejects an offer of settlement, the respondent will be notified of the rejection and it will be deemed withdrawn. If an offer is withdrawn or rejected by the BCC, the respondent shall not be deemed to have made any admissions by reason of the offer and shall not otherwise be prejudiced by having submitted the offer.

The assigned Chairman of the BCC may decline to convene the BCC to consider an unsupported offer of settlement.

Any contested hearing following an offer of settlement not accepted by a Panel of the BCC will be heard by a new panel.

In submitting an offer of settlement, the respondent waives his right to a contested hearing and to appeal the BCC's decision, pursuant to these Rules of to the CFTC, if the offer is accepted; the respondent also waives any claim of bias or prejudgment on the part of the BCC.

If the offer of settlement is accepted, the BCC's decision shall be final on the date it is signed by the appointed Chairman. In the case of an unsupported offer of settlement accepted by the BCC, the Committee's decision shall become the final decision of the Exchange after the appeal period has lapsed.

DISCIPLINARY HEARING

1420.00 Hearing Requirement.

No Permit Holder may be disciplined under these Rules without being afforded an opportunity to a fair hearing at which such Permit Holder can present a defense.

1421.00 Hearing Body.

The hearing shall be fair and shall be conducted before a panel of BCC.

1421.01 Conflict Of Interest; Inability To Serve.

No member of the BCC may serve on the Committee or panel if such member or any person or firm, with which member is affiliated, has a financial, personal, or other direct interest in the matter under consideration.

1422.00 Hearing Date.

In the event a hearing is necessary, it shall be the duty of the appointed Chairman of the Business Conduct Committee to set a hearing date after the date of issuance of the Notice of Charges.

1422.01 Extension Of Time.

The respondent charged and Exchange staff are each entitled to one (1) fifteen (15) business-day extension for good cause shown. The Business Conduct Committee may, in its discretion, grant a longer extension on proof of extraordinary circumstances such as would result in a severe handicap or unfair burden to either side and therefore be unjust.

1422.02 Hearing Promptly Convened.

The hearing shall be promptly convened after reasonable notice to the charged party.

1423.00 Failure To Appear.

If the respondent, after due notice of the hearing as provided in these Rules, fails to appear at the appointed time and place or shall abscond or conceal their whereabouts so that notice pursuant to Rule 1414.03 cannot be made, the hearing may proceed in the absence of such party and the determination of the Business Conduct Committee shall be binding as in other cases.

1424.00 Staff A Party.

Exchange staff shall be a party to the hearing before the Business Conduct Committee and shall present the case on those charges and penalties which are the subject of the hearing.

1425.00 Rights Of Charged Party; Prehearing.

Prior to the commencement of the disciplinary hearing required by this Chapter, the charged party shall be afforded the following:

a. Right To Representation. Upon being served with a Notice of Charges, a charged Permit Holder has the right to be represented by legal counsel or any other representative chosen by such Permit Holder (such as an accountant or another Permit Holder) in all succeeding stages of the disciplinary proceeding; and

b. Discovery. The Exchange shall maintain a file once an investigation is initiated. The file shall include any materials in the possession of Exchange staff that are relevant to the conduct being investigated. A respondent charged with a violation of the Rules shall have the right to review the evidence in the investigation file relevant to the issued charges; provided, however, that protected attorney work product, attorney-client communications and investigative work product, including, but not limited to, the investigation report and any exception reports, are neither discoverable by a respondent in disciplinary proceedings nor subject to review by a respondent as part of the investigation file. In its sole discretion, Exchange staff may assign the costs of copying and producing evidence in an investigation file to the respondent requesting the evidence. A respondent may petition the assigned BCC Chairman in writing for an order compelling the production of evidence not contained in the investigation file that it reasonably believes is relevant to the issued charges. Exchange staff shall have a reasonable opportunity to respond, in writing, to the respondent's motion.

1426.00 Rights Of Charged Party; Hearing.

The charged party shall be afforded the following rights at any hearing required by this Chapter:

a. Appear Personally. The charged party shall be entitled to appear personally at the hearing;

b. Call Witnesses. The charged party shall be entitled to call witnesses and to present such evidence as may be relevant to the charges; and

c. Cross-Examination. The charged party shall be entitled to cross-examine any person appearing as a witness at the hearing.

1427.00 Hearing; Requirements. The following requirements shall apply to any hearing required by this Chapter:

a. Rules Of Evidence. The formal rules of evidence need not apply; however, the hearing procedures may not be so informal as to deny a fair hearing;

b. Record Of Proceeding. A substantially verbatim record of any hearing shall be made and become a part of the proceeding. The record must be one that is capable of being accurately transcribed; however, it need not be transcribed unless the transcript is requested by the CFTC or the charged party, if the decision is appealed under CFTC Regulation Section 8.19, if the decision is reviewed by the CFTC pursuant to Section 8c of the Commodity Exchange Act, as amended, or appealed as permitted by these rules; and

c. Irrelevant Material. Testimony which in the opinion of the Committee or tribunal is irrelevant to the case on hearing shall not be admitted.

1427.01 Hearing; Disorderly Conduct.

The use of any personal, abusive, or discourteous language or other conduct which impedes the progress of any hearing pursuant to this Chapter shall subject the party offending to censure, a fine of not exceeding $100.00, or both. The penalty shall be imposed by the Committee Chairman at the time of the offense.

1428.00 Witnesses; Exchange Efforts.

The Exchange shall require persons within its jurisdiction who are called as witnesses to appear at the hearing and to produce evidence. Reasonable efforts shall be made by the Exchange to secure the presence of all other persons called as witnesses whose testimony would be relevant.

1428.01 Persons Within The Jurisdiction Of The Exchange; Defined.

In addition to Rule 1100.01, other persons within the jurisdiction of the Exchange shall include all Permit Holders to the extent such individuals or firms are involved in transactions governed by the Rules, Floor Clerks, Exchange staff, and Clearing House staff.

1429.00 Hearing; Testimony.

All testimony before the Business Conduct Committee shall be truthful and anyone violating this Rule is subject to disciplinary action, including a fine and expulsion from participating in Exchange markets.

1430.00 Hearing; Witnesses.

In any hearing before the Business Conduct Committee, if any Permit Holder who shall have had notice, in writing, from the Exchange to appear and testify in the case, or if any Permit Holder who shall have been cited by an appointed Chairman of the Business Conduct Committee to appear and testify, shall neglect or refuse to answer any question which may, by a majority vote of the said panel of the Business Conduct Committee, be declared proper and pertinent to the case in hearing, such Permit Holder shall be subject to suspension by such Committee from all the privileges of the Exchange for such period as that Committee may determine. The Business Conduct Committee may suspend a Permit Holder in case of contempt of a witness before said Committee, provided that in case of such contempt before the Business Conduct Committee, the penalties herein provided may be inflicted at once and without notice.

1431.00 Hearing; Order of Presentation.

When Permit Holders are required to appear at a hearing before the Business Conduct Committee for the purpose of discipline, normally each party to such hearing shall be allowed to address the Business Conduct Committee once in opening the case, stating the line of prosecution and defense only; thereafter both sides shall present evidence, the staff first, then the charged party, subject to the right of cross-examination. At the conclusion of such hearing, the staff shall be allowed to address the Business Conduct Committee in opening and closing the argument, and the defense shall be allowed equal time after the opening and before the closing arguments by the prosecution. The closing argument of the staff shall, however, be confined to a summation and any new matters presented in the closing argument of the defense. Before the beginning of the argument the Committee Chairman shall designate the time to be allowed to each party.

1432.00 Business Conduct Committee Decision.

A majority vote of the panel of the BCC is required for a finding of guilt. Promptly following a hearing conducted in accordance with these Rules, the Business Conduct Committee shall render a written decision based upon the weight of the evidence contained in the record of the proceeding. A copy of the decision shall be provided to the respondent charged with a rule violation.

1432.01 Time.

Normally, a decision should be made in a closed executive session, drafted, edited, revised, signed, and given to the charged Permit Holder as soon as practicable following the conclusion of the hearing.

1432.02 Consider Rule 1441.00.

The Business Conduct Committee shall, in considering a case, take into account the guidelines of Rule 1441.00.
1432.03 Penalties.

Subject to appeals as provided by the Rules and applicable laws, any respondent who shall be found guilty of any violation of any of the provisions of the Rules shall be subject to being warned, censured, fined, suspended, expelled, or its Exchange trading privileges forfeited, at the discretion of the Business Conduct Committee, after a full and fair hearing of all the facts presented in the case.

1432.04 Written Decision.

The written decision shall include:

a. The notice of charges or a summary of the charges;

b. The answer, if any, or a summary of the answer;

c. A brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference to the investigation report;

d. A statement of findings and conclusions with respect to each charge, including the specific rules which the charged Permit Holder is found to have violated; and

e. A declaration of any penalty imposed and the effective date of such penalty.

1432.05 Failure To Comply.

A respondent charged with failing to comply with the terms of any penalty imposed by the Business Conduct Committee or the Board within the time provided shall result in warning, censure, fine, suspension, expulsion or forfeiture of its Exchange trading privileges at the sole discretion of the Board.

1432.06 Procedure For Imposition Of Penalty For Failure To Comply.

The failure of a respondent charged with failing to comply with the terms of any penalty imposed by the Business Conduct Committee or the Board within the time provided shall be considered by the Board for possible imposition of sanctions. The respondent shall be given ten (10) days written notice in advance of the meeting of the Board by certified mail to the most current business address known by the Exchange or the last known residences of the charged respondent. Proof of mailing in such fashion shall be deemed sufficient notice.

1433.00 Hearing Reopened.

The Business Conduct Committee may order the hearing reopened to receive newly discovered material evidence prior to issuing a written decision on the written request of the staff or the charged party.

APPEAL

1435.00 Appeal; Generally.

An appeal, may be taken to an appellate hearing panel of the Board from a decision of the Business Conduct Committee. The appellate hearing panel shall consist of three members of the Board, one of which much be an independent member of the Board, who are appointed by the Executive Chairman upon request.

Exchange staff may request an appeal to a hearing panel of the Board (“Appellate Panel”) regarding a final decision of or sanction imposed by the BCC, or any refusal by the Complaint Committee to issue those charges requested by Exchange staff, by filing a written request for an appeal with the Legal Department within ten (10) business days after receiving notice of such decision, sanction or refusal. Filing of a request for an appeal by Exchange staff shall stay any decision that is appealed unless the Board or the appointed Chairman of the panel

of the BCC from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A respondent found guilty of an offense or otherwise aggrieved by a final decision of the BCC, may request an appeal to the Board provided that the decision assesses a monetary sanction greater than $10,000 and/or an access denial or suspension of any Exchange trading privileges for greater than five (5) business days against the respondent. The request shall be filed in writing with the Legal Department within ten (10) business days after Notice of any such decision. Filing of a request for an appeal by a respondent shall stay the decision appealed unless Exchange staff objects to such a stay and the Board or the Chairman of the panel of the BCC from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A written request for an appeal must specify the grounds for the appeal and the specific error or impropriety of the original decision. Upon receiving the written request for an appeal, the Board, by a majority vote, shall determine whether sufficient grounds exist to hold a hearing on the appeal. The Board may only determine that sufficient grounds exist if there is a reasonable basis to conclude that the appellant might be able to meet one of the three standards identified below that would permit the Appellate Panel to set aside, modify or amend the appealed decision or the refusal to issue charges. The Appellate Panel's determination shall be based solely upon the written request and, in the case of an appeal of a BCC decision, any written response by the opposing party. The Appellate Panel's determination of whether to hold a hearing on an appeal shall be final.

1436.00 Grounds for Appeal.

The Board shall not set aside, modify or amend the appealed decision or the refusal to issue charges unless it determines, by a majority vote, that the decision or the refusal to issue charges was:

A. Arbitrary, capricious, or an abuse of the committee's discretion;
B. In excess of the committee's authority or jurisdiction; or
C. Based on a clearly erroneous application or interpretation of Exchange Rules.

1437.00 Appeal Hearing; Time.

If a request for an appeal is timely filed and granted by the Appeal Board it shall then convene to hear the appeal within sixty (60) calendar days. At least ten (10) business days advance written notice of the hearing day must be sent to both parties.

1437.01 Continuance.

On written application, for a good cause shown such as a delay in obtaining a typed copy of the transcript, unavailability of counsel, etc., the appointed Chairman of the panel of the Business Conduct Committee may grant each party one (1) continuance not to exceed thirty (30) calendar days.

1438.00 Appeal Board.

The appeal or review proceeding shall be conducted before a panel of three (3) Directors, including at least one independent Director. The Appeal Board shall be appointed by the Executive Chairman upon the timely and proper filing of a request for an appeal pursuant to Rule 1435.00 and 1436.00.

1438.01 Conflict of Interest; Inability To Serve.

No member of the Board shall serve on an appeal or a review body or panel thereof if such member participated in any prior stage of the disciplinary proceeding or if such member or any person or firm, with which such member is affiliated, has a financial personal, or other direct interest in the matter.

1439.00 Scope Of Review On Appeal.

Except for good cause shown, the appeal shall be based on the record of the hearing before the Business Conduct Committee, including documentary evidence and the transcript, and oral and written positions of the parties. The Board shall determine if the decision was based on the weight of the evidence (CFTC Regulation Section 8.18) and/or if the sanction imposed was appropriate. The Board, or a panel thereof, shall have the power to affirm the decision of the Business Conduct Committee, reduce the sanction or remand the matter to the Business Conduct Committee for rehearing.

