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i – CME SEF Definitions

DEFINITIONS

Act or CEA	The term Act or CEA shall mean the Commodity Exchange Act, as amended from time to time.
Affected Person	has the meaning set forth in Rule 304.
Affiliate	with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.
Appeal Panel	a panel comprised of a chairman and two individuals appointed by the Board to consider appeals under Chapter 4. At least one member of the Appeal Panel shall be a Public Individual, as determined by the Board.
Applicable Law	with respect to any person, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority applicable to such person, including the CEA and CFTC Regulations and, to the extent applicable similar foreign laws or regulations.
Authorized Broker	a person, other than a natural person, that acts as agent in selling or buying Swaps in the name of and on behalf of another person and has Execution Privileges on CME SEF.
Authorized Manager	a person that acts as a third party account manager for an account whereby Swaps are bought and sold.
Authorized Representative	means any natural person who is authorized by a Participant to represent the Participant in SEF matters pursuant to Rule 403.
Authorized Trader	any natural person who authorized by (i) a Participant (which may also be the Participant, if such Participant is a natural person) or (ii) an Authorized Broker with direct access to the SEF Platform, to place Orders on the SEF Platform.
Block Trade	A privately negotiated swap transaction that is executed apart from the public auction market and that is permitted in designated contracts subject to specified conditions. These trades are governed by Rule 526 (Block Trades).
Board	The Board of Directors of CME Inc. or any other body acting in lieu of and with the authority of the Board.
Business Day	In a given swap, any day on which CME SEF is open for trading.
By-Laws	The By-Laws of CME, unless otherwise specified.
CEA	the Commodity Exchange Act, as amended.
Certificate of Incorporation	The Certificate of Incorporation of the CME, unless otherwise specified.
CFTC or Commission	The U.S. Commodity Futures Trading Commission.
CFTC Regulations	the rules, regulations, orders, interpretations or similar instruments promulgated by the CFTC, as amended.
Chairman	The Chairman of the Board of Directors, or one acting in lieu of and with the authority of the Chairman of the Board.
Chief Compliance Officer or CCO	The individual designated pursuant to CFTC Regulation 37.1500 to serve as the chief compliance officer of CME SEF.

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Chief Executive Officer or CEO	The Chief Executive Officer of CME Inc. or one duly authorized to act in lieu of and with the authority of the Chief Executive Officer.
Cleared Swap	any Swap that is subject to the mandatory clearing requirement set forth in CEA § 2(h)(1)(A) or is otherwise submitted for clearing by a DCO as a Permitted Transaction.
Clearing Account	the clearing account(s) with a Clearing Member that is eligible to be used for SEF Activity.
Clearing House	such derivatives clearing organization(s) as CME SEF may designate in the future to provide clearing services with respect to any or all of its Cleared Swaps. To the extent that CME SEF designates multiple clearing organizations to provide clearing services at any given time, the term Clearing Houses shall refer to any clearing organization designated to provide such services with respect to any or all Cleared Swaps.
Clearing House Rules	the Certificate of Incorporation, the By-laws and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearing House relating to any or all of the Swaps.
Clearing Member	any member of the Clearing House that is authorized pursuant to the Clearing House Rules and applicable SEF Rules to clear trades in any or all of the Swaps.
CME	the Chicago Mercantile Exchange Inc., or its successor.
CME Direct	the CME-provided front-end trading application used to access CME SEF
CME Direct Terminal Operator	CME Direct terminal operator refers to 1) any person who physically enters orders into CME Direct or 2) any automated trading system which enters orders into CME Direct, either directly or through an automated order routing system or independent software vendor. All CME Direct terminal operators must be identified to CME SEF in accordance with the provisions of Rule 576 (Identification of Globex or CME Direct Terminal Operators).
CME Group	CME Group Inc. or its successor.
CME SEF	the Swap Execution Facility Division of Chicago Mercantile Exchange Inc.
Committee	has the meaning set forth in Rule 300.
Contract	Depending on the context in which it is used, a term of reference describing either a unit of trading in a particular swap or cleared product or a product approved and designated by the Board for trading or clearing pursuant to the rules of CME SEF.
Contract Market	has the meaning set forth in CFTC Regulation 1.3(h).
Control	the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of securities, by contract, or otherwise. The terms controlling or controlled shall have meanings correlative to the foregoing.
Customer	has the meaning set forth in CFTC Regulation 1.3(k).
Customer Account	an account carried by a Participant on behalf of a Customer.
Derivatives Clearing Organization	has the meaning attributed to such term by § 1a(15) of the CEA.
Director	any member of the Board.
Disciplinary Offense	Any offense as set forth in Rule 300.E.
Disciplinary Panel	one or more Review Panels and one or more Hearing Panels that are authorized to fulfill their obligations and discharge their various adjudicative responsibilities and duties pursuant to CFTC Regulation 37.206 and as described further in Chapter 4.

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ECP	Eligible Contract Participant as defined in CEA § 1a(18)
Emergency	Any occurrence or circumstance which, in the opinion of CME SEF, requires immediate action and threatens or may threaten fair and orderly trading, clearing, delivery or liquidation of any contracts on CME SEF. Occurrences and circumstances which CME SEF may deem emergencies are set forth in the SEF Rules.
End-User Transaction	a Trade exempt from the clearing requirement of CEA § 2(h)(1) because at least one of the parties to the Trade meets the exemption from the clearing requirement set forth in CEA § 2(h)(7).
Execution Privileges	the right granted to a Participant to transmit Orders and/or submit Trades for certain or all Swaps into CME SEF. No person may exercise Execution Privileges on behalf of a Participant during any suspension of such Participant's Execution Privileges.
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 CME SEF from determining a final settlement as provided for in CME SEF Rules.
Futures Commission Merchant or FCM	has the meaning set forth in CEA §1a(28).
Globex Terminal Operator	Globex terminal operator refers to 1) any person who physically enters orders into Globex or 2) any automated trading system which enters orders into Globex, either directly or through an automated order routing system or independent software vendor. All Globex terminal operators must be identified to CME SEF in accordance with the provisions of Rule 576 (Identification of Globex Terminal Operators).
Globex Trading Hours	Those hours designated by the Board for trading particular contracts on Globex.
GLOBEX®	Globex refers to CME Globex, an electronic trading platform.
Governmental Agency	any governmental body, agency, authority or office, whether domestic or foreign.
Hearing Panel	a panel of the Business Conduct Committee or a successor Committee that is duly convened and empowered to conduct a hearing pursuant to the procedures in Chapter 6.
Holiday	Any day declared to be a holiday by these rules or by a resolution of the Board on which CME SEF is closed. When any such holiday falls on Sunday, the following Monday shall be considered such holiday. When any such holiday falls on Saturday, the immediately preceding Friday shall be considered such holiday.
Investigative and Hearing Committees	The investigative and hearing committees of CME SEF are the Business Conduct Committee, the Clearing House Risk Committee, the Floor Conduct Committee, the Probable Cause Committee, Hearing Panels of the Board of Directors and such other committees created for this purpose by the Board.
Legal Entity Identifier	has the meaning set forth in Part 45 of the CFTC Regulations.
Major Swap Participant	has the meaning set forth in CEA § 1a(33).
Market (MKT) Order	An order with instructions to be executed at the best available price.
Market if Touched(MIT) Order	A sell (buy) order placed above (below) the market which becomes a market order when the designated price is touched.
Market on Close(MOC) Order	An order to be executed only in the closing range.

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Market Regulation Department	All agents of CME SEF (including the CCO and Regulatory Services Providers) that assist CME SEF in the implementation, surveillance and enforcement of the SEF Rules and other Obligations.
Market with Protection Order	An order to execute as much of order as possible at the best current offer price (for buy orders) or bid price (for sell orders) within a range of prices predefined by CME SEF (the protected range). Any quantity which cannot be filled within the protected range will remain in the order book as a limit order at the limit of the protected range.
Minimum Quantity Order	An order which is executed only if a certain minimum quantity of that order can be immediately matched. Any unfilled balance will remain in the book as a limit order at the specified price.
Minimum Trading Functionality	has the meaning set forth in CFTC Regulation 37.3(a)(2).
MROC	the Market Regulation Oversight Committee of the Board of CME Inc. or any successor body that fulfills the oversight functions and obligations of a Regulatory Oversight Committee in accordance with CFTC Regulations.
NFA	the National Futures Association.
Non-Reviewable Range	for any Swap, the range set forth in Rule 588.H.
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.
Notice of Charge	a notice sent by the Market Regulation Department pursuant to Rule 407.B.
Notice to Participants	a communication sent by or on behalf of CME SEF to all Participants as described in Rule 109.
Obligation	each SEF Rule, order or procedure issued by CME SEF, including Notice to Participants, and other requirement implemented by CME SEF under the SEF Rules, including each term of a Swap, as well as any contractual obligations between a Clearing Member or Participant and CME SEF.
Officer	has the meaning attributed to such term in Rule 204.
One-Cancels Other (OCO) Order	A combination of two orders, in which the execution of either one automatically cancels the other.
Open Order (Good-till-Cancelled)	An order which remains in force until cancelled. Without such designation, all unfilled orders are cancelled at the end of the Regular Trading Hours Session.
Opening Only Order	An order that is to be executed during the time period designated by CME SEF as the Regular Trading Hours session opening range time period. Any remaining unfilled quantity not executed during the time period designated as the opening range will be deemed cancelled.
Order	a response to a Request for Quote, a response to a Resting Quote that is executable within a prescribed time period of the posting of a quote on the SEF Platform, or the display of a firm quote on the Order Book.
Order Book	i) an electronic trading facility as defined in CEA §1a(16), ii) a trading facility as defined in CEA §1a(51), or iii) a trading system or platform in which all market participants in the trading system or platform have the ability to enter multiple bids and offers, observe or receive bids and offers entered by other market participants, and transact on such bids and offers.