1440.00 Hearing; Procedure.

The procedure before the Board, or panel thereof, sitting as an appeal body shall be generally as follows:

a. The Chairman shall preside;

b. The appealing party shall ordinarily have twenty-five (25) minutes to present its case (not counting question time);

c. The staff shall have ordinarily thirty (30) minutes (not counting question time);

d. The appealing party shall have a five-minute period for rebuttal and summation;

e. The Directors may ask questions, although generally they should wait until the end of a presentation to do so.

Note: The rights guaranteed by Rules 1425.00, 1426.00, and 1427.00 shall also apply at any appeal hearing.

1441.00 Considerations In Review Of Sanctions On appeal.

In reviewing the sanction, the Board, or panel thereof, shall consider, among other factors:

a. Nature and extent of injury or damages, if any, suffered as a result of the rule violation, and remuneration, if any, to the injured party;

b. Past record of the charged party;

c. Financial position of the charged party;

d. Deterrent effect of the sanction; and e. Other relevant factors.

1442.00 Appeal Decision.

In the case of an appeal of a disciplinary decision, the Board shall promptly issue a written decision which shall include a statement of findings with respect to the decision from which the appeal was taken and the Board's determination that such initial decision is affirmed, set aside, modified or amended in whole or in part and, with respect to any initial decision that is not affirmed in whole, the Board's determination of the order or penalty to be imposed, if any. The decision of the Board shall be deemed a decision of the Board and shall be a final decision of the Exchange.

1442.01 Copy To Charged Party.

A copy of the written decision of the Board, or a panel thereof, shall be mailed to the charged party, return receipt requested, at the last known address of the charged party.

1442.02 [Reserved.]

SANCTIONS; EFFECTIVE DATE

1455.00 Effective Date.

The effective date for any sanction imposed by the Business Conduct Committee or of any decision of the Board, or a panel thereof, on an appeal, except as otherwise provided, shall be two (2) business days following the delivery of the written decision to the CFTC, a copy having been mailed, return receipt requested, to the charged party at such party's last known address. The decision shall be final on such date, subject to the exceptions listed in Rule 1455.01.

1455.01 Exceptions. The effective date of sanctions as set forth by Rule 1455.00 shall not apply:

a. Where there is reasonable belief that immediate action is necessary to protect the best interest of the market;

b. Where the actions of a person within the jurisdiction of the Exchange impede the progress of a disciplinary

hearing (see Rule 1427.01);

c. Where a person has failed to timely submit accurate records required for clearing or to verify each day's transactions or other similar activities (see, e.g., CFTC Regulation Section 8.27); or

d. Where the person against whom the action is taken has consented to the sanction to be imposed.

1456.00 Notice Required For All Sanctions.

Written notice of all disciplinary actions under these rules shall include:

a. The name of the person against whom disciplinary action was taken;

b. A statement of the reason(s) for the Exchange action together with a listing of any rule(s) which the person who was the subject of the disciplinary action was charged with having violated or which otherwise serve as the basis of the Exchange action;

c. A statement of the conclusions and findings made by the Exchange with regard to each rule violation charged; or, in the event of an approved and accepted offer of settlement, a statement specifying those rule violations which the Exchange has reason to believe were committed; and

d. The terms of the disciplinary action.

COSTS

1460.00 Costs Of Transcript.

The costs of transcribing the record of any hearing shall be borne by a charged party requesting the transcript, the party appealing the decision, or the party whose application for Commission review of the disciplinary action has been granted.

Rule 14-1400.00-1 Discipline; Staff To Conduct Investigation

Authority Of Exchange Staff; Confidentiality

During the course of any investigation or review conducted by the Exchange, appointed Exchange staff is authorized and empowered to review and, as necessary, copy any and all books, records, papers, reports, memoranda, financial data, customer data, or any other information or documents in the possession of any person, firm, partnership, or corporation within the jurisdiction of the Exchange which may have a bearing on the matter(s) under investigation or review. All such books, records, papers, etc., reviewed shall be maintained in strict confidence, except that relevant information so obtained may be disclosed only as necessary to the Complaint Committee, Business Conduct Committee, and the Board in connection with matters pending before such bodies.

CHAPTER 15
CUSTOMER ARBITRATION

Note: FCM responsibilities, CFTC regulations. Customer arbitration procedures are subject to CFTC regulations, which place certain duties on both contract markets and FCMs. It is presumed that Permit Holders will follow CFTC requirements, such as notice to customers, providing multiple forums, etc. (See CFTC Reg. §180).

DISPUTES SUBJECT TO ARBITRATION

1500.00 Customer Claims And Grievances.

All customer(s) claims and grievances against Permit Holders or employees thereof, may be heard for settlement through arbitration, in accordance with fair, equitable, objective, and impartial procedures as set forth in this Chapter.

1500.01 Claim Or Grievance; Defined.

The term "claim or grievance" shall mean any dispute which arises out of any transaction on or subject to the rules of this contract market, executed by or effected through a Permit Holder of this contract market or employee thereof, which dispute does not require for adjudication the presence of essential witnesses or third parties over whom this contract market does not have jurisdiction and who are not otherwise available. The term "claim or grievance" does not include disputes arising from cash market transactions which are not a part of or directly connected with any transaction for the purchase or sale of any commodity for future delivery.

1500.02 Customer; Defined.

The term "customer" shall mean any person, for whom or on behalf of whom a Permit Holder affects a futures or option transaction on the Exchange, having a dispute, claim, or grievance involving a futures or options contract transaction against a Permit Holder or employee of such Permit Holder; provided, however, that such term does not include Permit Holders.

1500.03 [Reserved]. HEARING BODY

1503.00 Arbitration Committee Or Special Committee.

a. Customer Election. Customers submitting a matter in dispute for arbitration under these rules may either elect to have their claim or grievance heard by the regularly constituted Arbitration Committee of the Exchange; or, heard by a specially constituted panel having at least a majority of the persons serving thereon who are not Permit Holders, not associated with any Permit Holder of any contract market, nor employees thereof, and who are not otherwise associated with any contract market. (But see Rule 1503.03, Single Arbitrator).

b. Panel. The parties to an arbitration case shall, if utilizing the regular Arbitration Committee, mutually select five (5) panelists to serve as the hearing panel for that case from the ten (10) elected Arbitration Committee member. Should the parties be unable to reach agreement, the five (5) panelist hearing panel shall be determined by each party alternatively striking one (1) name until five (5) are left; the first strikes being determined by a toss of a coin.

1503.01 Notice Of Election To Customer.

On receipt by the Exchange of a customer request to arbitrate a dispute with a Permit Holder, the customer shall be advised by written notice of the right to elect to have the controversy decided by the regular Arbitration Committee of the Exchange, or to request a special panel having a majority who are not Permit Holders, not associated with any Permit Holder, nor employees of any contract market, and who are not otherwise associated with any contract market. Such notice must also advise the customer that there are certain fees and costs incidental to the filing of the complaint, stating them and that the panel may not assess any incremental fees for provision of a panel or decision-maker conforming to the requirements of CFTC Regulation 180.2(a), unless the arbitrators in that particular proceeding determine that the customer has acted in bad faith in initiating or conducting that proceeding.

a. For purposes of determining whether a person is "associated with any contract market," the phrase shall include any individual who performs a significant amount of work for any contract market, or a Permit

Holder; and any individual who was a Permit Holder, or associated with any Permit Holder, or an employee, of any contract market within the past two (2) years.

b. A Permit Holder who is party to an arbitration proceeding shall pay any incremental fees which may be assessed for provision of a panel or decision-maker conforming to the requirement of Regulation 180.2(a), unless the arbitrators in a particular proceeding determine that the customer has acted in bad faith in initiating or conducting that proceeding.

1503.02 Special Panel; Composition.

If the customer, following notice as prescribed in Rule 1503.01, makes a written request for a special panel, such panel shall consist of five (5) persons selected as follows:

a. Two (2) members of the regular Arbitration Committee; selected by listing the members' last names in alphabetical order, and using the highest two (2) on the list who have not been used before, with the first being the sixth, eleventh, etc.

b. One (1) member selected by mutual agreement, or failing agreement, under the rules of the American Arbitration Association, which member shall be an attorney and shall be the chairman. Such person shall not be a Permit Holder nor associated with any Permit Holder of any contract market, and shall not be otherwise associated with any contract market.

c. Two (2) disinterested persons from the public at large, one (1) of whom shall be selected by each party, but neither of whom shall be Permit Holders, nor associated with any Permit Holder of any contract market, nor any employee thereof, and who are not otherwise associated with any contract market.

d. The parties shall expeditiously make the above selections, so that the hearing will not be unduly delayed.

1503.03 Single Arbitrator.

Notwithstanding the above rules, customers may elect a single arbitrator who meets the requirements of CFTC Reg. 180.2 (a).

1503.04 Incremental Fees.

A contract market Permit Holder which is a party to an arbitration proceeding shall pay any incremental fees which may be assessed by a qualified forum for provision of a panel or other decision maker which conforms to the requirements of CFTC Reg. 180.2(a) (i.e. one or more persons, of which at least a majority are not Permit Holders or associated with any Permit Holder of any contract market or employee thereof and who are not otherwise associated with a contract market), unless the arbitrator(s) in a particular proceeding determine that the customer has acted in bad faith in initiating or conducting that proceeding. (CFTC Reg. 180.2(e))

1504.00 Disqualification To Serve.

Members of the hearing body shall, upon request, through the Exchange, state in writing to the parties relevant background information, including any circumstance that might prevent the member from acting impartially. Members of the hearing body shall be disqualified to sit as a member of the hearing body on the hearing of any case whenever it shall appear by the statement of such member or by the statement under oath of either party to the hearing that such member is interested or prejudiced, is an associate, is related to either party, or that the opposite party has an undue influence over the mind of such member.

1504.01 Sworn Statement Of Party; Time.

The party filing a statement under oath under Rule 1504.00 must do so not later than three (3) days prior to the date set for hearing.

1504.02 Substitute.

In the event of a disqualification, and if the parties are unable to agree on a substitute, the parties shall submit to each other three (3) names of disinterested members from which each shall strike two (2) names and submit the remaining two (2) names to the Exchange. From those names submitted, the Exchange shall select the member to act as substitute. All such proceedings must be had so as not to delay the hearing and any substitutes must be impartial and objective as required by Rule 1500.00.

1505.00 Special Committee.

If a matter for arbitration under these rules is to be heard by the regularly constituted Arbitration Committee and, due to absence or disqualification of the regular member, the Arbitration Committee cannot be formed, the parties in the controversy shall be allowed to fill vacancies with any member(s) willing to serve (not being members of the Board) and upon whom they can agree. If such parties are unwilling to submit their case to the Arbitration Committee, they may choose three (3) or more members (willing to serve and not being on the Board), upon whom they may agree to hear the matter. In either case, such agreement shall be communicated to the Exchange in writing and signed by all parties in controversy.

1505.01 Award Of Special Committee Binding.

An award or finding of the majority of any Committee formed pursuant to Rule 1505.00 shall be binding.

PRE-HEARING PROCEDURES

1506.00 Exchange of Documents and Written Information.

The parties to the arbitration shall cooperate with each other in the exchange of relevant documents and written information which may serve to facilitate a fair and equitable hearing. All requests for documents and written information shall be made in writing no later than ten (10) calendar days after an answer is due to an arbitration complaint. Such relevant documents and written information shall be furnished to the requesting party within ten (10) calendar days after the request is made unless an objection is filed to the furnishing of such documents and written information. Unless the hearing body directs otherwise, any such objections will be decided on the written positions of the parties. Upon request of any party to the arbitration copies of documents and written information to be used as exhibits and a list of witnesses to be called (other than those used for rebuttal or cross examination) shall be furnished to the other party and the Exchange. The hearing body may exclude from introduction at the hearing any such documents and witnesses not so identified in advance as provided in this rule.

1506.01 Preliminary Hearing.

The hearing body may, at the written request of a party or on its own, order a preliminary hearing in appropriate situations. Such hearing may be conducted orally, by telephone conference, or by written submissions. The hearing body may assign a single arbitrator to resolve the issues in the hearing, who shall be the chairman in the case of a special panel.

DUTIES OF HEARING BODY

1507.00 Duties Of Arbitration Committee Or Special Panel.

It shall be the duty of the Arbitration Committee or the special panel, as appropriate, to hear and determine all disputes before it pursuant to this Chapter. The Committee or panel shall render a just and equitable award based on the evidence, the law, the Certificate of Incorporation, rules and regulations of the Exchange, and trade practice to the best of its ability.

1507.01 Nonliability.

The Arbitration Committee or panel members and the Exchange shall not be held liable for any errors of judgment in any respect whatsoever, or for any damages done or loss suffered by reason of their acts.

1508.00 Duty To Attend.

Members of the Arbitration Committee, failing to attend when their services are required, shall be fined by the Board, for the use of the Exchange, $25.00 for each default, unless a satisfactory excuse shall be made to the Arbitration Committee.

COMPLAINT

1510.00 Written Sworn Complaint; Filing.

Any customer desiring to submit a matter in dispute as defined in Rule 1500.01 to the Arbitration Committee of the Exchange or to a special panel, shall file a written sworn complaint with the Secretary, alleging the nature of

the dispute, the basic facts, the damages sought, and the name of the Permit Holder.

1510.01 Time.

The written sworn complaint must be filed within two (2) years after the date of the transaction from which the dispute arose.

1510.02 Mandatory joinder.

Any customer having claims growing out of or connected with the same transaction against more than one (1) Permit Holder shall be required to join all of said Permit Holders. On failing to do so, the customer shall be barred and estopped from making any claim or demand against any Permit Holder hereof not so named. This same rule shall apply to counterclaims.