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Panel	A subcommittee selected in accordance with committee procedure to adjudicate or make a particular determination. A decision of a panel shall be deemed a decision of the committee.
Panelist	An individual appointed to a CME SEF committee who is entitled to participate in a decision on any matter under consideration by the committee or panel thereof.
Participant	any person that has been granted, and continues to have, Execution Privileges under the SEF Rules, including all persons authorized under SEF Rules to enter Orders and/or submit Trades by or on behalf of a Participant.
Participant Agreement	the agreements (together with any applicable schedules, exhibits or appendices thereto required by CME SEF) in form and substance acceptable to CME SEF, that are required to be executed and delivered to CME SEF before a Participant may access the SEF Platform.
Participant ID	a unique identifier assigned to a Participant by CME SEF to facilitate access to CME SEF.
Permitted Transaction	any Swap transaction that is permissible under Applicable Law and is not a Required Transaction.
Person	It shall include the singular or plural, and individuals, associations, partnerships, corporations and trusts.
President	The president of CME Inc., or one duly authorized to act in lieu of and with the authority of the President.
Proprietary Account	has the meaning ascribed to it by CFTC Regulation § 1.3(y).
Public Director	has the meaning set forth Rule 203.
Recipient	means, with respect to any Requestor sending an RFQ to buy or sell a Swap via the RFQ System, a Participant that is not i) the Requestor, ii) an Affiliate of or Controlled by the Requestor, or iii) an Affiliate of or Controlled by another Recipient receiving the same RFQ via the RFQ System.
Regular Trading Hours (RTH)	Those hours designated for trading of the relevant product as determined from time to time.
Regulatory Services Agreement	an agreement between CME SEF and a Regulatory Services Provider whereby certain regulatory services are provided by another party on behalf of CME SEF.
Regulatory Services Provider	has the meaning set forth in Commission Regulation 37.204.
Request for Quote or RFQ	An electronic message disseminated on a SEF Platform for the purpose of soliciting bids or offers for specific contract(s) or combinations of contracts.
Requestor	a Participant that sends an RFQ to buy or sell a Swap via the RFQ System to the Required Number of Recipients.
Required Number	means, in relation to Required Transactions, from August 5, 2013 through October 2, 2014, no fewer than two Recipients; and after October 2, 2014, no fewer than three Recipients.
Required Transaction	any Swap transaction that is subject to the trade execution requirement set forth in CEA § 2(h)(8) and that is not a Block Trade or an End-User Transaction.
Resting Quote	a firm bid or offer displayed on the Order Book.

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Review Panel	a panel of the Probable Cause Committee or a successor Committee that is duly convened and empowered to investigate potential violations of SEF Rules or Applicable Law pursuant to the procedures in Chapter 6.
RFQ System	a trading system or platform through which a Requestor may transmit an RFQ to buy or sell a Swap to the Required Number of Recipients in relation to Required Transactions, and at least one Recipient in regard to Permitted Transactions, and to which any Recipient may respond.
SDR	has the meaning of a swap data repository as set forth in CEA § 1a(48).
SEC	the U.S. Securities and Exchange Commission.
SEF	has the meaning of a swap execution facility as set forth in CEA § 1a(50).
SEF Activity	business for which a Clearing Member or Participant is subject to the SEF Rules, which is purportedly conducted subject to the SEF Rules, or which should have been conducted subject to the SEF Rules.
SEF Official	any Director or Officer of, or individual employed directly by, CME SEF, a Regulatory Services Provider or any individual rendering similar services to CME SEF under an administrative or similar agreement.
SEF Platform	the Order Book and any other CME SEF owned or operated trading system or platform by which Participants may enter an Order or submit a Trade into CME SEF.
SEF Proceeding and SEF Proceedings	have the meanings attributed to such terms in Rule 210.B.
SEF Rules	CME's Certificate of Incorporation, Bylaws, the rules located in Chapters 8 through 9 of the CME Rulebook, inclusive, CME's interpretations, orders, resolutions, advisories, notices, manuals and other similar directives, the rules in CME SEF Rulebook, all rules adopted, and Notice to Participants published, by CME SEF, as amended.
Self-Regulatory Organization	shall have the meanings attributed to such term in CFTC Regulation § 1.3(ee) and, in addition, shall include any Contract Market and any Derivatives Clearing Organization.
Settlement Price	The official daily closing price of swaps contracts as used by the Clearing House for marking all open positions at the close of the daily settlement cycle.
Stop Limit Order	An order which becomes eligible for execution at its limit price or better when the market trades at or above the stop price in the case of a buy stop limit order or at or below the stop price in the case of a sell stop limit order.
Stop Order	An order which becomes a market order when the price designated on the order (the Stop Price) is elected as described below. A Buy Stop order is placed above the market, and is elected only when the market trades at or above, or is bid at or above, the Stop Price. A Sell Stop order is placed below the market, and is elected only when the market trades at or below, or is offered at or below, the Stop Price.

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Stop with Protection Order	An order which becomes eligible for execution when the designated price (the stop price) is traded on Globex. Such orders are filled only within a range of prices predefined by CME SEF (the protected range). When the stop price is triggered, the order enters the order book as a limit order with the limit price equal to the trigger price plus or minus the predefined protected range. Any quantity which cannot be filled within the protected range will remain in the order book as a limit order at the limit price.
Stop-Close Only Order	A stop order which is in effect only during the closing range. It becomes a market order if, during the closing range, the market: (1) in the case of a Buy Stop-Close Only order, trades at or above, or is bid at or above the Stop Price; or (2) in the case of a Sell Stop-Close Only order, trades at or below, or is offered at or below the Stop Price.
Supervised Persons	any directors, officers, employees or agents (including any Authorized Traders) of any Participant.
Swap	has the meaning set forth in CEA § 1a(47) and as further defined by the CFTC, and which is executed via the SEF Platform or is otherwise subject to the SEF Rules.
Swap Dealer	has the meaning set forth in CEA § 1a(49).
Swap Specifications	means, with respect to any Swap, the rules or other trading protocols containing specifications for such Swap, as adopted, amended, supplemented or otherwise modified from time to time by CME SEF.
Termination of Trading	such time as CME SEF may from time to time designate, which is the end of the Trading Hours for the applicable Business Day.
Trade	The term trade shall mean any purchase or sale of any Swap contract made on a SEF Platform or subject to SEF Rules.
Trader ID	a unique identifier issued to each Authorized Trader and which enables CME SEF to identify each person entering a Trade through the SEF Platform.
Trading Account	an account established at CME SEF for each Participant or Customer, and through which the Participant's Authorized Traders will conduct Trades and through which CME SEF will monitor the Swaps positions of such Participants or Customers.
Trading Day	A trading day shall mean the hours of trading as determined by the Board for each contract starting with the opening of trading and ending with the close of trading for such contract.
Write, Written or Writing	printing, lithography, photography, and other modes of representing or reproducing words or data in a visible form, including electronic transmissions.

The following rules of construction shall apply to the SEF Rules:

i. the headings in the SEF Rules are for convenience only and do not affect the construction of the SEF Rules;
ii. all references to time in the SEF Rules are to local time in Chicago, Illinois unless otherwise specified;
iii. in the SEF Rules, words denoting a singular number include the plural number where the context permits and vice versa;
iv. where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms; and
v. References in the SEF Rules to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder.

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Chapter 1 – Access

101. ELIGIBILITY AND PARTICIPANT QUALIFICATION

A. Prior to being granted Execution Privileges, a person must be qualified with CME SEF as a Participant or otherwise designated by the Participant in accordance with Rule 103 below. A Participant may trade for its own proprietary accounts or, to the extent appropriately registered and permitted by law, for the accounts of customers.

B. A Participant shall designate Authorized Trader(s) in accordance with the requirements of Rule 104. A Participant may designate a third party, such as an Authorized Broker or an Authorized Manager to trade on its behalf.

C. Prior to being granted Execution Privileges, a person must demonstrate to the satisfaction of CME SEF that it is an Eligible Contract Participant as defined at § 1a(18) of the Act; and:

i. execute a Participant Agreement as set forth in Rule 105;

ii. hold all registrations required under Applicable Law

iii. be of good reputation and business integrity;

iv. maintain adequate financial resources and credit;

v. not be subject to statutory disqualification under Section 8a(2) or 8a(3) of the CEA;

vi. not be an independent software vendor; and

vii. satisfy any other Participant criteria that may be required by CME SEF.

D. No Participant that is an FCM or a Swap Dealer may require any arrangement with any other Participant that provides for the assessment of liability or payment of damages between the parties to a Trade intended for clearing in the event that the trade is not accepted for clearing ("Breakage Agreement") as a precondition to trading with such FCM or Swap Dealer.

102. CONTINUED ELIGIBILITY

A. Once admitted, the Participant shall continue to comply with all applicable eligibility criteria in Rule 101 and provide immediate notice of any non-compliance with such criteria to the Market Regulation Department.

B. CME SEF shall monitor Participants to ensure they continue to qualify as ECPs.

C. CME SEF shall be entitled to rely on a Participant's written representation that it is an ECP and that all Customers on whose behalf such Participant enters Orders or submits Trades are ECPs, and such representation shall be deemed re-affirmed any time a Participant enters an Order or submits a Trade into CME SEF.

D. Authorized Brokers, Authorized Managers and Participants executing on behalf of Customers must verify the status of each of their customers as ECPs.

103. AUTHORIZED BROKERS OR AUTHORIZED MANAGERS

A. Each Authorized Broker must cause each of its Customers to become a Participant or be subject to SEF Rules. Each Authorized Broker must provide CME SEF with all information necessary for CME SEF or Clearing Member to establish a Trading Account for each Customer of the Authorized Broker and with written authorization of Authorized Broker to enter Orders or submit Trades on behalf of each Customer.

B. Each Authorized Broker or Authorized Manager must ensure that each of its Customers or, in the case of an Authorized Manager, each account that it manages, has established a clearing account with a Clearing Member of the Clearing House accepting for clearing Cleared Swaps submitted into CME SEF.

C. Each Authorized Broker or Authorized Manager shall be qualified in accordance with the requirements of 101.C (i) – (vii) above.

104. AUTHORIZED TRADERS

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A. Each Participant must designate one or more Authorized Traders. Authorized Traders will be responsible for all SEF Activity conducted on behalf of a Participant.

B. Each Participant must follow the procedures established by CME SEF to identify its Authorized Traders.

C. Each Authorized Trader must

i. be an individual;
ii. have a unique Trader ID assigned;
iii. not be a SEF Official or agent of a SEF Official; and
iv. satisfy any other requirements as prescribed by CME SEF from time to time.

D. Each Authorized Trader will consent, in a form satisfactory to CME SEF, to submit to CME SEF's jurisdiction for all SEF Activity and comply with all SEF Rules and Obligations. Further, each Participant will ensure that each of its Authorized Traders remain eligible to trade Swaps under SEF Rules and Applicable Law, and meet such other criteria as set forth by CME SEF from time to time.

E. Each Authorized Trader must have the authority to adjust or withdraw any Order at the direction of CME SEF.

F. CME SEF may, in its sole discretion, deny access to, or revoke or suspend the designation of, an Authorized Trader and shall promptly notify the Participant in Writing of such action. An Authorized Trader whose designation is revoked or suspended shall be prohibited from accessing the SEF Platform, whether directly or indirectly, during the pendency of his revocation or suspension.

G. A Participant or Authorized Trader may request the termination of designation of an Authorized Trader by following the procedures established by CME SEF. CME SEF may, in its sole discretion, refuse to accept a request for termination of designation, postpone the effective date for a requested termination of designation or impose any terms or conditions before or after the effective date of the termination if CME SEF considers it necessary for the protection of Participants or in CME SEF's best interests to do so.

105. PARTICIPANT APPLICATION PROCESS

A. Each applicant for Participant status must:

i. submit an executed Participant Agreement;
ii. provide a Written representation that the applicant is an ECP;
iii. consent to be subject to CME SEF's jurisdiction for all SEF Activity
iv. agree in writing to abide by all SEF Rules and Applicable Law; and
v. provide such information and documentation as requested by CME SEF, including but not limited to current contact information and all reports necessary for CME SEF's compliance with Applicable Law.

In addition, any applicant for Participant status that is organized or located outside the United States shall enter into a Written agreement satisfactory to CME SEF in which the applicant designates a third-party as its U.S. agent for service of process and provide such agreement to CME SEF. Participants and applicants for Participant status must i) promptly notify CME SEF in the event a designated agent for service of process is unwilling or unable to fulfill its obligations under its agreement and ii) receive CME SEF's approval prior to designating a replacement agent for service of process.

B. In considering a Participant's application, CME SEF may require further information from the applicant; conduct an investigation to verify the information provided by the applicant, or both.

C. CME SEF will notify each applicant in Writing as to its decision to grant or deny Participant status.

D. CME SEF may deny, condition, terminate, revoke or suspend Participant status of any person for:

i. any failure to comply with SEF Rules or Applicable Law;
ii. any failure to remain in compliance with any of the criteria or requirements set forth in Rule 301;
iii. inability to demonstrate to the satisfaction of CME SEF the person's ability or willingness to comply with SEF Rules or Applicable Law;
iv. any reasonable belief that the person's status as a Participant may harm the reputation of CME SEF, the Clearing House, Clearing Members or a Contract Market; or
v. any such other circumstances as CME SEF may reasonably determine as necessary or appropriate.

E. Notwithstanding Rule 105.D, CME SEF will establish and impartially enforce rules governing any decision to allow, deny, suspend, or permanently bar a Participant's access to any or all SEF Platforms, including when such decisions are made as part of a disciplinary or emergency action taken by CME SEF.

F. If CME SEF decides to decline an application for, or revoke, condition, terminate or suspend a person's status as a Participant, CME SEF shall promptly notify such Person ("Affected Person") in Writing. Such Affected Person may,

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within seven calendar days, request in Writing that CME SEF provide the reasons for the denial, conditioning, revocation, termination or suspension, which shall be provided by CME SEF in Writing no later than fourteen days after the Affected Person received notice of such action. The Affected Person may request a hearing on a Notice of Charges no later than 20 days after receiving such notice.

106. ACCESS PRIVILEGES OF A PARTICIPANT

Admission as a Participant only entitles the Participant to Execution Privileges and does not confer any right of ownership in, or right to attend or vote at meetings of, CME SEF, or right to share in the profits, of CME SEF. A Participant may not transfer or assign its status as a Participant without the prior written consent of CME SEF, and any purported transfer or assignment without CME SEF's prior consent is not binding on CME SEF.

107. CUSTOMERS

(a) No Participant shall carry an account for a Customer, enter an Order or submit a Trade into CME SEF on behalf of a Customer unless the Participant has entered into a written agreement with the Customer containing such terms as may from time to time be prescribed in the SEF Rules.

(b) Without prejudice to the generality of paragraph (a) of this Rule 107, each written agreement with a Customer to offer indirect access to CME SEF through the Participant must: (1) include a representation that the Customer is an ECP at the time of execution of any Swap; (2) import into every Swap carried for the Customer all the terms of the SEF Rules insofar as they are applicable to that Swap; (3) in relation to any business done with the Customer, enable the Participant to perform all Swaps from time to time cleared with the Clearing House and to comply with all requirements of the Rules and any other arrangements, provisions and directions given by CME SEF, including all recordkeeping, reporting, monitoring and surveillance requirements; (4) include the Customer's or Customer's consent to jurisdiction of CME SEF in connection with all SEF Activity; (5) obligate the Customer to provide CME SEF, its agents and Regulatory Service Providers access to all books, records, staff, reports and other such information as reasonably necessary for monitoring and enforcement of the SEF Rules.

108. DUES, ASSESSMENTS AND FEES

CME SEF shall set the times and amounts of any dues, assessments or fees (including system fees, brokerage and/or any transaction surcharges) to be paid by Participants, which dues, assessments or fees shall be paid to CME SEF when due. If a Participant fails to pay when due any such dues, assessments or fees levied on such Participant, and such payment obligation remains unsatisfied for sixty days after its due date, CME SEF may suspend, revoke, limit, condition, restrict or qualify the Execution Privileges of such Participant as it deems necessary or appropriate.

109. NOTICES TO PARTICIPANTS

CME SEF shall publish a notice with respect to each addition to, modification of, or clarification of, the SEF Rules or of any action to implement any SEF Rules, in a form and manner that is reasonably designed to enable each Participant, Authorized Broker and Authorized Manager to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof (each a "Notice to Participants"). For purposes of publication in accordance with the first sentence of this Rule 311, it shall be sufficient (without limiting the discretion of CME SEF as to any other reasonable means of communication) if a Notice to Participants is published on CME SEF's website. Any Notice to Participants shall also be deemed to have been made to all Authorized Traders and Supervised Persons. CME SEF fee schedule shall be published on CME SEF website.

110. COMMUNICATIONS BETWEEN CME SEF AND PARTICIPANTS

Each Participant must provide electronic mail addresses, telephone numbers and business addresses for itself and any Authorized Traders, and update CME SEF immediately upon any change to this information. Each Participant shall be responsible for i) reviewing any communications delivered by CME SEF through the aforementioned means and ii) conveying such information to Authorized Traders, Authorized Brokers and Supervised Persons. All communications made to a Participant shall be deemed to have been made concurrently to all Authorized Traders, Authorized Brokers, Authorized Managers and Supervised Persons.

111. DESCRIPTION OF PARTICIPANT'S STATUS

A Participant shall ensure that the form, content and context of any description of the Participant's status on CME SEF is not inconsistent with, and does not misrepresent, the Participant's capacity on CME SEF under the SEF Rules or the Participant's registration, if any, under the CEA, or under any other Applicable Law.

112. WITHDRAWAL OF A PARTICIPANT

A Participant may request withdrawal from CME SEF by following the procedures established by CME SEF. CME SEF may, in its sole discretion, refuse to accept a request for withdrawal of a Participant, postpone the effective date for a requested withdrawal or impose any terms or conditions before or after the effective date of the withdrawal if CME SEF considers it

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necessary for the protection of Participants or in CME SEF's best interests to do so. Participants who withdraw shall remain bound by the SEF Rules, the Clearing House Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of CME SEF and the Clearing House with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant prior to withdrawal.

113. ISVs

Consistent with Commission Regulation 37.202, CME SEF will enable access via ISVs under CME SEF ISV agreements with governing criteria and fee structures that are impartial, transparent, and applied in a fair and nondiscriminatory manner. Such agreements shall be submitted to the Commission for review as certified filings under Commission Regulation 40.6.

114. DISCLOSURES AND SUPERVISION

A. Each Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders, Supervised Persons and Authorized Brokers comply with Applicable Law, the SEF Rules and the Clearing House Rules.

B. CME SEF will make public information regarding Orders (including prices bid or offered), Trades and any other matters it may deem appropriate at such times and in such manner as it may consider necessary or advisable from time to time. Each Participant or other person receiving any such information through the SEF Platform may redistribute such information only to such extent and in such manner as may be permitted by CME SEF from time to time.

115. ADDITIONAL DUTIES AND RESPONSIBILITIES OF SWAP DEALERS AND MAJOR SWAP PARTICIPANTS

When a Swap Dealer or Major Swap Participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of CEA § 2(h), the Swap Dealer or Major Swap Participant shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Act.

116.–122 [RESERVED]

123. COMPLIANCE WITH THE COMMODITY EXCHANGE ACT

All participants of CME SEF shall comply with the applicable provisions of the Commodity Exchange Act and the rules and regulations duly issued pursuant thereto by the CFTC.

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Chapter 2 – Government

200.— 229. [RESERVED]

BOARD OF DIRECTORS – POWERS AND DUTIES

230. GENERAL

The Board shall, subject to applicable provisions in the relevant corporate charter and bylaws:

a) Be the governing body of CME SEF;

b) Have charge and control of all property of CME SEF;

c) [Reserved];

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 transaction and other fees;

h) Act in a judicial capacity in the conduct of hearings with respect to any charges proffered against persons subject to the SEF Rules, after such hearings, determine what disciplinary action, if any, should be taken by CME SEF with respect to those charges;

i) Determine the terms and conditions of Swaps;

j) Make and amend the Rules; provided, the Board may also delegate authority to make and amend the Rules as it deems appropriate; 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 Swap is likely to be disrupted, or the financial integrity of CME SEF is threatened, or the normal functioning of CME SEF has been or is likely to be disrupted, it may, upon a majority vote of the members present or upon a majority vote of the members who respond to a poll, take such action as may in the Board's sole discretion appear 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:

i. suspend or modify any SEF services,
ii. impose or modify position limits,
iii. impose or modify price limits,
iv. impose or modify intraday market restrictions,
v. impose special margin requirements,
vi. order the liquidation or transfer of open positions in any Swap,
vii. order the fixing of a settlement price,
viii. extend or shorten the expiration date or the trading hours,
ix. suspend or curtail trading in any Swap,
x. transfer customer contracts and the margin,
xi. alter any contract's settlement terms or conditions, or
xii. provide for the carrying out of such actions though its agreements with any third-party provider of clearing or regulatory services.

CME SEF shall notify the CFTC pursuant to Part 40 as soon as reasonably practicable regarding any invocation of emergency power and shall provide to the CFTC any required supporting documentation. CME SEF shall record in writing the decision-making process with respect to, and the reasons for, any action taken pursuant to emergency procedures, including an explanation of how conflicts of interest were minimized.

Any authority or discretion by these rules vested in the Chairman, Chief Executive Officer, President 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.

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231. [RESERVED]

232. CME SEF FACILITIES

CME SEF shall provide trading facilities which shall be open for trading on such days and at such hours as CME SEF shall determine, except during emergency situations as provided by CME SEF rules.

233. [RESERVED]

234. AVOIDING CONFLICTS OF INTEREST IN SIGNIFICANT ACTIONS

234.A. Definitions

For purposes of this rule:

1 Significant Action means (a) an CME SEF action or rule change which addresses an emergency as defined in CFTC Regulation 40.1(h); or (b) any change in CME SEF 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 Swap.