1510.03 Service On Permit Holder.

A copy of the complaint shall be served by the Exchange on the Permit Holder.

1510.04 Withdrawal.

The customer may withdraw the complaint prior to service of the answer, or thereafter with consent of the Permit Holder.

ANSWER

1514.00 Failure By Permit Holder To Answer.

If the Permit Holder fails to answer the complaint in writing within ten (10) calendar days after service of copy, or if the Permit Holder refuses to sign the agreement prescribed in Rule 1517.00, the Permit Holder shall be deemed to have refused to arbitrate and to have incurred the possibility of disciplinary action by the Business Conduct Committee for such non-action, including the possibility that the Committee may order an award for the customer.

AGREEMENT TO ARBITRATE

1517.00 Agreement.

Within ten (10) calendar days the parties to the arbitration shall sign the Articles of Agreement in a form to be furnished by the Exchange.

1517.01 Execution By Customer.

The customer shall also sign an agreement to abide by and comply with all the terms and provisions of the Certificate of Incorporation, and all orders and resolutions of the Board, and any committee of the Exchange concerning the arbitration of said demand, and of any counterclaim which the Permit Holder may present.

1517.02 Execution By Permit Holder.

Any Permit Holder or any officer of a Permit Holder firm may execute an agreement on behalf of such firm or corporation.

CUSTOMER RELEASE

1520.00 Release. Every customer presenting a complaint against a Permit Holder seeking arbitration shall accompany the complaint with a release in the form to be furnished by the Exchange.

1520.01 Held In Trust By Exchange.

The Exchange shall hold the release in trust pending the result of arbitration, and shall deliver it to the Permit Holder in any of the following cases:

a. If after being ordered to do so by the Committee or panel, or by the Board, the customer has failed to prosecute the claim within ten (10) days of being notified in writing of the order to prosecute;

b. If an award is rendered for the Permit Holder by the Committee or panel; or

c. If the Permit Holder pays or offers to pay the customer the amount of award, after deducting any counterclaim in favor of the Permit Holder.

1521.00 Cancellation And Return Of Release.

In the event an award is rendered against a Permit Holder which is not paid within ten (10) calendar days, then the release shall be cancelled and returned to the customer. Should any unforeseen event render it just and proper that the release be returned, the Board can direct such to be done.

1524.00 When Presented.

A Permit Holder shall have the right to present any counterclaim of the character defined in Rule 1500.01, and wherein the counterclaim arises out of the transaction or occurrence that is the subject of the customer's claim or grievance and does not require for adjudication the presence of essential witnesses, parties, or third persons over whom the Exchange does not have jurisdiction. Other counterclaims are permissible only if the customer agrees to the submission after the counterclaim has arisen, and if the aggregate monetary value of the counterclaim is calculable.

1524.01 Reply to Counterclaim.

The customer shall reply to the counterclaim in writing within ten (10) calendar days after service of copy.

HEARING

1528.00 General.

Hearings shall settle the issues with all practical dispatch. Unnecessary and unreasonable delay by any of the parties shall not be permitted.

1528.01 Time Of Hearing.

The time and place of the arbitration hearing shall be determined by the appointed Chairman of the hearing body, and due notice thereof shall be given by the Exchange. Reasonable effort shall be made to accommodate the parties.

1528.02 Postponements.

Unless for good cause shown satisfactory to the hearing body, neither party shall postpone the hearing of a case longer than twenty-one (21) calendar days after it has been submitted.

1528.03 Location.

Arbitration proceedings conducted under this Chapter must be held at a place appointed by the Exchange, in Kansas City, Missouri, unless otherwise agreed to by the parties and the hearing body.

1529.00 Representation By Counsel.

Each of the parties in an arbitration hearing shall have the right, if desired, to be represented by counsel, at such party's own expense, in any aspect of the procedure.

1530.00 No Ex Parte Contacts.

Contacts by any of the parties involving the matter in dispute with members of any panel or Arbitration Committee shall not be permitted except at the hearing.

1531.00 Personal Appearance.

Each of the parties shall be entitled to appear in person, or by telephone conference, at such hearing, except, however, those claims or grievances submitted in writing (and any counterclaims applicable thereto) which are in the aggregate under $2,500 may be resolved without a hearing on the basis of the submitted written documents. The procedures for the resolution of such case based on submission of such written documents

shall insofar as possible, follow the rules for submission at a hearing.

1532.00 Citations To Witnesses.

The hearing body has the power to issue citations to witnesses upon the written request of the parties, or on its own. Permit Holders or the customer served with a citation must appear to testify and bring such documents as required by the citation, at the time and place indicated.

1533.00 Rule Of Construction.

In all such adjudications, the hearing body shall construe all the provisions of the law, the Certificate of Incorporation, the rules, and all the regulations of the Exchange as being designed to secure justice and equity in trade, and all awards or findings shall be made in conformity therewith.

1534.00 Determining Value.

In determining the true market value of property, its value in other markets, or for manufacturing purposes in this market, together with such other facts as may justly enter into the determination of its true value, shall be considered, in addition to prices it may be selling for in this market. In case of default of contracts for future delivery, the buyer or the seller may be required to pay, in addition to the actual damage or loss, as a penalty for such default, an amount not exceeding ten percent (10%) of the value of the property as the same may be determined under the foregoing provisions of this rule.

1535.00 Oath Of Arbitration.

Before commencing the hearing of a case, the Permit Holders of any hearing body shall be required to take and subscribe to the following oath or affirmation, vis-à-vis:

I do solemnly swear (or affirm) that I will faithfully and fairly hear and examine all matters in dispute now to be submitted, and that I will make a just and equitable award or finding upon the same, in conformity with the law, the Certificate of Incorporation, Rules of the Exchange and according to the evidence to the best of my understanding and ability, so help me God.

1536.00 Evidence.

All evidence before the hearing body shall be taken orally, or by telephone conference, under oath or affirmation.

1537.00 Record Of Proceedings.

All testimony and the proceedings of the hearing shall be recorded by a stenographer and/or electronic recorder. The original stenographic or electronic record shall be transcribed or electronically duplicated only upon the request of the hearing body, or of a party. A requesting party shall bear the cost of the transcription or duplication, provided that one (1) copy of any transcript shall be furnished the hearing body, at the expense of such requesting party.

1538.00 Role Of Chairman.

The appointed Chairman of the hearing body shall perform the following functions:

a. Set the time and date for the hearing in consultation with the other hearing body Permit Holders and the parties;

b. Convene and conduct the hearing in an orderly fashion following the procedural guidelines (Rule 1540.00) to the extent practicable;

c. Consult with the hearing body to determine procedural matters, which may be done in private (such as whether or not challenged evidence is to be admitted into evidence), and then to announce the hearing body's decision to the parties;

d. Assign the drafting of the award; and

e. Sign the final award.

1539.00 Role Of Hearing Clerk.

A designated member of Exchange staff may serve as hearing clerk. The clerk will make sure the room is in order; arrange for the recording of the hearing; receive and send all official notices, citations, etc.; administer oaths to hearing body members and to witnesses; mark evidence; retain the evidence and the official record; call witnesses; and otherwise serve to facilitate the hearing. The clerk may confer with the hearing body upon its request; when asked, provide nonbinding legal or procedural opinions; and if so instructed, prepare a draft of an award. The clerk may not express an opinion upon the factual issues.

1540.00 Procedural Guidelines.

The intent of this rule is for the hearing to be conducted in a fair, businesslike manner using the following procedure as a guide:

a. Formal call of the case to order by the Chairman of the hearing;

b. Oath of hearing body members administered by hearing clerk;

c. Introduction, identification of parties, hearing body members, witnesses, clerk, etc;

d. Administration of oath to witnesses;

e. Customer's opening statement;

f. Permit Holder's opening statement;

   [Explanation of (e) and (f): Opening statements are optional, and should consist of a very brief description of the principal issue(s) in dispute, and what the parties intend to prove, and to inform the hearing body as to the nature of the case. Opening statements may consist of reading of the complaint and/or answer. They are not evidence of facts alleged therein.]

g. Presentation of written stipulation of nondisputed facts, signed by both parties and prepared prior to the hearing;

   [Explanation: This is optional and may be used to shorten the hearing since all facts not stipulated must be proved at the hearing. If no facts are in dispute, parties may elect not to have a hearing and to make a written presentation.]

h. Presentation of customer's evidence;

i. Presentation of Permit Holder's evidence;

   [Explanation of (h) and (i): Factual allegations in dispute must be proven by oral testimony of witnesses and/or by documentary evidence. Each party may question the other's witnesses (including the other party if a witness) after initial testimony and may examine documentary evidence before it is offered into evidence. Normally all evidence is admitted in an arbitration proceeding for whatever value it may have, even if slight. However matters clearly not relevant may be excluded if challenged. Parties testifying in their own behalf should only present facts at this point, and not argue the case. Arguments are presented later.]

j. Rebuttal (if any) by customer;

k. Rebuttal (if any) by Permit Holder;

   [Explanation of (j) and (k): Rebuttal is an attempt to refute facts presented by the other party by further documents or witnesses.]

l. Customer announces case closed;

m. Permit Holder announces case closed;

   [Explanation of (l) and (m): Usually at this point a brief recess is in order to permit the parties time to organize closing arguments.]

n. Customer's final argument;

o. Permit Holder's final argument;

p. Customer's rebuttal argument;

[Explanation of (n), (o), and (p): Any or all of these (final argument and/or rebuttal argument) may not be given if the party so chooses. By permission of the hearing body, final arguments may be made in writing and submitted later.]

q. Formal hearing adjourned by Chairman;

[Explanation: The hearing body may announce its decision at the conclusion of the hearing, or it may await private deliberations and/or reading of the transcript prior to announcing a decision.]

AWARD

1541.00 Arbitration Award; Time.

The hearing body shall meet and discuss the case within two (2) business days after the hearing and shall make its decision within ten (10) business days after receipt of the transcript.

1541.01 Award In Writing.

The hearing body shall render its award(s) or finding(s) in writing, through Exchange staff, within five (5) business days after its decision is made. Such award(s) or finding(s) shall be signed by the persons to whom submitted.

1541.02 Contents Of Award. The written award should:

a. Identify the parties;

b. State the procedural and substantive issue(s), and the resolution of each;

c. State the reason(s) for the decision, including the relevant facts;

d. Announce the name of the prevailing party; and

e. State the monetary award, if any, to be paid, by and to whom, and direct payment of costs.

The decision should be clear and concise, yet contain enough information to permit a stranger to the case to understand the facts, the issues, the decision, and the reasoning.

1541.03 Modification of Awards.

The hearing body may modify or correct an award for clarifying the award; or where there is an evident miscalculation of figures or evident mistake in the description of any person, thing or property; or where the award is imperfect in a matter of form, not affecting the merits of the controversy.

1541.04 Record Of Awards.

The Exchange shall keep a record of the cases submitted for adjudication, and the disposition of the same. The Exchange shall also collect all awards and pay them over to the parties in whose favor they may be and enter the same in the record of the case.

1541.05 Appeal From Award.

There shall be no right of appeal to any entity within the Exchange which can overturn the settlement procedure decision under the provisions of this Chapter; the only right of appeal being under applicable law. Any party who becomes aware of a judicial appeal of the award shall notify the Board through Exchange staff.

1541.06 Compliance With Award.

A Permit Holder's refusal to comply with an award within thirty (30) calendar days of it being rendered in writing (without an appeal being taken), is a violation of Exchange Rules.

FEES

1545.00 Advance Notice Of Fees.

Exchange staff shall ensure that adequate notice is provided in advance of a submission of a claim, grievance, or counterclaim of the nature and amount of any fees which may be assessed against customers utilizing the procedure.

1546.00 Filing Fee.

Exchange staff shall receive a nonrefundable filing fee of $50.00.

1547.00 Fees For Arbitration.

The hearing fees for arbitration under the provisions of this Chapter shall be for the benefit of the individual Permit Holders of the hearing body and shall be as follows:

Where the amount in controversy is $2,500 or less, the hearing fee shall be $100.00 ($20.00 per Permit Holder)

$2,501 to $10,000, the hearing fee shall be $200.00 ($40.00 per Permit Holder)

Over $10,000, the hearing fee shall be $600.00 ($120.00 per Permit Holder)

1548.00 Paid In Advance.

The fees shall be paid in advance to the Exchange by the party bringing the case except for the additional sitting fee which must be paid prior to the issuance of the award.

1549.00 Additional Sitting Fee.

In all cases brought before the hearing body wherein the evidence is of such volume that it cannot be presented or heard in one (1) sitting, the hearing body shall have power to adjourn the hearing from time to time and to charge, in its discretion, $10.00 for each additional sitting of not less than three (3) hours.

1550.00 Failure To Appear.

If either or both of the parties to a controversy fail to appear at the time set for the hearing, or request a postponement, they may (if the case is postponed) be assessed with costs, by and for the use of the hearing body, in any reasonable sum at the hearing body's discretion. The hearing body, however, may insist that the hearing shall take place without postponement.

1551.00 Who Pays Fees.

Fees, and all additional costs that may be incurred, shall be finally paid by either of the parties in the case, as may be decided by the hearing body, and included in its award or finding.

A Permit Holder who is party to an arbitration proceeding shall pay any incremental fees which may be assessed for provision of a panel or decision-maker conforming to the requirement of Regulation 180.2(a), unless the arbitrators in a particular proceeding determine that the customer has acted in bad faith in initiating or conducting that proceeding.

CHAPTER 16
PERMIT HOLDER TO PERMIT HOLDER FUTURES ARBITRATION

Disputes Subject To Arbitration

1600.00 Settlement Of Permit Holder Disputes

This chapter sets forth the procedure for settlement of claims, grievances, or disputes involving futures contract transactions between Permit Holders only, and which do not involve customers.

1601.00 Claim, Grievance or Dispute; Defined.

The term "claim or grievance" shall mean any dispute which arises out of any transaction on or subject to the rules of this contract market, executed by or effected through a Permit Holder of this contract market or employee thereof, which dispute does not require for adjudication the presence of essential witnesses or third parties over whom this contract market does not have jurisdiction and who are not otherwise available. The term "claim or grievance" does not include disputes arising from cash market transactions which are not a part of or directly connected with any transaction for the purchase or sale of any commodity for future delivery.

1602.00 Permit Holder; Defined. [Reserved].

1603.00 Permit Holders Must Arbitrate.

Any Permit Holder who shall commence any legal action against another Permit Holder (unless by agreement) for any dispute arbitratable under this Chapter before first attempting to arbitrate, shall be subject to disciplinary action pursuant to Chapter 14. If arbitration has been attempted and rejected, then a legal action may be commenced and the Permit Holder failing or refusing to arbitrate may be disciplined pursuant to Chapter 14.

1604.00 Procedure.

Only the rules and procedures of this Chapter 16 shall govern Permit Holder to Permit Holder disputes involving futures contract transactions and shall be independent of customer claims or grievances submitted for resolution under Chapter 15.

HEARING BODY

1605.00 Arbitration Committee.

(a) Hearing. It shall be the duty of the Arbitration Committee to hear and determine all disputes described in Rule 1601.00.

(b) Panel. The parties to the arbitration case shall, if utilizing the regular Arbitration Committee, mutually select five (5) members to serve as the hearing panel for that case from the ten (10) elected Arbitration Committee members. Should the parties be unable to reach agreement, the five (5) member hearing panel shall be determined by each party alternatively striking one (1) name until five (5) are left. The first shall be determined by a toss of a coin.

1606.00 Disqualification To Serve.

Members of the Arbitration Committee shall be disqualified to serve as a member of such Committee on the hearing of any case whenever it shall appear by the statement of such member or by the statement under oath of either party to the hearing, that such member is interested or prejudiced, is an associate, is related to either party, or that the opposite party has an undue influence over the mind of such member.

1607.00 Sworn Statement Of Party; Time.

The party filing a statement under oath pursuant to Rule 1606.00 must do so not later than three (3) business days prior to the date set for hearing.

1608.00 Substitute.

In the event of disqualification, and if the interested parties are unable to agree on the substitute, each party shall submit to the other three (3) names of disinterested members (those persons who have no interest in the

dispute) from which each shall strike two (2) names and submit the remaining two (2) names (one from each list) to Exchange staff. From the names submitted, Exchange staff shall select the member to act as a substitute. All such proceedings must be had so as not to delay the hearing.

1609.00 Special Committee.

When the Arbitration Committee cannot be formed due to absence, disqualification, or unwillingness of regular members to serve, the parties shall be allowed to fill vacancies with any member(s) willing to serve (not being members of the Board) on whom they may agree. If such parties are unwilling to submit their case to the Arbitration Committee, they may choose three (3) or more members (willing to serve and not being on the Board) on whom they may agree. Such agreement, in either case, shall be communicated to Exchange staff in writing and signed by all the parties in the controversy.

Note: Any Special Committee agreed upon under this rule shall adhere to all requirements and duties of a hearing body as set forth in this Chapter.

1610.00 Award Of Special Committee Binding.

An award or finding of any committee formed pursuant to Rule 1609.00 shall be binding as if made by the regular Arbitration Committee.

DUTIES OF HEARING BODY

1611.00 Duties Of Arbitration Committee.

The Committee shall render a just and equitable award based on the evidence, the law, the Certificate of Incorporation, the rules and regulations of the Exchange, and trade practice to the best of its ability.

1612.00 Nonliability.

The Committee members and the Exchange shall not be held liable for any errors of judgment in any respect whatsoever, or for any damages done or loss suffered by reason of their acts.

1613.00 Duty To Attend.

Members of the Arbitration Committee who fail to appear when their services are required shall be in default and shall be fined $25.00 for each default by the Board for the use of the Exchange, unless a satisfactory written excuse is presented to the Board within five (5) business days of said default.

COMPLAINT

1614.00 Written Sworn Complaint.

Any Permit Holder desiring to submit a matter in dispute as defined in Rule 1601.00 to the Arbitration Committee for resolution, shall file a sworn written complaint with the Exchange, alleging the nature of the dispute, the basic facts, the damages sought and the name of the Defendant.

1614.01 Time.

The sworn written complaint must be filed with the Exchange within two (2) years after the date of the transaction from which the dispute arose.

1615.00 Mandatory Joinder.

Any Claimant having claims growing out of or connected with the same transaction against more than one (1) Permit Holder shall be required to join all of said Permit Holders as Defendants. On failing to do so, the Claimant shall be barred and stopped from making any claim or demand against any Permit Holder not so made a Defendant. The same rule shall apply to counterclaims.

1616.00 Service On Defendant.

A copy of the complaint shall be served by the Exchange on the Defendant.

ANSWER

1617.00 Failure By Defendant To Answer.

If the Defendant fails to answer the complaint in writing within ten (10) calendar days after service of copy, or if the Defendant refuses to sign the Articles of Agreement prescribed in Rule 1618.00, the Defendant shall be deemed to have refused to arbitrate and to have incurred the possibility of disciplinary action by the Business Conduct Committee as discussed in Chapter 2 for such non-action, including the possibility that the Committee may order an award for the Claimant.

AGREEMENT TO ARBITRATE

1618.00 Agreement. Within ten (10) calendar days from the date the sworn written complaint is served on the Defendant as set forth in Rule 1616.00, the parties to the arbitration shall sign the Articles of Agreement in a form to be furnished by the Exchange.

1618.01 Execution By Permit Holder.

Any Permit Holder or any officer of a Permit Holder firm may execute the Articles of Agreement on behalf of such firm or corporation.

COUNTERCLAIM

1619.00 When Presented.

Any Defendant shall have the right to present any counterclaim of the character described in Rule 1601.00 against the Claimant.

HEARING

1620.00 Time Of Hearing.

The time and place of the arbitration hearing shall be determined by the Chairman of the Arbitration Committee or Special Committee, and the Exchange shall give due notice to all parties involved. Reasonable effort shall be made to accommodate the parties.

1621.00 Postponements.

Unless for good cause shown satisfactory to the Committee hearing the dispute, neither party shall postpone the hearing of a dispute longer than twenty-one (21) calendar days after the sworn written complaint has been filed with the Exchange.

1622.00 Location.

Arbitration proceedings conducted under this Chapter must be held at a place appointed by the Exchange, located in Kansas City, Missouri, unless otherwise agreed to by the parties and the Arbitration Committee.

1623.00 Representation By Counsel.

The parties to any arbitration proceeding under this Chapter shall have the right to be represented by counsel, at his or her own expense during any aspect of the procedure.

1624.00 Citations To Witnesses.

The Arbitration Committee has the power to issue citations to witnesses on the written request of the parties, or on its own. Permit Holders served with a citation to be a witness must appear to testify and bring such documents as required by the citation, at the time and place identified. Refusal to appear, to testify, or produce documents may subject such person to disciplinary actions under these Rules.

1625.00 Rule Of Construction.

At all such adjudications, the Committee shall construe all the provisions of the law, the Certificate of Incorporation, the Rules of the Exchange as being designed to secure justice and equity in trade, and all awards

or findings shall be made in conformity therewith.

1626.00 Determining Value.

In determining the true market value of property, its value in other markets, or its value for manufacturing purposes in this market, together with such other facts as may justly enter into the determination of its true value, shall be considered, in addition to prices it may be selling for in this market. In case of default on contracts for future delivery, the defaulting party may be required to pay, in addition to the actual damage or loss, as a penalty for such default, an amount not exceeding ten percent (10%) of the value of the property as determined under the provisions of this rule.

1627.00 Oath Of Arbitration.

Before commencing the hearing of a case, the members of the Arbitration Committee shall take and subscribe to the following oath or affirmation, vis-à-vis:

I do solemnly swear (or affirm) that I will faithfully and fairly hear and examine all matters in dispute to be submitted in this proceeding and that I will make a just and equitable award or finding upon the same, in conformity with the Certificate of Incorporation, rules of the Exchange, and according to the evidence to the best of my understanding and ability, so help me God.

1628.00 Evidence.

All evidence before the Arbitration or Special Committee shall be taken orally under oath or affirmation.

1629.00 Record Of Proceedings.

All testimony and the proceedings of the hearing shall be recorded by a stenographer and transcribed. The original transcript shall be filed with the Exchange and retained with the record in each case. Copies of the transcript shall, upon request, be furnished to each party to the proceeding. The cost of such record shall be assessed by the Committee.

1630.00 Role of Chairman.

The members of the Arbitration Committee or Special Committee shall elect a Chairman. Such Chairman shall perform the following functions:

a. Set the time and date for the hearing in consultation with the other hearing body members and the parties;

b. Convene and conduct the hearing in an orderly fashion following the procedural guidelines set forth in Rule 1632.00 to the extent practicable;

c. Consult with the hearing body to determine procedural matters, which may be done in private (such as whether or not challenged evidence is to be admitted into evidence), and then to announce the decision to the parties;

d. Assign the drafting of the award; and

e. Sign the final award.

1631.00 Role Of Hearing Clerk.

A designated member of Exchange staff may serve as Hearing Clerk. The Clerk will make sure the room is in order; arrange for the recording of the hearing; receive and send all official notices, citations, etc.; administer oaths to members and to witnesses; mark evidence; retain the evidence and official record; call witnesses; and otherwise serve to facilitate the hearing. The Clerk may confer with the Committee on its request; and when asked, provide non-binding legal or procedural opinions; and if so instructed, may prepare a draft of an award. The Clerk may not express an opinion on the factual issues.

1632.00 Procedural Guidelines.

The intent of this rule is for the hearing to be conducted in a fair, businesslike manner using the following procedure as a guide:

a. Formal call of the case to order by the Chairman;

b. Oath of Committee members administered by Hearing Clerk;

c. Introduction, identification of parties, Committee members, witnesses, Clerk, etc.;

d. Administration of oath to witnesses;

e. Claimant's opening statement;

f. Defendant's opening statement;

[Explanation of (e) and (f): Opening statements are optional, and should consist of a very brief description of the principal issue(s) in dispute, what the parties intend to prove, and to inform the Committee as to the nature of the case. Opening statements may consist of a reading of the complaint and/or answer. They are not evidence of facts alleged therein.]

g. Presentation of written stipulation of nondisputed facts, signed by both parties and prepared prior to the hearing;

[Explanation: This is optional and may be used to shorten the hearing since all facts not stipulated must be proved at the hearing. If no facts are in dispute the parties may elect not to have a hearing and make a written presentation.]

h. Presentation of Claimant's evidence;

i. Presentation of Defendant's evidence;

j. [Explanation of (h) and (i): Factual allegations in dispute must be proven by oral testimony of witnesses and/or by documentary evidence. Each party may question the other's witnesses (including the other party if a witness) after initial testimony and may examine documentary evidence before it is offered into evidence. Normally all evidence is admitted in an arbitration proceeding for whatever value it may have, even if slight. However, matters clearly not relevant may be excluded if challenged. Parties testifying in their own behalf should only present facts at this point, and not argue the case. Arguments are presented later.]

k. Rebuttal (if any) by Claimant;

l. Rebuttal (if any) by Defendant;

[Explanation of (j) and (k): Rebuttal is an attempt to refute facts presented by the other party by further documents or witnesses.]

l. Claimant announces case closed;

m. Defendant announces case closed;

[Explanation of (l) and (m): Usually at this point a brief recess is in order to permit the parties time to organize final arguments.]

n. Claimant's final argument;

o. Defendant's final argument;

p. Claimant's rebuttal argument;

[Explanation of (n), (o), and (p): Any or all of these (final argument and/or rebuttal argument) may not be given if the party so chooses. By permission of the Committee, final arguments may be made in writing and submitted later.]

q. Formal hearing adjourned by Chairman.

[Explanation: The Committee may announce its decision at the conclusion of the hearing or it may

await private deliberations and/or reading of the transcript, prior to announcing the decision.]

AWARD

1633.00 Arbitration Award; In Writing.

The Arbitration Committee shall render its award in writing, through Exchange staff within five (5) business days after its decision is made. Such award shall be signed by the Chairman and the other members of the Committee.

1633.01 Contents Of Award. The written award should:

a. Identify the parties;

b. State the controlling issue(s) in dispute;

c. Announce the name of the prevailing party;

d. State the reason(s) for the decision, including the relevant facts; and

e. State the monetary award, if any, to be paid, by and to whom, and direct the payment costs.

The decision should be clear and concise, yet contain enough information to permit a stranger to the case to understand the facts, dispute, decision, and reasoning.

1633.02 Record Of Awards.

The Exchange shall keep a record of the cases submitted for adjudication of the Arbitration Committee and the disposition of the same. The Exchange shall collect all awards and pay them over to the appropriate parties and enter the same in the record of the case; or receive written acknowledgment of the receipt of all awards from the parties so entitled, and record the same in the record of the case.

1633.03 Inspection.

The official record and decisions of the Committees and all other records of the case, may be inspected by any Permit Holder who is a party to the case upon written application to the Exchange; except that either party or any witness may request confidential treatment of trade secrets, customers, etc., at the time such is introduced.