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

3 Member's Affiliated Firm means a firm in which the committee member 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 CME SEF staff the following position information to the extent known to him:

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

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

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

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

e. Any other types of positions, at CME SEF 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. CME SEF staff will independently determine what positions are held based on a review of the most position reports and trading records available to CME SEF and any other source of information that is held by and reasonably available to CME SEF, 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 CME SEF or non-CME SEF positions that could reasonably be expected to be affected by the action or is otherwise conflicted based on existing CME SEF policy. CME SEF 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, CME SEF staff determines that the member has a direct and substantial financial interest in the result of the vote.

2 CME SEF 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.

235.—255. [RESERVED]

CME SEF OFFICERS AND EMPLOYEES

256. INDEMNIFICATION OF CERTAIN PERSONS

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CME SEF shall indemnify its directors, officers, committee members, and employees against all damages, costs and expenses incurred in defense or settlement of any claim or lawsuit arising out of such official's position with CME SEF, or out of any action taken or omitted in his official capacity, to the maximum extent allowed by Delaware law; provided, however, that CME SEF shall have no duty to indemnify as regards claims asserted by CME SEF as to which the official is finally adjudged to have been guilty of gross negligence, fraud or willful misconduct in the performance of his duties.

CME SEF shall provide all reasonable defense costs and fees to persons indemnified by this Rule to the maximum extent allowed by Delaware law; provided, however, that in cases where there is an identity of interests among a group of indemnitees, CME SEF may satisfy its obligation to provide counsel by providing a single counsel for the group.

No amendment or repeal of this Rule or of any relevant provision of Delaware law shall adversely affect or deny to any person entitled to indemnification hereunder any rights to indemnification which such person may have, or change or release any obligations of CME SEF under this Rule, with respect to any damages, costs and expenses incurred in defense or settlement of any claim or lawsuit arising out of such official's position or out of any action taken or omitted in his official capacity, which takes place before or while this Rule is in effect. The provisions of this Rule shall apply to any claim or lawsuit, whenever commenced, including such claim or lawsuit commenced after any amendment or repeal of this Rule.

The foregoing right of indemnification shall inure to the benefit of the estate or legal representative of any person entitled to indemnification hereunder, and shall be in addition to any other rights of indemnification, pursuant to contract or law, to which such individual may be entitled.

257. CME SEF PHYSICAL EMERGENCIES

In the event that the functions of CME SEF 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 Chief Executive Officer, President 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 CME SEF officers or delegate, any member of the Executive Committee may act instead of the Chief Executive Officer, President or Chief Operating Officer.

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

CME SEF 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 of Directors to act in an emergency situation pursuant to Rule 230.k.

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Chapter 3 - CME SEF Committees

300. COMMITTEES

300.A. General Provisions

The Board shall establish from time to time Board level committees as defined in the bylaws and non- Board level committees necessary to conduct the business of CME SEF.

Every committee of CME SEF 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, CME SEF members or employees of Participant firms, or non-Participants. 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 CME SEF, its bylaws 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 CME SEF, 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.

300.C. Non-Board Level Committees

The duties of non-Board level committees are to review investigation reports prepared by CME SEF 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 Chairman may appoint CME SEF Participants or employees of Participant firms and non-Participants to all non-Board level committees to serve during the Chairman's term of office and until new committees are appointed. The Chairman 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.[1]

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 of Directors or any Board level committee; the; the Business Conduct Committee; the Probable Cause 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 Participant status; 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

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(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 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 CME SEF 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) financial requirements, or (b) 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 SEF 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 of CME SEF, 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 CME SEF if he or she is currently ineligible, and shall immediately inform CME SEF if he or she 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 CME SEF.

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).

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Chapter 4 - Enforcement of Rules

400. GENERAL PROVISIONS

The Board has adopted Rules, and from time to time adopts amendments and supplements to such Rules, to promote a free and open market on CME SEF, to maintain appropriate business conduct and to provide protection to the public in its dealings with CME SEF and persons subject to SEF Rules. The Board has created committees to which it has delegated responsibility for the investigation, hearing and imposition of penalties for violations of CME SEF Rules. The Board has also delegated responsibility for the investigation and imposition of penalties for violations of certain CME SEF Rules to Market Regulation Department staff as set forth in the Rules. The delegation of such responsibility and authority shall in no way limit the authority of the Board with respect to all Rule violations.

Participants are deemed to know, consent to and be bound by all CME SEF Rules. Former Participants shall be subject to the continuing jurisdiction of CME SEF, including, without limitation, the application of Rule 432.L., with respect to any conduct that occurred while a Participant.

401. THE CHIEF COMPLIANCE OFFICER

It shall be the duty of the Chief Compliance Officer to enforce CME SEF Rules, and he shall have available to him at all times the resources of the Market Regulation Department and such other resources as may be necessary to conduct investigations of potential or alleged Rule violations and market conditions. The Chief Compliance Officer shall have the authority to inspect the books, records, systems, equipment and software of all parties subject to the jurisdiction of CME SEF pursuant to Rule 418 and the authority to require any such Participant to appear before him and produce his or its books and records, and provide access to systems, equipment, software, data stored in any such systems, equipment or software, and the premises upon which such information is accessible, and answer questions regarding alleged violations of CME SEF Rules, at the time, place and in the manner he designates. The Chief Compliance Officer may also delegate his authority to staff of the Market Regulation Department.

402. BUSINESS CONDUCT COMMITTEE

402.A. Jurisdiction and General Provisions

The Business Conduct Committee ("BCC") shall have: 1) jurisdiction over any party subject to the jurisdiction of CME SEF with respect to matters relating to business conduct, trading practices, sales practices, trading ethics and market manipulations or other actions that threaten the integrity of the market; 2) the authority, pursuant to Rule 402.C., to take emergency actions; 3) the authority, pursuant to Rule 413.B., to conduct hearings on denials of access pursuant to Rule 413.A., 4) the authority to conduct hearings, proceedings and appeals on all matters over which it has jurisdiction; and 5) the authority to make findings on Rule violations against any party subject to the jurisdiction of CME SEF pursuant to Rule 418.

The BCC shall act through a Panel ("BCC Panel") comprised of a Hearing Panel Chair, two Participants and two non-Participants. A quorum of a Panel shall consist of a majority of the panel, but must include at least the Hearing Panel Chair, one Participant and one non-Participant.

Any Panel that conducts a hearing or proceeding shall consist of panelists who possess sufficiently diverse interests so as to ensure fairness.

No Person shall serve on the BCC 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 any other information which may come to his attention in his official capacity as a member of the BCC, except when reporting to the Board or to a committee concerned with such information or to the CME Group 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 BCC 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 a CME Group Exchange or CME SEF investigation or as required by law.

402.B. Sanctions

If the Panel finds that a party, including a Participant, has violated a Rule, the Panel may take one or more of the following actions or provide for the carrying out of such actions though its agreements with any third-party provider of clearing or regulatory services:

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1. Order the party to cease and desist from the conduct found to be in violation of these Rules or the Commodity Exchange Act;

2. Order a party to liquidate such portion of the open contracts in the party's proprietary or customers' accounts, or both, as the Panel deems appropriate to ensure the integrity of CME SEF contracts or to ensure an orderly and liquid market;

3. Order a party or its customer to deposit such additional performance bonds with the Clearing House as the Panel deems appropriate to protect the integrity of open contracts;

4. Prescribe such additional capital or other financial requirements as it deems appropriate;

5. Restrict the ability of the party to have a business affiliation with, be employed by or have a financial or beneficial interest in a Participant;

6. Restrict, suspend or terminate the party's access to the Globex platform, the Trading Floor or any other trading or clearing platform or facility owned or controlled by CME Group, or right to supervise the entry of any orders into such platforms by others;

7. Restrict the party's ability to trade, place, enter, accept or solicit orders in any or all products of any trading platform owned or controlled by CME Group;

8. Suspend any or all of the party's privileges of being a Participant;

9. Expel the Participant from participation on CME SEF and membership in any exchange owned or controlled by CME Group;

10. Impose a fine upon the party not to exceed $5,000,000 per violation;

11. Order a party to disgorge any monetary benefit resulting from a violation of a CME SEF Rule whether by that party or another party. For purposes of this provision, benefit includes, without limitation, profit, whether realized or unrealized, and avoided losses;

12. Prescribe limitations on positions of the party as may be appropriate, including issuing an Order that no Clearing Member accept new positions on behalf of any such party;

13. Impose advertising restrictions upon the Participant pursuant to these Rules;

14. Order a party to make restitution to the account of anyone damaged by the conduct, or to the Clearing Member who has previously made restitution to the account of such party;

15. Order a party or its legal counsel or other representative to pay out of pocket expenses incurred by CME SEF in connection with the matter if such party, counsel or representative engaged in vexatious, frivolous or bad faith conduct during the course of an investigation or enforcement proceeding;

16. Order such action as is necessary to prevent a threat to the contract or violation of the Commodity Exchange Act or CME SEF Rules; and/or

17. With the approval of the Market Regulation Department and the party, order any other sanction or undertaking to address or deter the underlying violative conduct pursuant to a supported offer of settlement.

When determining whether to impose any of the sanctions listed above, the Panel may consider any factors determined by the Panel to be relevant in the context of a particular case, including any of the factors described in the "Sanctioning Guidance to Self-Regulatory Organizations" in the CFTC Policy Statement Relating to the Commission's Authority to Impose Civil Money Penalties and Futures Self-Regulatory Organizations' Authority to Impose Sanctions: Penalty Guidelines (1994).

402.C. Emergency Actions

1. 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:

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

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

   c. Any action taken or considered by the United States or any foreign government or any state or local government body, any other contract market, swap execution facility, board of trade, or any other exchange or trade association (foreign or domestic), which may have an impact on trading on CME SEF;

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

e. Any circumstance in which it appears that a Participant 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, Participants, or CME SEF; and/or

f. Any other circumstance which may have a severe, adverse effect upon the functioning of CME SEF, except that declarations of Force Majeure and actions taken with respect to such declarations will be governed by the provisions of Rule 701.

2. 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:

a. Suspend, curtail or terminate trading in any or all contracts;
b. Restrict, suspend or terminate a party's access to the Globex platform, the Trading Floor or any other trading or clearing platform or facility owned or controlled by CME Group and/or the CME SEF, or right to supervise the entry of any orders into such platforms by others;
c. Limit trading to liquidation of contracts only;
d. Impose or modify position limits and/or order liquidation of all or a portion of a party's account;
e. Order liquidation or transfer of positions as to which the holder is unable or unwilling to make or take delivery;
f. Confine trading to a specific price range;
g. Modify price limits;
h. Modify the trading days or hours;
i. Modify conditions of delivery;
j. Establish the settlement price at which contracts are to be liquidated;
k. Require additional performance bond to be deposited with the Clearing House; and/or
l. Order any other action or undertaking to address or relieve the emergency.