FEES

1634.00 Filing Fee.

The Exchange shall receive a non-refundable filing fee of $50.00 for each complaint filed.

1635.00 Fees For Arbitration.

The hearing fees for arbitration under the provisions of this Chapter shall be for the benefit of the individual members of the Committee and shall be as follows:

Where the amount in controversy is

$2,500 or less, the hearing fee shall be $100.00 ($20.00 per Permit Holder)

$2,501 to $10,000, the hearing fee shall be $200.00 ($40.00 per Permit Holder) Over $10,000, the hearing fee shall be $600.00 ($120.00 per Permit Holder)

1636.00 Paid In Advance.

The fees shall be paid in advance to the Exchange by the party bringing the case, except for the additional sitting fee which must be paid prior to the issuance of the award.

1637.00 Additional Sitting Fee.

In all cases brought before the Arbitration Committee where the evidence is of such volume that it cannot be presented or heard in one (1) sitting, the Arbitration Committee shall have the power to adjourn the hearing from time to time and to charge, in its discretion, $50.00 extra for each additional sitting of not less than three (3) hours.

1638.00 Failure To Appear.

If either of the parties to the dispute fails to appear at the hearing, or requests a postponement, the parties may (if the case is postponed) be assessed with costs, by and for the use of the Committee, in any sum, in the Committee's discretion, not exceeding $50.00. However, the Committee may insist that the hearing take place without postponement.

1639.00 Who Pays Fees.

Fees, and all additional costs that may be incurred during the investigation of suits, shall be finally paid by the party as is decided by the Committee hearing the same, and shall be included in the Committee's award or finding.

CHAPTER 17
ELEVATORS AND WAREHOUSES APPLICATION

1700.00 Application For Regularity

The owner or operator of any warehouse or elevator who desires to have such facility declared regular for the delivery of grain under the rules and regulations of the Exchange may make an application to Exchange staff for a Declaration of Regularity. Such application shall be made on a form prescribed by the Exchange and shall be accompanied with a description of the facility, including its capacity, strength, and receiving and loading facilities. The application shall also be accompanied by a financial statement certified by an independent certified public accountant as of the end of the fiscal year most recently preceding the date of application. All applications shall be subject to approval by the Exchange to determine compliance with the requirements of this Chapter.

Conditions

1705.00 Board Prescribe.

Exchange staff by regulation may prescribe the conditions on which warehouses and warehousemen may become regular. To the extent required by the Commodity Exchange Act, as amended, the Exchange, in the case of federally licensed warehouses and warehousemen, may impose only such reasonable requirements as to location, accessibility, and suitability as may be imposed on other regular warehouses and warehousemen.

1705.01 Effective Date of Regularity.

For applications for regularity pertaining to a warehouse(s) that is not currently regular, the effective date of regularity shall be as follows:

a. If the application for regularity is approved during a delivery month, the effective date shall be the first business day of the calendar month immediately following the date of the approval.

b. If the application for regularity is approved during a month that is not a delivery month:

   1. And the calendar month immediately following the month during which approval was granted is not a delivery month, the effective date shall be the business day following the date of approval.

   2. And the calendar month immediately following the month during which approval was granted is a delivery month, the effective date shall be the business day following the last delivery day of such delivery month.

For applications for regularity pertaining to a warehouse(s) that is currently regular (regularity has not expired or been withdrawn, suspended or revoked prior to consideration of the new regularity application), and the application is for approval of a new operator of such warehouse(s), the effective date of regularity shall be the business day following approval.

1706.00 Conditions of Regularity.

No warehouse or elevator shall be made regular unless it conforms to the requirements set forth in Rules 1706.01 through 1706.07.

1706.01 Licensed.

The warehouse or elevator must be licensed as a public warehouse under the laws of the State of Missouri or Kansas, or under the United States Warehouse Act.

1706.02 Capacity.

The warehouse or elevator must have a storage capacity of not less than one hundred thousand (100,000) bushels.

1706.03 Facilities.

The warehouse or elevator must be equipped with bulk receiving and loading facilities adequate for the prompt

dispatch of business.

1706.04 Railway Connections.

The warehouse or elevator must be so situated that it is connected by railroad tracks with one (1) or more railway lines within the switching district as described in railroad tariffs of the city in which the elevator is located.

1706.05 Financial Standing.

The individual, firm, or corporation operating the warehouse or elevator seeking to be declared regular, shall be of unquestioned good financial standing and credit. Such individual, firm, or corporation shall have and maintain a minimum net worth as may be fixed from time to time by the Exchange, provided that the same is uniform in principle as to all individuals, firms, or corporations. The Exchange shall have full authority to determine at any time whether such net worth, financial standing, and credit exists and is being maintained.

1706.06 Compliance.

The individual, firm, or corporation operating the warehouse or elevator seeking to be declared regular must comply with the rules and regulations of the Exchange and be a Permit Holder thereof.

1706.07 Load-Out Capacity.

The warehouse or elevator must be equipped to load covered hopper rail cars. The warehouse or elevator shall file with the Exchange, stating in bushels, the eight (8) hour load-out capacity of the facility for a five (5) day work week. This load-out capacity must at least meet the minimum load-out required for deliveries on warehouse receipts. (See Rule 1218.00). Further, the warehouse or elevator shall notify the Exchange of any change in such load-out capacity.

1706.08 Notification, Change of Status.

The Permit Holder operating a regular warehouse shall notify the Exchange in writing no later than 4:30 p.m. local time on the business day following the date when such Permit Holder becomes aware of any requirement of regularity pursuant to the rules and regulations of the Exchange that is no longer being met. Such requirements include, but are not limited to, Permit Holder requirements under Chapter 2 and financial and suitability requirements under Chapter 17. Failure to notify the Exchange shall be deemed an act detrimental to the best interests of the Exchange and subject to disciplinary action under Chapter 14 of the Rules.

1706.09 Revocation, Expiration or Withdrawal of Regularity.

Any regular warehouse may have their regularity revoked by the Board if it does not or cannot comply with the conditions of regularity set forth in this Chapter or in Chapter 5 of these rules. Should the Board revoke the regularity of any warehouse, notice of such shall be posted.

ANNUAL RENEWAL

1708.00 Regularity; Renew Annually.

Each Declaration of Regularity shall expire each year on the 30th day of May. Application for renewal of such declaration must be filed with the designated Exchange staff at least thirty (30) days prior to such expiration and shall be processed in the same manner as the original application.

REQUIREMENTS OF REGULARITY

1710.00 Bond.

All regular warehouses or elevators shall file with the Exchange a copy of the bond(s), filed with and approved by the applicable licensing authority. All such bonds shall provide that the surety thereon shall notify the Exchange, without right of exoneration, by thirty (30) days' prior written notice of any change, expiration, termination, or cancellation thereof, together with a copy of any change made. Additional bonds may be required by the Exchange in such amount, and containing such conditions or provisions,
as it may fix and determine.

1711.00 Insurance.

All regular warehouses or elevators shall file with the Exchange copies of insurance policies covering all insurance filed with and approved by the applicable licensing authority. All such policies shall provide that the insurer shall notify the Exchange, without right of exoneration, by thirty (30) days' prior written notice of any change, expiration, termination, or cancellation thereof, together with a copy of any change made. If the policy requires periodical reports on stocks of grain on hand, certified copies of such reports shall be filed with the Exchange.

1712.00 Weigh-Up Or Measure-Up Requirements.

All operators of warehouses or elevators regular under the Rules must weigh-up or measure-up their facilities when requested by the Exchange.

1713.00 Records And Reports.

Operators of elevators or warehouses regular under these rules shall make such reports, keep such records, and permit such warehouse visitation as the Exchange, CFTC, or any other applicable government agency may require. Such books and records shall be kept for a period of five (5) years from the date thereof, and such books, records, and warehouses shall be open at all times to inspection by any representative of the Exchange, CFTC, or any other applicable government agency.

CHARGES

1715.00 Elevator Charges; Delivery Grain.

The Exchange may, from time to time establish and revise fees for regular elevators relating to grain delivered in satisfaction of futures contracts, including an elevation fee, a load-out fee, and an insurance and storage fee; provided that the effective date of such fees must be at least thirty (30) days after enactment to permit notice to the Permit Holders.

Rule 17-1700.00-1 Regular Elevators

As of May 29, 2012, the following elevators are regular for delivery under the Rules.

2012 ELEVATORS DECLARED REGULAR FOR DELIVERY OPERATOR ELEVATOR & RAILROAD STORAGE CAPACITY KANSAS CITY

ADM Grain Company Milwaukee (KCS) 1,304,000

ADM Grain Company Wolcott (UP) 2,526,000

Bartlett Grain Company, LP River Rail (UP) 10,039,000

Bartlett Grain Company, LP KCT #1 (BNSF) 4,307,000

Bartlett Grain Company, LP Fairfax (UP) 10,291,000

Cargill, Inc. Chouteau (BNSF) 927,000

Cargill, Inc. Katy (UP) 4,332,000

Storage Capacity - Kansas City 33,726,000

HUTCHINSON

ADM Grain Company Elevator A (UP) 4,071,000

ADM Grain Company Elevator B (BNSF & UP) 1,869,000

ADM Grain Company Elevator I (BNSF) 6,836,000

ADM Grain Company Elevator J (BNSF & UP) 18,307,000

Cargill, Inc. Hutchinson (BNSF & UP) 4,394,000

Cargill, Inc. Hutchinson W (UP) 4,448,000

Storage Capacity - Hutchinson 39,925,000

SALINA/ABILENE

ADM Grain Company Salina A (UP) 4,197,000

Cargill, Inc. Salina (K&O) 31,669,000

Gavilon Grain, LLC Abilene (BNSF & UP) 1,392,000

The Scoular Company Salina (UP) 11,077,000

Storage Capacity - Salina/Abilene 48,335,000

WICHITA

Bartlett Grain Company, LP Wichita (BNSF) 12,080,000

Gavilon Grain, LLC Wichita (K&O) 30,542,000

Horizon Milling, LLC Wichita (BNSF & UP) 5,682,000

Storage Capacity - Wichita 48,304,000

TOTAL STORAGE CAPACITY 170,290,000 Rule 17-1706.05-1 Elevators and Warehouses; FINANCIAL STANDING MINIMUM NET WORTH REQUIREMENT

A minimum net worth of fifteen cents (15¢) per bushel upon the aggregate storage capacity at all locations in the United States be established and maintained by elevators regular for delivery.

Rule 17-1711.00-1 Elevators and Warehouses; Insurance

INSURANCE CERTIFICATE IN LIEU OF POLICY

Firms may submit a certificate of insurance in lieu of submitting an insurance policy; provided that the certificate is issued by the insurance company, that there is a certificate for each location covered, that such certificate indicates the amount of coverage, the policy expiration date, the number of the policy, and includes the standard Kansas City thirty (30) day notification clause to the Exchange in the event of change or termination as required by Rule 1711.00 (February 28, 1974).

Rule 17-1715.00-1 Elevators and Warehouses; Elevator Charges, Delivery Grain

LOAD-OUT FEE

Under the authority of Rule 1715.00, the maximum load-out fee for regular elevators on grain delivered on futures contracts is established at eight cents (8¢) per bushel.

Rule 17-1715.00-2 Elevators and Warehouses; Elevator Charges, Delivery Grain

STORAGE & INSURANCE

Under the authority of Rule 1715.00, effective September 1, 2011 the maximum storage and insurance charge for regular elevators on grain delivered on futures contracts is established at $.00197 per bushel per day from December 1 to June 30, and $.00296 per bushel per day from July 1 to November 30.

CHAPTER 18
WAREHOUSE RECEIPTS

Warehouse receipts shall be eligible for delivery in satisfaction of futures contracts only if the warehouse receipts comply with the following requirements:

a. Are freely negotiable;

b. Have been issued by a regular warehouse or elevator;

c. Designate the warehouse or elevator in which the grain is stored; and

d. Have been registered by the Registrar of the Exchange.

REGISTRATION

1805.00 Registration.

The owner or holder of a warehouse receipt desiring to have such receipt registered for delivery in satisfaction of a futures contract shall present such receipt to the Registrar.

1805.01 Time.

Registration must be effected by the owner or holder of warehouse receipt during the business day in which such person or entity files notice of intention of delivery with the Clearing House or during the next following business day.

1805.02 Limitation.

Receipts registered as provided in Rule 1805.01 shall not represent a total quantity in excess of the quantity stated in such notice of intention.

1806.00 Duties Of Registrar On Presentation.

The Registrar shall register the warehouse receipts if the warehouse or elevator on which the receipt is issued is currently regular. The warehouse receipt shall be stamped by the Registrar with the official stamp of the Exchange and shall be recorded in the proper books of the Exchange.

CANCELLATION

1810.00 Cancellation On Load-Out.

Registration or registered receipts must be cancelled upon the loading out of the grain represented thereby.

1810.01 Cancellation Procedure.

Immediately following such loading out, the operator of the warehouse or elevator shall deliver such receipt to the Registrar for cancellation. The Registrar is directed to hold such receipt until receipt of a certified report from the taker of the grain accepting the grain as delivered. Upon receipt of such report, the Registrar shall plainly stamp across the face of such receipt the word "Cancelled", together with the name of the person canceling the same, shall cancel such registration on the Registrar's books, and the registration of said warehouse receipt shall thereafter be void.

1811.00 Cancellation On Proof Of Purchase.

Registration of registered receipts may be cancelled upon proof of purchase by the issuing warehouse or elevator by presentation of such receipts to the Registrar.

1811.01 Cancellation Procedure.

The Registrar shall cancel same in the manner provided in Rule 1810.01.