3. All actions taken pursuant to subsections 1 and 2 above shall be by a majority vote of the Panel members present. The Market Regulation Department 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.

403. AUTHORIZED REPRESENTATIVES

Each Participant shall designate one or more individuals to represent the Participant in all matters before CME SEF and to receive notices on behalf of the Participant. Each Authorized Participant shall be authorized and empowered to act on the Participant's behalf, and CME SEF shall be entitled to rely upon the statements and representations of an Authorized Representative as binding on the Participant. Each Participant shall provide current contact and other information for its Authorized Representatives and shall be responsible for immediately notifying CME SEF of any changes or updates to such information.

404.-05.[RESERVED]

406. PROBABLE CAUSE COMMITTEE

The Probable Cause Committee ("PCC") shall receive and review investigation reports from the Market Regulation Department when the Market Regulation Department has reasonable cause to believe an offense has occurred. The PCC shall act through a Panel comprised of a Hearing Panel Chair, two Participants and two-non-Participants. A quorum of a Panel shall consist of a majority of the Panel, but must include at least the Hearing Panel Chair, one Participant and one non-Participant. Each Panel shall consist of panelists who possess sufficiently diverse interests so as to ensure fairness.

Production of the investigation report to a PCC Panel shall not constitute a waiver of the protected and/or privileged nature of such report. The Market Regulation Department's presentation to the PCC Panel shall not constitute an ex parte communication as described in Rule 417.

The Market Regulation Department is not required to provide a respondent notice of its intent to appear before the PCC to request charges.

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The Panel shall, by majority vote, take one of the following actions:

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

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

C. Direct that the Market Regulation Department investigate the matter further.

The Panel shall direct the Market Regulation Department to give notice of the charges to the respondent in accordance with Rule 407.B.

If the Panel refuses to issue any charge requested by the Market Regulation Department, the Panel shall explain the reason(s) for such refusal in writing. The Market Regulation Department may appeal to the Board any refusal by a Panel to issue those charges requested by the Market Regulation Department as set forth in Rule 411.

No Person shall serve on the PCC 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 PCC, except when reporting to the Board or to a committee concerned with such information or to the CME Group 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 PCC 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 a CME Group Exchange or CME SEF investigation or as required by law.

407. INVESTIGATION, CHARGING MEMORANDUM AND NOTICE OF CHARGES

The Market Regulation Department shall investigate potential or alleged Rule violations. An investigation shall be commenced upon the receipt of a request from Commission staff or upon the discovery or receipt of information by CME SEF that indicates a reasonable basis for finding that a violation may have occurred or will occur. The Market Regulation Department shall submit a written investigation report for disciplinary action in every instance in which staff determines from surveillance or from an investigation that a reasonable basis exists for finding a rule violation. The investigation report shall include the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; the Market Regulation Department's analysis and conclusions; and a recommendation as to whether disciplinary action should be pursued. Investigations and all information and documents obtained during the course of an investigation shall be treated as non-public and confidential and shall not be disclosed by any party, except as necessary to further a CME Group Exchange or CME SEF investigation or as required by law. The Market Regulation Department is authorized to take recorded interviews pursuant to a CME SEF investigation. Parties and witnesses being interviewed shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any CME SEF disciplinary committee, a member of the Board, an employee of CME Group or a Person related to the investigation. The failure to appear at a scheduled interview or to answer all of the questions posed during that interview may, in the discretion of the BCC Panel Chair, result in the Person being prohibited from testifying in a subsequent hearing on the matter.

Upon conclusion of an investigation, the Market Regulation Department may issue a warning letter to any party as a result of the investigation. Such letter shall not constitute either the finding of a Rule violation or a penalty. No more than one warning letter may be issued for conduct relating to the same or similar rule in a rolling 12-month period calculated from the date of the issuance of the first warning letter until the date of the reoccurrence of the conduct.

If after conducting an investigation, the Market Regulation Department determines that no reasonable basis exists for finding a rule violation, it shall prepare a written report including the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; and the Market Regulation Department's analysis and conclusions.

407.A. Investigation File

The Market Regulation Department shall maintain a file once an investigation is initiated. The file shall include any materials in the possession of the Market Regulation Department that are relevant to the conduct being investigated.

407.B. Notice of Charges; Opportunity for Hearing

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Where the PCC has issued charges for an alleged Rule violation, the Market Regulation Department shall issue a charging memorandum to the respondent with a brief statement of factual allegations that identifies the charged Rule violation(s). In addition, the Market Regulation Department will send a notice of charges to the respondent. The notice of charges shall set forth the Rule(s) alleged to have been violated, and shall advise the respondent regarding the submission of a responsive answer to each charge in accordance with Rule 407.C. Further, the notice of charges shall advise the respondent that the matter will be heard by a BCC Panel and of the time and place for the hearing, if known. The respondent shall also be advised of his right to appear personally at the hearing and of his right to be represented, at his own cost, by legal counsel or a Participant, other than a member of any CME SEF disciplinary committee, a member of the Board, an employee of CME Group or a Person related to the investigation.

A respondent may waive his right to a hearing at any time after receipt of the notice of charges. A respondent who elects to waive his right to a hearing on the charges will be notified of the date on which the BCC Panel will render its decision. Upon a finding of guilt on any charge, the BCC Panel will promptly determine what penalties, if any, are to be imposed and their effective date. A respondent who has waived his right to a hearing and/or admitted the charges against him will be advised of his right to participate in the hearing solely with respect to the penalty.

407.C. Answer to Charges

The respondent shall have 21 days after notice to submit a written answer to the charges. The Market Regulation Department and the respondent may agree in writing to an extension of the period of time to submit an answer to such charges. Absent such agreement, upon a showing of good cause, the BCC Hearing Panel Chair may extend the period of time in which the respondent is required to submit his answer. The answer must state that the respondent admits, denies, or lacks sufficient knowledge to admit or deny each charge. A statement of lack of sufficient knowledge shall be deemed a denial. Pursuant to a written request by the Market Regulation Department, any charge not denied in whole or in part by the respondent shall be deemed admitted by the Hearing Panel Chair, and the failure to file a timely answer may be deemed an admission to the charges. If all the charges are admitted, the respondent shall be deemed to waive his right to a hearing on the charges and the BCC Panel shall find that the violations alleged in the notice have been committed. The BCC Panel will determine the penalty, if any, to be imposed at a hearing, due notice of which will be provided to the respondent. The respondent shall be advised of his right to appear personally at the penalty hearing and advised of his right to be represented at his own cost by legal counsel or anyone other than a member of any disciplinary committee, a member of the Board, an employee of CME Group or a Person related to the investigation.

If an answer contains both an admission to one or more charges and a denial of one or more charges, the BCC Panel will consider the penalties which may be imposed for the admitted charges at the same time that the charges denied by the respondent are considered.

407.D. Amendment to Charging Memorandum; Non-Prosecution of Charges

The issuance of charges shall not prevent the Market Regulation Department from continuing to investigate the activity underlying the charges or investigating other potential violations by the respondent. The Market Regulation Department reserves the right to modify the charging memorandum without the consent of the PCC. Notwithstanding the prior sentence, no charges may be added to the charging memorandum absent the consent of the PCC. The Respondent shall have 21 days from notice of an amended charging memorandum to file an answer to any new or modified charges in the amended memorandum.

The Market Regulation Department may, in its sole discretion, decline to prosecute any one or more of the charges previously issued by the PCC. If the Market Regulation Department declines to prosecute any previously issued charge after the Respondent has received a Notice of Charges, the Market Regulation Department shall provide notice to the Respondent of such decision. Further the Market Regulation Department may, in its sole discretion, resolve a previously issued charge through issuance of a letter of warning. No more than one warning letter may be issued for conduct related to the same or similar rule in a rolling 12-month period calculated from the date of the issuance of the first warning letter until the date of the reoccurrence of the conduct.

408. CONDUCT OF HEARINGS

408.A. General

All disciplinary proceedings conducted before a panel of the BCC or before a hearing panel of the Board of Directors (collectively, “Panel”) shall be conducted in accordance with the following procedures.

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Hearings shall be fair. The respondent shall have the right to appear personally at the hearing and to be represented at his own cost by legal counsel or anyone other than a member of any CME SEF disciplinary committee, a member of the Board, an employee of CME Group or a Person related to the investigation. The Panel or the Hearing Panel Chair shall have the power to compel any party subject to its jurisdiction to attend, testify and/or produce evidence in connection with the hearing.

and a party can demonstrate good cause for the requested delay.

408.B. Pre-Hearing

1. Procedural Matters

Prior to the hearing, but subsequent to the timely filing of an answer, a party charged by the PCC with a violation of a CME SEF rule may examine all evidence in the investigation file that is relevant to the violation(s) charged by the PCC and all evidence which is to be relied upon by the Market Regulation Department during the hearing. However, the respondent shall not be entitled to examine protected attorney work product, attorney-client communications or investigative work product, including, but not limited to, the investigation report and any exception reports. The respondent may obtain a copy of all such evidence, and any copying costs shall be the sole responsibility of the respondent. The Market Regulation Department is not required to produce or obtain any documents that are not in its possession. A respondent who seeks documents that are not in the possession of the Market Regulation Department may request the documents from their custodian of such documents. Upon a showing of good cause, the respondent may petition the Hearing Panel Chair, in writing, for an order compelling the production of documents by a custodian, provided that the custodian is subject to the jurisdiction of CME SEF, the custodian has refused voluntarily to provide the documents and the documents are relevant to the charges. The Market Regulation Department or the custodian may object, in whole or in part, to any such petition.

2. Appointment of a Panel for a Contested Hearing

The Market Regulation Department shall, in writing, notify the respondent of the names of the individuals originally appointed to the Panel for a contested hearing at least 28 days in advance of the originally scheduled hearing date. Within seven days of such notice, parties to the hearing may request the Hearing Panel Chair to strike any panelist for good cause shown. The Hearing Panel Chair may then excuse such panelist and direct that an alternate panelist be appointed. In the sole discretion of the Panel Chair, the hearing may be conducted with less than a full Panel provided a quorum exists.

In the event any panelist is added, the Market Regulation Department shall provide all parties reasonable notice regarding the new panelist. The addition of a new panelist will not delay the scheduled hearing date unless the panelist is added less than five days in advance of the scheduled hearing and a party can demonstrate good cause for the requested delay.

Notwithstanding the foregoing, any party to a contested hearing may, following the filing of an answer to the charges, request the appointment of a Hearing Panel Chair prior to the time period set forth above for the purpose of resolving pre-trial disputes. The matters that may be raised before the Hearing Panel Chair include, without limitation:

a. scope and timing of fact discovery;
b. scope and timing of expert discovery;
c. allocation of discovery costs;
d. use and disclosure of demonstratives;
e. requests to alter timing requirements set forth in these Rules; or
f. scheduling of the contested hearing

The Hearing Panel Chair may hold a pre-trial conference to address these issues or may, in his discretion, resolve them on written submissions by the parties.

The Hearing Panel Chair shall have the authority to issue non-monetary sanctions against any party or legal counsel or other representative who fails to comply with an Order of the Chair or who engages in vexatious, frivolous or bad faith conduct. Such sanctions may include drawing adverse inferences or excluding legal argument, evidence or other submissions. Sanctions may not include entry of a default judgment. The Hearing Panel Chair must allow both parties to make written submissions on the issue prior to imposing any sanction.

3.. Submission of Documents and Identification of Witnesses

At least 28 days in advance of a contested hearing, the respondent shall submit to the Market Regulation Department, and the Market Regulation Department shall submit to the respondent, copies of all books, documents, records and other tangible evidence, which each plans to rely on or refer to during its direct case at the hearing, and provide a list of the names and titles of witnesses that each plans to call on its direct case at the hearing. The Panel may refuse to consider any books, records, documents or other

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tangible evidence which was not made available to, or witnesses whose names and titles were not submitted to, the other party pursuant to this section.

To the extent Market Regulation or the respondent intends to call any expert witness at the hearing then such party shall provide to the other, 28 days prior to the date of the hearing, a summary of the expert's opinions to be offered at the hearing and the basis and/or methodology underlying such opinions. In addition, the expert's credentials (e.g.,.a *curriculum vitae*) and all documents or other materials on which the expert relied in forming his opinions shall be produced to the other party at the same time. For purposes of this provision, staff in the Market Regulation Department or other CME Group employee shall not be considered experts. The Panel may decline to consider any expert testimony beyond the scope of the submitted summary.

4. Additional Discovery

Absent an order of the Hearing Panel Chair or consent of the parties, no discovery beyond that set forth in Rules 407 and 408 shall be permitted.

5. Motions

The Hearing Panel Chair shall have the authority to decide all procedural and evidentiary matters and all pre-hearing motions, and the Hearing Panel Chair's decision shall be final. Notwithstanding the preceding sentence, no motions to dismiss any or all of the charges or any other dispositive motion may be filed.

Any pre-hearing motion must be submitted in writing to the parties and BCC's counsel at least 21 days in advance of the scheduled hearing. The opposing party shall submit a response, if any, within 7 days of receipt of any pre-hearing motion. No reply papers are permitted. The Hearing Panel Chair, in his sole discretion, may hold oral argument on any motion or may decide any motion on the written submissions of the parties.

408.C. Offers of Settlement

A respondent that is the subject of an investigation which has been referred to the Market Regulation Department Enforcement Group for prosecution may submit for consideration by the Panel a written offer of settlement in disposition of such matter. Such submission may be made at any time prior to the Panel commencing deliberations at a contested hearing of the case. No offer of settlement may be submitted by a respondent to the Panel unless the Market Regulation Department supports the offer.

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

The respondent's written offer of settlement and the Market Regulation Department's supporting statement shall be submitted to the Panel for consideration.

The Market Regulation Department shall, in writing, notify the respondent of the names of the individuals originally appointed to the Panel to consider respondent's settlement offer at least seven days in advance of the originally scheduled hearing date. Parties to the hearing may request the Hearing Panel Chair to strike any panelist for good cause shown. The Hearing Panel Chair may then excuse such panelist and direct that an alternate panelist be appointed. In the sole discretion of the Panel Chair, the hearing may be conducted with less than a full Panel provided a quorum exists.

In the event any panelist is added, the Market Regulation Department shall provide all parties reasonable notice regarding the new panelist. The addition of a new panelist will not delay the scheduled hearing date unless the panelist is added less than five days in advance of the scheduled hearing and a party can demonstrate good cause for the requested delay.

A respondent may withdraw an offer of settlement at any time prior to the start of the hearing on the proposed settlement before the Panel. If the Panel accepts the offer, a written decision setting forth the Panel's findings and sanction shall be issued, and written notice of the decision shall be given to the respondent. If the offer of settlement is accepted, the BCC's decision shall be final on the date it is signed by the Hearing Panel Chair and, unless otherwise ordered by the Panel, it shall become effective two business days after it becomes final.

If the Panel 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 Panel, 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. No statements made or documents exchanged by the parties solely in the context of a withdrawn or rejected offer of settlement or during any settlement negotiations shall be admissible in any contested hearing.

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Any subsequent offers of settlement shall be heard by the same Panel; however, alternate panelists may be appointed in the event of scheduling conflicts. Any contested hearing following an offer of settlement not accepted by the Panel 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 Panel's decision if the offer is accepted; the respondent also waives any claim of bias or prejudgment on the part of the Panel.

408.D. Contested Hearings

The Market Regulation Department shall be a party to the contested hearing and shall present evidence in support of the charged Rule violation(s). The Market Regulation Department and the members of the Panel may question any witness and examine all the evidence stipulated to or presented at the hearing. The respondent shall be entitled to appear personally, testify, produce evidence, call witnesses on his behalf and cross-examine any witness. The Hearing Panel Chair may exclude any witness, other than a party or other essential Person, during the opening statements or during the testimony of any other witness.

The Market Regulation Department bears the burden of establishing the basis for a finding of guilt on any charge by a preponderance of the evidence. Formal rules of evidence shall not apply. The parties may offer such evidence as is relevant to the charges at issue. The Hearing Panel Chair shall determine the admissibility of evidence offered and may exclude evidence that he deems irrelevant or cumulative. The Hearing Panel Chair has the discretion to vary the structure and presentation of evidence to make the hearing as efficient as possible. The parties may submit stipulated facts in order to make the hearing more efficient.

The hearing may proceed in the absence of a respondent who, after due notice, fails to appear. However, the failure to appear is not a default if the respondent has filed a written answer denying the charges issued. Accordingly, Market Regulation still bears the burden of proof and must present evidence to meet that burden.

All testimony and documents produced in connection with a disciplinary hearing shall be deemed non-public and confidential and shall not be disclosed except in connection with proceedings resulting from that hearing or as required by law. A recording or other substantially verbatim record of the hearing shall be made by Market Regulation or a court reporter hired by Market Regulation and become part of the record of the proceeding. If a respondent requests a transcript, he shall be solely responsible for the cost of producing the transcript. No other means of recording the proceedings will be permitted absent written agreement of the parties or pursuant to an order of the Hearing Panel Chair.

A majority vote of the Panel is required for a finding of guilt. A respondent that is found not guilty shall not again be charged with or tried for the same underlying conduct. In the event of a finding of guilt, the Panel, in a separate sanctioning phase, must allow both parties to present arguments and information regarding the appropriate nature and amount of a sanction prior to determining such sanction. In the absence of exceptional circumstances, as determined by the Hearing Panel Chair, the sanctioning phase shall proceed immediately upon the conclusion of the evidence and determination of the committee.

The BCC's decision shall be final on the date it is signed by the Hearing Panel Chair. The BCC's decision shall become the final decision of the Exchange after the appeal period has lapsed.

408.E. Decisions

Promptly following a hearing, BCC Panel shall issue to the Market Regulation Department and to respondent a written decision of the Panel's findings, which shall include: the notice of charges (or a summary thereof); the answer to the charges, if any (or a summary thereof); a brief summary of the evidence produced at the hearing; a statement of findings and reasoned conclusions with respect to each charge, including the specific Rules which the respondent is found to have violated; a declaration of any penalty imposed and the effective date of such penalty; and the availability, if any, of an appeal of the decision within the Exchange or to the Commodity Futures Trading Commission.

409. LETTERS OF WARNING

Market Regulation Department staff may issue warning letters to Persons under investigation in lieu of recommending action by a Disciplinary Panel. A warning letter issued in accordance with this Rule is not a penalty or an indication that CME SEF has found a violation to have occurred. Any letter of warning issued must be included in the Market Regulation Department's investigation report.

410. [RESERVED]

411. APPEAL TO A HEARING PANEL OF THE BOARD OF DIRECTORS

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The Market Regulation Department may 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 PCC to issue those charges requested by the Market Regulation Department, by filing a written notice of appeal with the Exchange Legal Department within 10 business days after receiving notice of such decision, sanction or refusal. A copy of such notice of appeal shall be provided to the Respondent at the time it is filed with the Legal Department, unless it is an appeal of the PCC decision not to issue charges in which case no notice is required. Filing of a notice of appeal by the Market Regulation Department shall stay any decision that is appealed unless the Chairman of the Board or the BCC Hearing Panel Chair from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A Member found guilty of an offense or otherwise aggrieved by a final decision of the BCC, may appeal to an Appellate Panel provided that the decision assesses a monetary sanction (including a fine, disgorgement or restitution) greater than $25,000 and/or an access denial or suspension of any membership privileges for greater than ten business days against the Member. The notice shall be filed in writing with the Exchange's Legal Department within 10 business days after Notice of any such decision. A copy of such notice shall be provided to the Market Regulation Department at the time it is filed with the Legal Department. Filing of a notice of appeal by a Member shall stay the decision appealed unless the Market Regulation Department objects to such a stay and the Chairman of the Board or the BCC Hearing Panel Chair from which the appeal is taken specifically directs that the decision is not stayed pending appeal.

A notice of appeal must specify the grounds for the appeal and the specific error(s) or impropriety of the original decision. Upon receiving the notice of appeal the parties, in conjunction with the Exchange Legal Department shall determine a briefing schedule for the appeal. If agreement on the schedule cannot be reached the Appellate Panel Chair shall set the schedule. The Appellate Panel Chair shall determine, in his sole discretion, whether to hold oral argument on the appeal or whether to decide the appeal on the papers submitted by the parties

The appellate hearing shall be limited to the record from the appealed proceeding. The Appellate Panel shall not entertain any new evidence or new legal theory not raised in the prior proceeding except upon a clear showing by the appellant that such new evidence or new legal theory did not exist or was not ascertainable by due diligence at the time of the proceeding, and that there was insufficient time within the intervening period prior to the hearing of the Appellate Panel for the appellant to bring such new evidence or legal theory to the attention of the BCC or the PCC, as applicable.