Rule 18-1800.00-1 Warehouse Receipts; Requirements

MOISTURE REQUIREMENTS

Warehouse receipts delivered in satisfaction of futures contracts to the Clearing House and registered with the Exchange, must indicate thereon, if wheat, maximum of thirteen and one-half percent (13.5%) moisture.
Rule 18-1800.00-2 Warehouse Receipts; Requirements

INSECT DAMAGED KERNELS (“IDK”) RESTRICTION

Warehouse receipts delivered in satisfaction of futures contracts to the Clearing House and registered with the Exchange must indicate thereon, for wheat, a maximum of ten (10) IDK (indicating no more than 10 insect damaged kernels per 100 grams). As of the effective date of this rule, any warehouse receipts previously issued and outstanding (that do not indicate thereon a maximum of 10 IDK) shall be subject to the 10 IDK restriction of this rule.

Rule 18-1800.00-3 Warehouse Receipts; Requirements

REISSUE FEE – UPGRADE #3 HRW TO #2 HRW

From one business day prior to the first intention day of the July 2008 wheat futures contract month (June 26, 2008) to three (3) business days following the first intention day (July 3, 2008), #3 HRW wheat warehouse receipts issued and registered with the Exchange prior to such time may be presented to the issuing warehouse by the holder and replacement receipts requested reflecting a grade of #2 HRW wheat. The issuing warehouse must comply with such request and may charge the receipt holder a maximum of five cents (5¢) per bushel to issue such replacement receipts.

PROCEDURAL GUIDELINES

PROC GUIDE 18 -1810.01-1 Cancellation Of Warehouse Receipts On Load-Out
Rule 1810.01 contemplates the records necessary in connection with the loading out of a delivery. The Registrar must receive from the loading elevator a "load-out" sheet showing the party for whom the load-out was made and the receipts covered thereby, and the load-out elevator shall deliver registered
receipts to the Registrar for cancellation. The rule also requires that the "taker" of such grain furnish the Registrar a certified acceptance of the grain as delivered which shows that the delivery has been satisfactorily completed and the warehouse receipts previously registered must be cancelled. Therefore, satisfaction of delivery of a futures contract on the Exchange is evidenced by a load-out report by the delivering elevator accompanied by the warehouse receipts applicable thereto and an acknowledgment of accepted delivery by the taker.

PROC GUIDE 18-1811.00-1 Cancellation Of Warehouse Receipts On Proof Of Purchase

Should warehouse receipts originally registered for delivery purposes be repurchased by the issuing elevator, the Registrar must be furnished with proof of such purchase accompanied by the registered warehouse receipts whereupon the Registrar will cancel them from the records.

CHAPTER 19 [RESERVED]

CHAPTER 20
WHEAT

NOTE: TRADING MONTHS

By custom and usage, the delivery/trading months for grain futures are March, May, July, September, and December. These have not been set by Board action or the By-laws insofar as existing records indicate. It is assumed that they could be changed by action of the Exchange. Also by custom, until recently the Permit Holders could trade in any distant month without any official Exchange approval or action to "open" such months. However, since late 1978, due to concern about changing freight rates and laws, the Exchange has adopted the policy of permitting trade only in specifically authorized months (generally one year ahead). This serves to focus the Exchange's attention to such matters and also prevents trades in months in which contract terms could be changed, if required by changed conditions.

CONTRACTS

2000.00 Contract Grades; Hard Winter Wheat.

Contracts for the delivery of Hard Winter Wheat shall be understood as for "Contract" Hard Winter Wheat, and the following grades may be tendered on contract at the premiums or discounts indicated:

No. 1 Hard Red Winter Wheat with eleven percent (11%) protein level or higher deliverable at one and one-half cents (1.5¢) per bushel over contract price

No. 2 Hard Red Winter Wheat with eleven percent (11%) protein level or higher deliverable at contract price

All above grades are deliverable at protein levels equal to or greater than ten and one-half percent (10.5%) but less than eleven percent (11%) at a ten cent (10¢) per bushel discount to contract price. Protein levels of less than ten and one-half percent (10.5%) are not deliverable on the contract.

Deliveries of the above grades may be made in such proportions as may be convenient to the seller; subject however, to the provisions of Rules 1206.00 and 1210.00.

2000.01 Change Of Grades.

In the event of a change in United States Grain Standards, contracts for future delivery maturing after the effective date of such change shall be made on the basis of the standards as changed; provided, that this shall not be construed to prevent the closing of trades made prior to the effective date of such change.

2000.02 Contract Size.

Contracts and deliveries on wheat futures shall be in units of five thousand (5,000) bushels.

2000.03 Delivery Locations.

Regular elevators or warehouses shall be located in the switching limits of:

1.) Kansas City, Missouri/Kansas,

2.) Hutchinson, Kansas,

3.) Salina/Abilene, Kansas, or

4.) Wichita, Kansas.

2000.04 Contract Fee. An Exchange contract fee will be set by the Exchange to cover its expenses. The Exchange may change the fee at any time on at least thirty (30) days' notice, such change to be effective on the first of a month.

2000.05 United States Origin Only.

A futures contract for the sale of wheat shall be performed on the basis of United States origin only upon written request by a taker of delivery at the time load-out instructions are submitted. (See also Rule 1215.01)

2000.06 Location Differentials.

Deliveries in satisfaction of Hard Red Winter Wheat futures contracts may be made by warehouse receipt issued by a regular elevator at any of the locations prescribed by Rule 2000.03 at the following prescribed premiums/discounts (differentials):

Kansas City, Missouri/Kansas contract price

Wichita, Kansas at six cents (6¢) per bushel under contract price Hutchinson, Kansas at nine cents (9¢) per bushel under contract price Salina/Abilene, Kansas at twelve cents (12¢) per bushel under contract price

TIME AND PLACE

2001.00 Time Of Trading.

The hours for futures trading shall be between 9:30 a.m. and 2:00 p.m. local time on all regular trading days.

2002.00 Place Of Trading.

The place of wheat futures trading shall be the wheat futures trading pit on the Exchange floor.

2003.00 Change Of Time and Place.

The time and place of trading may be changed by the Exchange.

2004.00 Prohibition; Exceptions.

Futures trades at places and hours other than set forth in these rules are prohibited except that the time and place limitations shall not apply to exchange of futures for cash, Rule 1128.00, and transfer trades, Rule 1127.00, so long as they are transacted in accordance with these rules.

OPENING AND CLOSE

2005.00 Opening. See Rules 1111.00 and 1111.01

2005.01 Official Close; Settlement Price.

The settlement price shall be determined in the following manner:

a. Immediately following the closing bell, all brokers and traders in the pit shall report to the pit reporter and the Pit Committee all outright trades, bids and offers and all spread trades, bids and offers made in the closing period that are relevant in determining settlement prices in accordance with Sections (b), (c) & (d) below.

b. The settlement price of the lead contract month (determined by the Pit Committee based on criteria such as volume, open interest and historical experience) shall be determined by the weighted average method of the trades in the closing period executed both on the Electronic Trading System and in the pit, rounded to the nearest price tick.

c. The remaining contract months shall be settled based on spread price relationships, considering spread trades executed both on the Electronic Trading System and in the pit during the closing period. If individual spreads trade at multiple prices during the close, the Pit Committee shall use the weighted average of spread prices, rounded to the nearest price tick, in determining the settlement. The lead contract month settlement price shall serve as the initial spread relationship basing point for adjacent contract months, whose settlement can then be used in chronology to determine deferred month settlements. If no spreads involving a particular contract month traded during the close, the Pit Committee shall take into consideration other market information available to the Pit Committee that is pertinent to such contract month, including but not limited to, spread bids and offers, the latest quoted spread trade, the latest outright trades, bids or offers and the settlement price differentials that existed on the previous day in order to determine a settlement price that most accurately reflects the relationship between such month and surrounding contract months.

d. If any settlement price is not consistent with market information known to the Pit Committee supervising the

settlement process, or if trading is terminated without a closing period, then the Pit Committee may establish a settlement price at a level consistent with such market information and shall cause to be prepared a written record setting forth the basis for such settlement price.

Note: It is possible that the settlement prices established as a result of spread price relationships could result in settlement prices that violate either open outright contract month or spread orders. No such orders shall be elected and brokers shall not be held liable on orders violated as a result of such settlement price procedure.

TRADING CONDITIONS

2006.00 Limitation On Fluctuation Of Prices.

The Exchange may at any time, upon ten (10) hours' notice, provide that there shall be no trading in any specified contract for delivery in any specified month at prices more than a fixed limit above or below the official closing price of the preceding business day. Any Permit Holder who enters into any contracts under the rules of the Exchange in violation of such resolution shall be subject to disciplinary action pursuant to Chapter 14.

Note: There shall be no trading in wheat futures at a price more than $0.60 per bushel ($3,000 per contract) above or below the previous day's settlement price. Should two or more wheat futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer, the daily price limits for all contract months shall increase to $0.90 per bushel the next business day. Should two or more wheat futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are $0.90 per bushel, daily price limits for all contract months shall increase to $1.35 per bushel the next business day. If price limits are $1.35 per bushel and no wheat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to $0.90 per bushel the next business day. If price limits are $0.90 per bushel and no wheat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to $0.60 per bushel the next business day. There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.

2006.01 Minimum Price Fluctuation.

The minimum price fluctuation is one-quarter of one cent (1/4¢).

2007.00 Last Trading Day.

No trade in futures contracts deliverable in a current month shall be made after the business day preceding the fifteenth (15th) calendar day of that month, except that outstanding futures contracts for such delivery may be liquidated by means of a bona fide exchange of such current futures for the actual cash commodity.

Note: The Exchange, pursuant to Rule 230(i) may alter the number of days trading is prohibited during the delivery month to conform with federal law and regulations. The seven (7) days come from a CFTC (former CEA) Regulation.

2008.00 Position Limits.

a. Definitions:

   1. Spot Month means the futures contract month next to expire during that period of time beginning at the close of trading on the second business day prior to the first delivery day of such contract month.

   2. Single Month means each separate futures contract month, other than the spot month contract.

   3. All Months means the sum of all futures contract months including the spot month contract.

   4. Net Equivalent Futures Position means the combined futures and options positions, adjusted by the prior day's delta factor for each option series as published by the Clearing House. Long futures contracts have a delta of +1 and short futures contracts have a delta of -1. Long call options and short put options have positive delta factors and short call options and long put options have negative delta factors.

b. Position Limits – No person may own or control positions, separately or in combination, net long or net short, for the purchase or sale of commodity futures and options contracts, on a Net Equivalent Futures

Position basis, in excess of the following:

1. Spot Month – 600 contracts

2. Single Month – 12,000 contracts

3. All Months – 12,000 contracts

c. Exemptions – Exchange staff may grant exemptions from the position limits set forth in Section (b) of this Rule to the extent such positions are exemption eligible as follows:

1. Bona fide hedging transactions as defined by CFTC Regulation 1.3(z)(1); provided, however, that positions established for purposes of hedging cash commodity index exposure, commodity swaps exposure or any other exposure not involving the production, merchandising or processing of the underlying cash commodity are not allowed to exceed the Spot Month limit.

2. Spread or arbitrage positions between Single Months of a futures or options contract, on a Net Equivalent Futures Position basis, outside of the Spot Month, in the same crop year (for Exchange wheat, a crop year begins with the contract month of July and ends with the contract month of May); provided, however, that such spread or arbitrage positions, when combined with any other net positions in the Single Month, do not exceed the All Months limit set forth in Section (b) of this Rule.

3. Positions carried for eligible entities as set forth in CFTC Regulation 150.3(a)(4).

4. Enumerated Hedging Transactions as defined by CFTC Regulation 1.3(z)(2). Any person who wishes to avail himself of the provisions of CFTC Regulation 1.3(z)(2)(i)(B) or (ii)(C) to make sales or purchases for future delivery in any commodity in excess of trading and position limits then in effect pursuant to section 4a of the Act for the purposes of bona fide hedging shall file statement with the Exchange in conformity with the requirements of CFTC Regulation 1.48.

d. Non-enumerated Hedging Transactions as defined by CFTC Regulation 1.3(z)(3). Any person who wishes to avail himself of the provisions of CFTC Regulation 1.3(z)(3) and to make purchases or sales of any commodity for future delivery in any commodity in excess of trading and position limits then in effect pursuant to section 4a of the Act shall file statement with the Exchange in conformity with the requirements of CFTC Regulation 1.47. Exemption Procedures - Any person seeking a first-time or supplemental exemption or a continuation of a previously approved exemption from the position limits set forth in paragraph (b) of this Rule must apply to the Exchange using the Application to Exceed Speculative Position Limits in Futures form prescribed by the Exchange prior to exceeding such limits. However, a person who establishes an exemption-eligible position in excess of position limits and files the required application with the Exchange shall not be in violation of this rule provided the filing occurs within one (1) business day after assuming the position. In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant and Clearing Member will be in violation of speculative limits for the period of time in which the excess positions remained open.