The Appellate Panel shall review the investigation report in connection with the appeal of a refusal by the PCC to issue those charges requested by the Market Regulation Department.

No member of the Board may serve on a particular Appellate Panel if he participated on the PCC Panel that issued, or considered issuing, the charges, or on the BCC Panel that issued the decision, or if he has a personal, financial, or other direct interest in the matter under consideration or is a member of the same broker association as the respondent or potential respondent.

The Chairman of the Board shall appoint a director to serve as the Appellate Panel chairman, who shall conduct the hearing, and two additional directors to serve on the Appellate Panel. One of these directors shall be a non-member. Any party to the appeal may request the Chairman of the Board to strike any director for good cause shown. The Chairman of the Board may then excuse such director and shall then select an alternate director from the Board. An Appellate Panel shall consist of directors that possess sufficiently diverse interests so as to ensure fairness.

The Appellate Panel 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 CME SEF Rules.

In the case of an appeal of a disciplinary decision, the Appellate Panel 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 Appellate Panel'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 Appellate Panel's determination of the order or penalty to be imposed, if any. The decision of the Appellate Panel shall be deemed a decision of the Board and shall be a final decision of CME SEF. If a disciplinary sanction results from the decision of the Appellate Panel, the party against whom such sanction was imposed shall be notified of its potential ability to appeal to the Commodity Futures Trading Commission.

In the case of an appeal by the Market Regulation Department of a decision by the PCC not to issue those charges requested by the Market Regulation Department, the Appellate Panel shall either affirm or

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set aside the decision of the PCC. If the decision is set aside, the Appellate Panel shall issue the charges it deems appropriate or remand the matter to the same Panel of the PCC for the issuance of charges. If the decision is affirmed, the Appellate Panel shall direct that no further action be taken and such decision shall be deemed a decision of the Board and shall be a final decision of CME SEF.

This Rule shall not apply to appeals of Arbitration Committee decisions, which shall be governed by the Rules contained in Chapter 6.

412. RESERVED

413. SUMMARY ACCESS DENIAL ACTIONS

413.A. Authority to Deny Access

The Chief Compliance 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 CME SEF, may order that: 1) any party be denied access to any or all CME Group markets, including CME SEF; 2) any party be denied access to the Globex platform; 3) any party be denied access to any other electronic trading or clearing platform owned or controlled by CME Group; or (4) any Participant be immediately removed from any trading floor or facility owned or controlled by CME Group.

413.B. Notice

Promptly after an action is taken pursuant to Rule 413.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. The party shall be advised of his right to a hearing before a panel of the BCC ("Panel") by filing notice of intent with the Market Regulation Department within 10 business days of receiving notice of the action taken.

413.C. Hearing

Parties shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any CME SEF disciplinary committee, a member 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 the procedures in Rule 408.A. Filing of a notice of intent pursuant to Rule 413.B. shall not stay the Chief Compliance Officer's decision to deny access.

413.D. Duration of Access Denial

Any decision to deny access pursuant to Rule 413.A. or Rule 413.C. shall not remain in effect for more than 60 days unless the Chief Compliance 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 413.B. Any subsequent extension of the access denial pursuant to this Rule must be mutually agreed to by the party and the Chief Compliance Officer or his delegate. In the absence of such mutual agreement, the Market Regulation Department may petition the BCC to take emergency action pursuant to Rule 402.C. At any time, a Participant may petition the BCC to reconsider an access denial pursuant to this Rule based upon materially changed circumstances.

414. INVESTIGATIONS BY OTHER SELF-REGULATORY ORGANIZATIONS

If a self-regulatory organization that is a party to an information sharing agreement with CME SEF requests assistance in connection with an investigation, the Chief Compliance Officer may direct a party subject to the jurisdiction of CME SEF to submit to an examination by the requesting self-regulatory organization and to produce information pertinent to that investigation. The request for assistance shall describe the investigation, explain why CME SEF assistance is necessary and describe the scope of assistance sought. An order directing a party subject to the jurisdiction of CME SEF pursuant to Rule 418 to submit to an examination shall be issued unless the Chief Compliance Officer determines that such order would not be in the best interests of CME SEF. An examination pursuant to such order shall be conducted according to CME SEF Rules and shall be conducted on CME Group premises under the direction of Market Regulation Department staff. At the discretion of the Chief Compliance Officer, representatives of the requesting self-regulatory organization may observe and participate in the examination. Failure to comply with an order issued under this Rule shall be an offense against CME SEF.

415. COOPERATION WITH OTHER EXCHANGES, SWAP EXECUTION FACILITIES 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:

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A. an exchange, swap execution facility, data repository, other regulatory organization, a third-party data reporting service or clearing organization that is a party to an information sharing agreement with CME SEF, in accordance with the terms and conditions of such agreement;

B. a duly authorized foreign regulator or governmental entity in accordance with an information-sharing agreement executed either with the Commission or CME SEF; or

C. the Commission, upon request, in a form and manner that the Commission approves.

416. CONFLICTS OF INTEREST

416.A. Abstention Requirements

A member of a charging, adjudicating, or appeal committee or panel must abstain from participating in any matter where such member:

1. Is a witness, potential witness, or a party;

2. Is an employer, employee, or co-worker of a witness, potential witness, or a party;

3. Has any significant personal or business relationship with a witness, potential witness, or a party, not including relationships limited to (a) executing swap transactions opposite each other, or (b) clearing swap transactions through the same clearing member; or

4. Has a familial relationship to a witness, potential witness, or a party.

416.B. Disclosure of Relationship

1. Prior to the consideration of any matter involving a subject, each member of a charging, adjudicating, or appeal committee or panel must disclose to the appropriate CME Group Legal Department or Market Regulation staff whether he or she has one of the relationships listed in Rule 416.A. above with the subject.

2. In its sole discretion, the CME Legal Department staff shall determine whether any member of the committee or panel is required to abstain in any matter.

417. PROHIBITED COMMUNICATIONS

417.A. *Ex Parte* Communications

Unless on notice and opportunity for all parties to participate:

1. No subject or respondent (or any counsel to or representative of a subject or respondent) or the Financial and Regulatory Surveillance Department (or any counsel to or representative of the Financial and Regulatory Surveillance Department) or the Market Regulation Department (or any counsel to or representative of the Market Regulation Department) shall knowingly make or cause to be made an ex parte communication relevant to the merits (which shall not include scheduling and procedural matters) of an investigation or a proceeding to a member of a charging, adjudicatory, or appeal committee or panel with respect to that matter or proceeding.

2. No member of a charging, adjudicating, or appeal committee or panel that is participating in a decision with respect to an investigation or a proceeding shall knowingly make or cause to be made to a subject or respondent (or any counsel to or representative of a subject or respondent) or the Financial and Regulatory Surveillance Department (or any counsel to or representative of the Financial and Regulatory Surveillance Department) or the Market Regulation Department (or any counsel to or representative of the Market Regulation Department) an ex parte communication relevant to the merits (which shall not include scheduling and procedural matters) of that matter or proceeding.

417.B. Communications with Panelists

No Person shall attempt to influence disciplinary matters pending before a charging, adjudicatory, or appeal committee by discussing, or attempting to discuss, such pending matters with a member of such committee or any member of the Board.

417.C. Disclosure

Any Person who receives, makes or learns of any communication which is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Market Regulation Department or the Financial and Regulatory Surveillance Department, as applicable, and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this Rule if the Person

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refuses an attempted communication concerning the merits of an investigation or proceeding as soon as it becomes apparent that the communication concerns the merits.

418. CONSENT TO CME SEF JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of CME SEF 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 CME SEF and agrees to be bound by and comply with the Rules of CME SEF in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

419.-31. [RESERVED]

432. GENERAL OFFENSES

It shall be an offense:

A. to have an interest in, operate or knowingly act on behalf of a bucket-shop, or knowingly make any transaction with a bucket-shop;

B. 1. to engage, or attempt to engage, in fraud or bad faith;

2. to engage in conduct or proceedings inconsistent with just and equitable principles of trade;

C. to engage in dishonest conduct;

D. to create or report a false or fictitious trade;

E. to extort or attempt extortion;

F. to buy or sell any swap with the intent to default on such purchase or sale;

G. to prearrange the execution of transactions in CME SEF products for the purpose of transferring equity between accounts;

H. to engage in, or attempt to engage in, the manipulation of prices of CME SEF products; to intentionally or recklessly use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud; or to purchase or sell, or offer to purchase or sell CME SEF products or any underlying commodities or securities, for the purpose of upsetting the equilibrium of the market or creating a condition in which prices do not or will not reflect fair market values;

I. to make a verbal or written material misstatement to the Board, a committee, or CME Group employees;

J. to intentionally or recklessly deliver or cause to be delivered, or attempt to deliver or cause to be delivered false, misleading or inaccurate information concerning market information or conditions that affect or may affect the price of any CME SEF product or its underlying commodity;

K. to trade or accept performance bonds after insolvency;

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

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

3. to fail to produce any books or records requested by duly authorized CME Group staff, in the format and medium specified in the request, within 10 days after such request is made or such shorter period of time as determined by the Market Regulation Department in exigent circumstances;

M. to use or disclose, for any purpose other than the performance of an individual's official duties as a member of any committee or the Board of Directors, any non-public information obtained by reason of participating in any Board of Directors or committee meeting or hearing;

N. to fail to comply with all disclosure requirements set forth in applicable SEF Rules, and CFTC, SEC and NFA Rules and Regulations.

O. for a Participant to permit the use of facilities or privileges in a manner that is detrimental to the interest or welfare of CME SEF or results in a violation of CME SEF Rules or the Commodity Exchange Act;

P. for a Participant to fail to maintain minimum financial requirements;

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Q. to commit an act which is detrimental to the interest or welfare of CME SEF or to engage in any conduct which tends to impair the dignity or good name of CME SEF;

R. to fail to comply with a final arbitration award;

S. to fail, after hearing, to comply with an order of the Board, CME Group Market Regulation staff or any hearing committee;

T. to engage in dishonorable or uncommercial conduct;

U. except where a power of attorney or similar document has been executed, for any party to accept or transmit a customer order which has not been specifically authorized;

V. to be expelled from a U.S. or foreign designated commodities or securities exchange;

W. for any party to fail to diligently supervise its employees and agents in the conduct of their business relating to CME SEF;

X. to aid or abet the commission of any offense against CME SEF or any violation of a CME SEF Rule;

Y. to use improperly the Globex platform or any electronic trading or clearing platform owned or controlled by CME Group or permit the unauthorized use of such platforms;

Z. for a Participant to fail to disclose to his qualifying Clearing Member that an involuntary bankruptcy petition has been filed against him or, in the case of a voluntary bankruptcy proceeding, that he has filed or has formed a definite intention to file for bankruptcy; and/or

433. STRICT LIABILITY FOR THE ACTS OF AGENTS

Pursuant to Section 2(a)(1)(B) of the Commodity Exchange Act, and notwithstanding Rule 432.W., the act, omission, or failure of any official, agent, or other Person acting for any party within the scope of his employment or office shall be deemed the act, omission or failure of the party, as well as of the official, agent or other Person who committed the act.