Exchange staff shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Exchange may approve, deny, condition or limit any exemption request based on factors deemed by Exchange staff to be relevant, including, but not limited to, the applicant's business needs, financial status and whether the positions can be established and liquidated in an orderly manner in the market for which the exemption is being sought. Nothing in this Rule shall in any way limit the authority of the Exchange to take emergency action, or Exchange staff to review at any time the positions owned or controlled by any person and to direct that such position be reduced to the position limit provided for in paragraph (b) of this Rule. Any person who has received written authorization from the Exchange to exceed position limits must file an annual updated application within thirty one (31) calendar days following the end of each calendar year using the form prescribed by the Exchange. Failure to file an updated application will result in expiration of the exemption.

e. Aggregation – In determining whether any person has exceeded the position limits specified in Section (b) of this Rule, such person shall aggregate positions in accounts as set forth in CFTC Regulation 150.4.

f. Spot Month Position Accumulation Restriction – In calculating a Spot Month position, the number of contracts against which delivery notices have been stopped (issued) during that delivery month minus the number of contracts against which delivery notices have been issued (stopped) during that delivery month shall be added to that Spot Month's long (short) futures position. As an example, if a person goes into a Spot Month with the maximum position of six hundred (600) net long contracts and takes delivery of

warehouse receipts in satisfaction of five hundred (500) of such long contracts and does not establish a short position in that same Spot Month for purposes of redelivering such warehouse receipts, such person may not have a Spot Month futures position in excess of one hundred (100) net long contracts.

Orderly Liquidation of Spot Month Positions - All persons carrying open positions into the Spot Month shall liquidate such positions in accordance with reasonable and sound economic commercial practices and be prepared to justify such to Exchange staff upon request.

Rule 20-2000.00-1 Futures Trading; Margins
MARGIN REQUIREMENTS; GRAIN IN STORE

Pursuant to 1160.00, if a customer of a Permit Holder, on receipt of a margin call, requests the Permit Holder to apply the customer's grain in store against the call and evidence of the stored grain (elevator scale tickets or warehouse receipts) are held by the Permit Holder operating the facility, such transaction shall be considered a cash advance to the customer using the stored grain as collateral and the money credited to the customer's futures account. The application of the grain as collateral for the advance is to be evidenced in writing, and advances made to margin futures trading accounts shall not exceed ninety percent (90%) of the collateral utilized (November 26, 1978).

Rule 20-2000.00-2 Contract Grades; Requirements

UPGRADE PERIOD AND FEE – PROTEIN REQUIREMENTS

During the five (5) business days preceding the first intention day of the September 2011 wheat futures contract month (August 24 to August 30, 2011), warehouse receipts issued and registered with the Exchange prior to such time may be presented to the issuing warehouse by the holder and upgraded to reflect a deliverable protein level on such receipts. The issuing elevator must comply with such request and shall, in its sole discretion, make the determination as to the minimum protein level to designate on receipts presented for upgrading. The issuing elevator may charge the holder twelve cents (12¢) per bushel to upgrade the receipt with a designation of eleven percent (11%) minimum protein, or two cents (2¢) per bushel to upgrade the receipt with a designation of ten and one-half percent (10.5%) minimum protein. Warehouse receipts not upgraded pursuant to this rule shall not be deliverable against futures contracts from September 2011 forward.

Rule 20-2005.00-1 Futures Trading; Change Of Grades

MAXIMUM MOISTURE; WHEAT

Effective July 9, 1976, as to futures contracts for wheat for delivery in July, 1977, and thereafter, the maximum allowable moisture will be thirteen and one-half percent (13.5%).

CHAPTER 21
WHEAT CALENDAR SWAPS (CLEARED-ONLY) PRODUCT

2100.00 Wheat Calendar Swaps; Cleared Only

The scope of this Chapter is limited to Wheat Calendar Swaps negotiated between eligible swap participants (as defined in CFTC Regulation 35.2(b)(2)) in the Over-The-Counter ("OTC") market and submitted to the Clearing House for clearing. When accepted for clearing, these Wheat Calendar Swaps are not converted or substituted into futures contracts, but remain OTC products. Wheat Calendar Swaps are not fungible with Exchange wheat futures or options contracts. Wheat Calendar Swaps are subject to the general rules of the Exchange as may be applicable. The clearing and settlement of Wheat Calendar Swaps are also subject to the rules and by-laws of Clearing House.

2100.01 Participation Requirements – Futures Commission Merchants.

Any FCM registered with the CFTC that carries the account of a customer desiring to enter into Wheat Calendar Swaps transactions must execute a Participation Agreement with Exchange, in the form prescribed by Exchange, prior to the execution of any such swaps transactions, regardless of whether such FCM is a Permit Holder of Exchange.

2100.02 Participation Requirements – Eligible Swap Participant.

Each customer of an FCM desiring to enter into Wheat Calendar Swaps transactions must be an Eligible Swap Participant ("ESP"), as defined by CFTC Regulation Section 35.1(b)(2). Accordingly, each FCM must verify a customer's qualification as an ESP prior to allowing such customer to enter into a Wheat Calendar Swaps transaction and, upon request by Exchange, provide documentary evidence of a customer's qualification as an ESP.

2100.05 Additional Rules.

The Exchange may adopt additional rules or modify existing rules of this Chapter, subject to CFTC approval, if required.

PRODUCT CONTRACT SPECIFICATIONS

2101.00 Place of Trading.

Wheat Calendar Swaps are negotiated and consummated off-exchange between eligible swap participants in the OTC market.

2102.00 Hours of Submission for Clearing.

The Clearing House shall determine the business day hours during which Wheat Calendar Swaps may be submitted for clearing. In order to be accepted for clearing, Wheat Calendar Swaps trade data must either be entered into Clearing House's clearing system by Clearing Members or electronically transmitted directly to the Clearing House's clearing system, provided both participants of the swap trade have the required agreements and approvals in place with a Clearing Member to accept such electronically-submitted trade data for clearing.

2103.00 Contract Size.

Each Wheat Calendar Swap contract accepted for clearing must be for five thousand (5,000) bushels of wheat.

2104.00 Contract Months.

Wheat Calendar Swaps may be entered into for any of the twelve (12) calendar months. The number of months in which clearing may occur shall be at the discretion of the Exchange and Clearing House.

2105.00 Corresponding Futures Contract Month.

For purposes of determining Wheat Calendar Swaps daily and final settlement prices, the corresponding Exchange wheat futures contract shall be the futures contract month immediately following the swap's final settlement date.

2106.00 Minimum Price Increment.

The minimum trade price increment for Wheat Calendar Swaps is one quarter of one cent 1/4¢), or $12.50 per contract. Trades submitted for clearing must be priced in multiples of the minimum price increment.

2107.00 Last Clearing Day; Expiration Day; Final Settlement Day.

The last clearing day (also referred to as the expiration day or final settlement day) for a particular Wheat Calendar Swap contract month shall be the last business day of the calendar month immediately preceding such swap contract month.

2108.00 Delivery Mechanism.

All open contracts as of the close of business on the last clearing day for a contract month shall expire at such time and be liquidated by means of cash settlement to the final settlement price determined in accordance with Rule 2111.00. All balances due to or from the Clearing House shall be established at that time, the Clearing Member so advised, and handled in accordance with normal variation margin settlement procedures.

2109.00 Last Month of Trading.

The last month of trading for a particular swap contract month shall be the calendar month immediately preceding such swap contract month.

2110.00 Daily Settlement Price Prior to Last Month of Trading.

The daily settlement price for a swap contract month prior to the last month of trading for such contract shall be the daily settlement price of the corresponding futures contract.

2111.00 Daily Settlement Price During the Last Trading Month.

The daily settlement price for a Wheat Calendar Swap contract month during the last month of trading for such contract shall be the cumulative average of the daily settlement prices for the corresponding Exchange wheat futures contract month for each clearing day during the last month of trading. As an example, for an April Wheat Calendar Swap, the last month of trading would be March and the corresponding futures contract would be the May contract. Therefore, the daily settlement price for the April swap contract during the last month of trading would be the cumulative average of the daily settlement prices for the May futures contract month for each clearing day during March.

2112.00 Final Settlement Price.

The final settlement price for a swap contract month, determined on the final settlement day, shall be the cumulative average of the daily settlement prices for the corresponding Exchange wheat futures contract month for each clearing day during the last month of trading. For example, the final settlement price for an April Wheat Calendar Swap would be the cumulative average of the daily settlement prices for the May futures contract month for each clearing day during March.

2113.00 Position Limits.

Wheat Calendar Swaps shall be subject to the same position limits prescribed for wheat futures contracts as set forth in Rule 2008.00, except that spot month limits are not applicable since Wheat Calendar Swaps contracts expire prior to their corresponding futures contract delivery month.

2115.00 Margin Requirements.

Exchange minimum margins required for Wheat Calendar Swaps shall be established by the Exchange, and may be changed from time to time in like manner.

Note: See Resolution 11-1160.00-1.

2116.00 Contract Fees. The Exchange may establish an exchange fee and the Clearing House may establish a clearing fee for each Wheat Calendar Swap contract cleared. Such fees are subject to change.

CHAPTER 22 [Reserved.]

CHAPTER 23 [Reserved.]

CHAPTER 24 [Reserved.]

CHAPTER 25
OPTIONS ON CONTRACTS OF SALE ON HARD WINTER WHEAT FUTURES CONTRACTS

2500.00 Options On Contracts Of Sale On Hard Winter Wheat Futures Contract

This chapter is limited in application to trading "put" and/or "call" options on the Hard Winter Wheat Futures Contracts traded on the Exchange. The procedures for exchange government, rule enforcement, trading and other rights with privileges and obligations for trading options hereunder, and the procedures for trading, clearing, delivery, and settlement and all other matters not specifically covered herein shall be governed by and be subject to the general rules, regulations and resolutions of the. Whenever the rules of other chapters use words such as "grain," "wheat," or "commodity," those rules shall be deemed to refer to this Contract as well, if and as the context indicates. However, if there is any conflict between this chapter and the general rules and regulations of the Exchange, the provisions of this chapter shall take precedence.

2501.00 Additional Rules.

The Exchange has the authority to adopt additional rules and regulations, and alter existing rules and regulations, including the rules of this chapter, on ten (10) hours' notice, subject to CFTC approval, if required. Changes which materially alter the rights of the parties with open contracts must be delayed until there are no open contracts, except in the event of a market emergency.

2502.00 Options.

Options may be written and traded in the "Hard Winter Wheat Futures Contract" pursuant to Chapter 20 of the Rules as they exist or are amended from time to time.

2503.00 Transfer, Assignment Or Disposal Of Options.

Options shall not be transferred, assigned or otherwise disposed of other than on or subject to the rules of the Exchange, the Commodity Exchange Act and the rules and regulations of the CFTC.

2503.01 Limitations On Option Transactions.

No person shall solicit or accept orders (other than in a clerical capacity) for the purchase or sale of the option contract, or to supervise any person so engaged, unless that individual meets the requirements of 17 C.F.R. 33.3 (b) (1).

2503.02 Prohibition On Order Acceptance.

Permit Holders who are FCMs (or others who may trade the option contract pursuant to rule 2503.01) are prohibited from accepting customer orders from another FCM or introducing broker which does not qualify to trade the option contract as prescribed in rule 2503.01.

2505.00 Option Trading Hours.

The trading hours are 9:30 a.m. to 2:00 p.m. local time. The trading hours may be varied by the Board of Directors.

2506.00 Location.

Trading will occur on the trading floor of the Exchange.

2507.00 Option Trading Months.

Options shall be listed for trading in the following months:

a. For options months in the ordinary cycle of the underlying futures contract (i.e., July, September, December, March and May), the number of months listed shall be the same as the underlying futures contract, provided, however, that a new option contract based on the ordinary cycle will be introduced the day after trading has commenced in the underlying futures pursuant to Rule 2511.02.

b. For options months outside the ordinary cycle (i.e., August, October, November, January, February, April

and June, hereinafter referred to as "serial" months), the number of months listed shall be established by the Exchange. However, no serial months shall be listed outside of the months listed pursuant to subsection (a) above.

2507.01 Underlying Futures Contract.

For options that expire in the ordinary cycle (i.e., July, September, December, March and May), the underlying futures contract is the futures contract corresponding to the option expiration month. For serial options (options outside the ordinary cycle), the underlying futures contract is the next futures contract in the ordinary cycle nearest the option expiration month. For example, the underlying futures contract for an option contract expiring in October or November is the December futures contract.

2508.00 Futures Contract Size.

The size of the unit of trading in the options contract shall be five thousand (5,000) bushels, the same size as the underlying futures contract.

2509.00 Deep-Out-Of-The-Money Options.

1. A deep out-of-the-money option is defined as an out-of-the-money option whose strike price is more than X strike prices distant from the strike price closest to the settlement price of the underlying futures contract, where X equals two (2) plus the number of calendar months remaining until option expiration;

2. However, the Exchange Board may impose additional criteria as appropriate;

3. No Permit Holder who is a FCM shall accept an order for a deep out-of-the-money option without providing the customer with an explanation of the nature and the risks of the option prior to the transaction.

2510.00 Option Premium — Definition.

The "option premium" shall be the sum paid to the writer of a call option who agrees to deliver the underlying futures contracts against payment of the exercise price upon being assigned an exercise notice. The premium with respect to the writer of a put option is the sum paid to the writer of the put option who agrees to purchase the underlying futures contract on which the put is written at the exercise price upon being assigned an exercise notice. Both put options and call options may be written.

2510.01 Option Premium Payment.

The Clearing House must receive from each of its Clearing Members, and each Clearing Member must receive from each other party for whom it clears commodity option transactions, and each FCM must receive from each of its option customers, the full amount of each option premium at the time the option is purchased, or within a reasonable time thereafter.

2511.00 Strike Price.

The strike price is the price at which a party may purchase or sell the underlying futures contract upon exercise of an option. The strike price will be determined in accordance with the following Rules.

2511.01 Strike Price Interval.

Trading shall be conducted for options with strike prices in interval multiples of ten cents (10¢) per bushel. At the commencement of trading a new option month, the following strike prices shall be listed: the strike price closest to the previous day's settlement price of the underlying futures contract, the next thirty (30) higher and the next thirty (30) lower strike prices; provided, however, that no strike price shall be listed below the $1.00 strike price level.

If the previous day's settlement price is midway between two strike prices, the closest price shall be the larger of the two. (For example – if a new futures month contract closes at $3.75, the closest price is $3.80.) The Exchange may modify the procedures for the introduction of strikes as it deems appropriate in order to respond to market conditions.

2511.02 New Options.

A new option based on a futures month within the ordinary cycle will be introduced the day after trading has commenced in the underlying futures contract for that contract month, (for example — if on February 1, the December futures contract had traded for the first time, then on February 2, an option month for the December futures contract is listed, having strike prices as specified in Rule 2511.01). A new option based on a serial month (a month outside of the ordinary cycle) will automatically be introduced the day following the expiration of a serial month, so as to at all times have available for trading the number of serial months established by the Exchange for trading, (for example, if the Exchange has authorized the listing of three serial months, and those months currently traded are January, February and April, then the serial contract month of June will automatically be listed for trading the day following the expiration of the January contract month).

2511.03 New Strike Price.

Any close which causes there to be less than the number of strike prices prescribed by Rule 2511.01 will cause new strike prices to be added the next day in order to have at least the number of strike prices pursuant to Rule 2511.01 available for trading.

2511.04 Horizontal Option Strike Price. Reserved.

2511.05 Limit On New Strike Prices.

No new strike prices may be introduced during the last six (6) trading days of the expiring option.

2511.06 Delisting.

An option having a particular strike price shall be delisted if for ten (10) consecutive trading days no transaction is made, and there is no open position in such strike price; provided, however, that no option shall be delisted if it has a strike price which is required by Rules 2511.01, 2511.03, or 2511.04.

2511.07 Relisting.

Any strike price which has been delisted under Rule 2511.06 shall thereafter be relisted at any time any such option has a strike price required by Rules 2511.01, 2511.03 or 2511.04.

2511.08 Price Display And Dissemination.

Each series of options and prices opened for trading shall be displayed on the price display system on the Exchange floor and disseminated in such other manner as deemed appropriate by the Board.

2512.00 Bids And Offers. Bids and offers for options shall be measured and expressed in increments of one-eighth of one cent (1/8¢) per bushel. However, for options valued at less than one-eighth of one cent (1/8¢), the option premium may range from $1.00 to $5.00 in $1.00 increments per option contract.

2513.00 Margin Requirements.

The margin requirements will be set by the Exchange.

2514.00 Last Day Of Trading And Expiration.

a. For options months in the ordinary cycle; no trades in options expiring in the current month shall be made after 2:00 p.m. on the last Friday which precedes by at least two (2) business days, the first notice day for the corresponding futures contract.

b. For serial options months (months outside the ordinary cycle); no trades shall be made after 2:00 p.m. on the Friday which precedes by at least two (2) business days, the last business day of the calendar month immediately preceding the option serial month, (for example, for November serial options contracts, the last trading day is the Friday which precedes by at least two (2) business days, the last business day in October). If such Friday is not a business day, the last day of trading shall be the business day prior to such Friday. The option shall expire at 10:00 a.m. on the first Saturday following the option's last day of trading.

2514.01 Settlement Price Procedure.

The settlement price of the option contract shall be determined using a computer model to calculate each settlement based on consensus input in satisfaction of the model variables, provided such settlement does not violate an existing bona-fide CTI type 2 or 4 order. The information input should yield a settlement that reflects the average of the fair value bid/ask for each strike. If technical problems preclude the use of the computer model, the settlement price of the option shall be determined by the same procedure used to determine the settlement price of the hard winter wheat futures contract.

2514.02 Settlement Of Trades.

Trades made in put and call options shall be settled at the end of each day's trading. Positions in the underlying futures contracts as a result of the exercise of options shall be made by book entry in the books of the Clearing House.

2515.01. Exercise and Assignment

In addition to the applicable procedures and requirements of Wheat futures deliveries, the following shall apply to the exercise and assignment of Wheat Options.

Exercise of Option

The buyer of a Wheat futures option may exercise the option on any business day prior to expiration by giving notice of exercise to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on such day.

After the close on the last day of trading, all in-the-money options shall be automatically exercised, unless notice to cancel automatic exercise is given to the Clearing House. Notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the last day of trading.

Unexercised Wheat futures options shall expire at 7:00 p.m. on the last day of trading.

Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members' open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the Exercise Notice.

2501.02. Corrections to Options Exercises

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after the 6:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to: (1) a bona fide clerical error, (2) an un-reconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to the deadline. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

2501.03. Option Premium Limits

Trading is prohibited during any day except for the last day of trading in a Wheat futures option at a premium of more than the trading limit for the Wheat futures contract above and below the previous day's settlement premium for that option.

2501.04. Payment of Option Premium

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.

2516.00 Failure To Perform.

If the Clearing Member with a delivery commitment fails to perform all acts required by this chapter, then that Clearing Member shall be deemed in default, which may be punishable as a major violation. In the event of default, any defaulting party shall be liable for damages and any loss sustained as a result of the default, if any, by the Clearing House, an FCM, or any other FCM or customer thereof, plus a penalty of not less than $500 per defaulted contract. An additional fee or penalty may also be imposed through Exchange disciplinary procedures. The defaulting party may petition the Exchange for reconsideration of any penalty so assessed. Whenever, in the judgment of the Exchange, upon consideration, the default was not due to the fault of the appealing party, or for other good cause shown, the Exchange may, in its discretion, waive or reduce the penalty.

2517.00 Procedure For Customer Complaints.

Each FCM who is a Permit Holder and engages in the offer or sale of commodity options shall, with respect to all written option customer complaints, comply with Rules 2517.01 through 2517.03.

2517.01 Complaints.

Retain all such written complaints.

2517.02 Records.

Make and retain a record of the date the complaint was received, the associated person who serviced the account, or the introducing broker who introduced the account, and a general description of the matter complained of, and what, if any, action was taken by the FCM in regard to the complaint; and

2517.03 Copies.

Immediately send a copy of any such complaint to the FCM's "Designated Self-Regulatory Organization" (DSRO) and, upon final disposition thereof, immediately send a copy of the record of such disposition to the DSRO.

2518.00 Futures Commission Merchants.

Each FCM who is eligible to trade options pursuant to Rule 2503.01 shall comply with the following:

2518.01 Written Procedures.

Adopt and enforce written procedures pursuant to which it will be able to supervise adequately each option customer's account, including but not limited to the solicitation of any such account, provided that "option customer" does not include another FCM; and

2518.02 Written Record.

Immediately upon the receipt of a customer's order, prepare a written record of the order. Said order shall be dated and time stamped to the nearest minute when the order is received and shall show the account designation. In addition, such written record also shall show the time to the nearest minute the order is transmitted for execution; and

2518.03 Notification.

Give immediate written notification to the FCM's DSRO of any disciplinary action taken against the FCM or any of its associated persons by the commission or by another self-regulatory organization; and

2518.04 Disclosure.

Each Permit Holder FCM which engages in the offer or sale of commodity options shall enforce the disclosure requirements set forth in CFTC Regulation Section 33.7.

2518.05 Option Promotional Material.

Each FCM which engages in the offer or sale of option contracts traded on this Exchange shall submit promptly to the Permit Holder's DSRO all promotional material pertaining to trading in such options. For the purposes of this rule, the term "promotional material" shall include those items described in CFTC Regulations 33.1 (b).

2518.06 Discretionary Accounts.

With respect to option customer accounts for which discretion is given for option trading:

(i) Provide the option customer with an explanation of the nature and risks of the strategy or strategies to be used in connection with the option customer's account; and

(ii) Require an officer, general partner, sole proprietor, or branch office manager of the FCM (other than any individual authorized to exercise discretion in trading the account) to approve, in writing, the discretionary authority prior to any trading for the account involved; and

(iii) Identify as discretionary each order for a discretionary account on the order at the time of entry and an officer, general partner, sole proprietor, or branch office manager of the FCM (other than any individual authorized to exercise discretion in trading the account) must approve, initial, and date all orders for a discretionary account; and Review frequently discretionary accounts pursuant to CFTC rules and regulations.

The provisions of Rule 2518.06 shall not apply to any option customer account: (A) of a commodity pool, the operator of which is registered with the Commission as a commodity pool operator; (B) where the person who has the discretionary authority is the spouse, parent, or child of the option customer, or (C) which is an omnibus account of another FCM.

2518.07 Prohibition.

Shall not engage in fraudulent or high pressure sales communications relating to the offer or sale of option contracts.

2518.08 Sales Practice Audits.

Comply with Exchange procedures and permit the Exchange or its agent to conduct sales practice audits of Permit Holder FCMs which engage in the offer or sale of the options contracts. The sales practice audits with which FCM must comply will be those in effect by the Exchange from time to time as adopted by the Exchange.

2518.09 Applicable CFTC Rules.

Comply with all applicable regulations and rules of the CFTC, and the National Futures Association applicable from time to time to trading in the options governed by this contract.

2519.00 Advertising Guidelines.

Advertising, market letters, and similar information issued by the Exchange, its Permit Holders, and their associates should not be false or misleading.

2519.01 File Copies.

All Permit Holders, Clearing Members, commodity representatives, and other employees of Permit Holders must file within seven (7) days after publication copies of all promotional material including prepared radio or television scripts, prepared lectures, mail solicitations, and market letters relating to commodities traded on the Exchange with the Exchange.

2520.00 Contract Fee.

An Exchange contract fee will be set by the Exchange to cover its expenses. The Exchange may change the fee at any time on at least thirty (30) days' notice, such changes to be effective on the first of a month.

2521.00 Position Reporting Limits.

Permit Holders shall comply with all applicable position limits adopted by the Exchange or by the CFTC.

2521.01 Compliance With CFTC Regulation 16.

Each Clearing Member and each FCM Permit Holder that has customers trading options shall provide such information as the Exchange shall require to comply with the requirements that the CFTC may require of the Exchange pursuant to Part 16 of the Regulations of the CFTC.

2522.00 Option Daily Price Limits.

Option daily price limits shall be identical to that of the underlying futures contract.

2523.00 Recording Options Orders.

Each Permit Holder who, on the floor of the Exchange receives an order from an options customer, including an options customer who is another floor trader or floor broker, which is not in the form of a written record showing the account identification, order number and the date and time, to the nearest minute such order was transmitted or received on the floor of the Exchange, shall immediately upon receipt thereof prepare a written record of such order, including an account identification and order number and shall record thereon the date and time to the nearest minute the order is received.
2523.01 Timing Requirements.

Effective October 1, 1986, the method of time recording of option transactions by pit brokers and traders on their trading cards will be the recording of the time of execution to the nearest minute. Failure to record the time shall constitute a violation of the rules of the Exchange.

2524.00 Trading Ahead of Customer.

Each floor broker is prohibited from trading ahead of a customer order:

a. Own Account; No Purchasing. Each floor broker is prohibited from purchasing any commodity for future delivery, purchasing any call commodity option or selling any put commodity option for the broker's own account, or for any account in which such broker has an interest, while holding an order of another person for (1) the purchase of any future, (2) purchase of any call commodity option, or (3) sale of any put commodity option, in the same commodity which is executable at the market price or at the price such purchase can be made for the broker's own account or the account in which such broker has an interest.

b. Own Account; No Selling. Each floor broker is prohibited from selling any commodity for future delivery, selling any call option commodity, or purchasing any put commodity option, for the broker's own account or for any account in which such broker has an interest, while holding an order of another person for (1) the sale of any future, (2) the sale of any call option commodity, or (3) the purchase of any put option commodity, in the same commodity, which is executable at the market price or at the price at which such sale can be made for the broker's own account or the account in which such broker has an interest.

Rule 25-2518.01 Introducing Brokers — Options Sales Practices

Each Rule pertaining to the options sales practices of Permit Holders or their employees shall apply with equal force and in effect to the options sales practices of introducing brokers who are operating pursuant to a guarantee agreement with a Permit Holder FCM and such Permit Holder FCM shall be fully responsible therefore until otherwise rescinded by the Exchange, or until such time as the National Futures Association or other registered futures association adopts rules which are approved by the CFTC to govern the commodity option related activity of such guaranteed introducing brokers.

Rule 25-2521.01 Position Limits — Wheat Futures Options

Position Limits for wheat futures options shall be those limits currently in effect pursuant to Part 150 of the Regulations of the CFTC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE BOARD OF TRADE OF KANSAS CITY, MISSOURI, INC.

FIRST: The name of the Corporation is The Board of Trade of Kansas City, Missouri, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of one penny ($0.01).

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the Bylaws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the Bylaws of the Corporation. Election of directors need not be by written ballot unless the Bylaws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i)
for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal
or modification of this Article FIFTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly con- ferred upon them, the directors are hereby empowered to exercise all such powers and
do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Amended and Restated Certificate of Incorporation, and any Bylaws adopted by the stockholders; provided, however, that no Bylaws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such Bylaws had not been adopted.

SIXTH: The Corporation shall indemnify its directors to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article SIXTH shall include
the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to officers, employees and agents of the Corporation similar to those conferred in this Article SIXTH to directors of the Corporation.

The rights to indemnification and to the advancement of expenses conferred in this Article

SIXTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, any statute, agreement, vote of the stockholders of the Corporation or disinterested directors of the Corporation or otherwise.

No amendment, repeal or modification of this Article SIXTH shall adversely affect any rights to indemnification and to the advancement of expenses of a director of the Corporation existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring prior to such amendment, repeal or modification.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.