434. [RESERVED]

435. EFFECT OF SUSPENSION OR EXPULSION

Unless otherwise determined by the committee with jurisdiction over such matters, a suspended or expelled Participant shall not be entitled to any of the privileges of being a Participant during the period of such suspension or expulsion, including, but not limited to, the right to:

A. direct and indirect access to the Globex platform or any other electronic trading or clearing platform or facility owned or controlled by CME Group;

B. Access to the CME SEF

C. Participant rates;

436. [RESERVED]

437. NOTICE OF DISCIPLINE

Notice shall be made available to an internet accessible computer database at the National Futures Association and shall be provided to any Participant who is suspended, expelled, disciplined or denied access to CME SEF within 30 days after the decision becomes final. The notice shall include the Participant's name, the Rule(s) violated, the reason for CME SEF's action and the action taken or penalty imposed.

438. [RESERVED]

439. PARTICIPANT'S INDEMNIFICATION LIABILITY

A Participant or former Participant shall indemnify and hold harmless CME SEF and CME Group Inc., including each of their respective subsidiaries and affiliates (collectively, the indemnified parties) and their officers, directors, employees, and agents, for any and all losses, damages, costs and expenses (including attorneys' fees) incurred by the indemnified parties as a result (directly or indirectly) of such Participant's violation or alleged violation of CME SEF Rules or state or federal law.

440. CLAIMS BY PARTICIPANTS

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A Participant who commences a legal action against CME SEF, its directors, officers, employees, or agents, or another Participant without first resorting to and exhausting the procedures established by the mandatory arbitration provisions of Chapter 6 (including appeals to the Board), or any other Rules relating to settlement of disputes arising out of transactions or matters pertaining to CME SEF shall be deemed to have committed an act detrimental to the interest or welfare of CME SEF. This Rule shall not abrogate an individual's right to reparations pursuant to Section 14 of the Commodity Exchange Act.

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

441. COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL MATERIAL

Promotional material and similar information issued by Participants shall comply with the requirements of National Futures Association Rule 2-29, as amended.

442. NOTIFICATION OF SIGNIFICANT EVENTS

Each Participant that is a Clearing Member shall also provide immediate notice to the Market Regulation Department and to the Clearing House, in writing upon becoming aware of any of the following events relating to such Participant:

1. any suspension, expulsion, revocation or restriction of such Participant's trading privileges or any fine in excess of $25,000, through an adverse determination, voluntary settlement or otherwise, by any court, commodity or securities exchange or related clearing organization, the Securities and Exchange Commission, the Commodity Futures Trading Commission or the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country, the National Futures Association, the Financial Industry Regulatory Authority, Inc. or any self-regulatory or regulatory organization;

2. any indictment of the Participant or any of its officers for, any conviction of the Participant or any of its officers of, or any confession of guilt or plea of guilty or nolo contendere by the Participant or any of its officers to 1) any felony or 2) any misdemeanor involving, arising from, or related to the purchase or sale of any commodity, security, futures contract or other financial instrument or involving or arising from fraud or moral turpitude; and/or

3. any filing of a bankruptcy petition or insolvency, receivership or equivalent proceeding of which the Participant is a subject. In the case of a voluntary bankruptcy, insolvency, receivership or equivalent proceeding, the Participant also shall notify the Market Regulation Department and the Clearing House when such Participant forms a definite intention to file such proceeding.

Nothing in this Rule shall limit or negate any other reporting obligations that any Person may have to CME SEF or any other regulator or person.

443. [RESERVED]

444. PAYMENTS OF DISCIPLINARY FINES, DISGORGEMENT ORDERS AND RESTITUTION

Disciplinary fines, disgorgement and restitution amounts ordered by a CME SEF disciplinary committee must be submitted to the Market Regulation Department no later than the date specified in the notice of decision . An individual or entity who fails to provide proof of payment within the time prescribed will forfeit the following privileges until the payment has been received by the Market Regulation Department: 1) access to all CME Group markets, including CME SEF; 2) access to the Globex platform; and 3) access to any other electronic trading or clearing platform owned or controlled by CME Group. Any firm that fails to make the required payment within the time prescribed will automatically forfeit preferred fee treatment for its proprietary trading until the payment has been received by the Market Regulation Department. Any party that fails to make the required payment shall immediately forfeit eligibility for any CME SEF incentive or rebate program until the amount is paid in full. Any party that fails to pay a disciplinary fine, disgorgement order or restitution amount within the prescribed time period may also be subject to sanctions pursuant to Rule 432.S.

Parties may, subject to a determination by the sanctioning entity, be liable for unpaid fines or unpaid disgorgement orders and restitution amounts imposed upon their employees.

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Chapter 5 - Qualifications for Execution and Trading Practices

500. SCOPE

This Chapter 5 prescribes rules concerning access privileges, qualifications for Execution Privileges, and trading practices.

501. AUTHORIZED TRADERS

Each Participant must designate one or more Authorized Traders in accordance with the requirements of Rule 104. Authorized Traders will be responsible for all SEF Activity conducted on behalf of a Participant.

502. INFORMATION PROVIDED BY PARTICIPANTS

Each Participant must provide CME SEF with the following information at onboarding:

1. the applicant's LEI;
2. whether the applicant is a Swap Dealer;
3. whether the applicant is a Major Swap Participant;
4. whether the applicant is a financial entity as defined in CEA section 2(h)(7)(C); and
5. whether the applicant is a U.S. person;

Participants must promptly notify CME SEF of any changes to information provided under Rule 502.

TRADING QUALIFICATIONS AND REGULATIONS

512. REPORTING INFRACTIONS

512.A. General

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

512.B. Sanctions

1. Except as otherwise provided in Rule 536, the Chief Compliance Officer or his designee shall have the authority to impose summary fines on parties who have consented to the jurisdiction of CME SEF pursuant to Rule 418. Summary fines shall not exceed $5,000 per offense for individuals or $10,000 per offense for firms for the inaccurate, incomplete or untimely submission of data, records or information required to be submitted to CME SEF or the Clearing House.
2. Individuals and 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.

512.C. Hearings and Appeals

If the Chief Compliance Officer or his designee determines that evidence submitted by an individual or firm pursuant to Section B.2. is insufficient to support the requested rescission or reduction of the fine, the individual or 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 (BCC Panel) 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 CME SEF staff's discretion;
2. In excess of CME SEF staff's authority or jurisdiction; or
3. Based on a clearly erroneous application of CME SEF 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 Probable Cause Committee.

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513. [RESERVED]

514. RECORDING OF COMMUNICATIONS

CME SEF may record conversations and retain copies of all electronic communications by and between CME SEF on the one hand, and Participants, Authorized Traders, Authorized Brokers, Authorized Managers and Customers on the other hand, in any form or manner including but not limited to communications via SEF Platforms, the RFQ System, instant messaging, voice communication, Written communication or through other platforms or means as used from time to time, or any data or communications related to SEF Activity. Participants shall retain such records as necessary to comply with CFTC Regulation 1.35, and such records may be retained by CME SEF or a Regulatory Services Provider in compliance with applicable law or in such manner and for such periods of time as CME SEF may deem necessary or appropriate.

515. DIRECT ACCESS BY CUSTOMERS, NON-PARTICIPANTS PROHIBITED

No Participant shall provide or allow to be provided direct access to CME SEF to any Customer or non-Participant. All Orders, quotes and Trades must be entered into CME SEF by Authorized Traders using assigned Trader IDs.

516.-19 [RESERVED]

TRADING PRACTICES

520. TRADING CONFINED TO CME SEF FACILITIES

All trading in CME SEF products must occur on or through CME SEF facilities and in accordance with CME SEF rules.

521. REQUIRED TRANSACTIONS

A. Execution Methods - Each Required Transaction that is not a Block Trade shall be executed through i) the Order Book, or ii) an RFQ System. Pursuant to CFTC Regulation 37.9(a)(2)(B), the RFQ System shall operate in conjunction with the Order Book as outlined in this Rule 521.

B. Order Book - A Participant may indicate if a bid or offer posted on the Order Book is firm or indicative. Firm bids or offers may be posted on the Order Book only in the name of a Clearing Member or on behalf of a person that has a Clearing Member guarantee for such Swaps.

C. RFQ System -

i. RFQs transmitted through the RFQ System by a Requestor shall be made to the Required Number of Recipients in regard to a Required Transaction.

ii. Along with the first responsive bid or offer from any Recipient in regard to a Required Transaction, CME SEF shall provide the Requestor with any Resting Quote pertaining to the same Swap.

iii. CME SEF will ensure its trading protocols provide every Participant with equal priority in:

a. sending RFQs; and
b. transmitting and displaying for execution Orders in response to RFQs (Responsive Orders).

522. [RESERVED]

523. PERMITTED TRANSACTIONS

CME SEF may provide various execution methods for Permitted Transactions. A Permitted Transaction submitted into CME SEF and in compliance with all written record requirements established by CME SEF shall be deemed to have been executed on CME SEF and subject to all SEF Rules insofar as applicable.

524. [RESERVED]

525. PRE-EXECUTION CREDIT CHECKS.

(a) With respect to a Cleared Swap executed on CME SEF or to be executed subject to SEF rules, CME SEF will not accept an RFQ or Order from or on behalf of any Participant (or its Customer), or permit the execution of a trade for or on behalf of any Participant (or its Customer) if:

(i) the Clearing Member for such Participant or Customer has not committed, pursuant to one or more procedures to be adopted by CME SEF, that it will accept financial responsibility for clearing any trade resulting from such RFQ or Order, or any executed trade through such Clearing Member at the relevant Clearing House; or

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(ii) the relevant Clearing House has notified CME SEF that the Clearing Member is at such time not eligible to submit such trade (or transactions generally) for clearing at such Clearing House.

(b) Clause (a)(i) above will not apply where the Participant (or its Customer) is itself the Clearing Member.

526. BLOCK TRADES

A. Block Trades are privately negotiated transactions initiated and executed outside of the Order Book or the RFQ System and as such, will not trigger unexecuted Orders in the Order Book.

B. Each party to a Block Trade shall comply with all Rules applicable to Transactions other than those which by their terms apply only to Required Transactions executed on or through the Order Book or RFQ System.

C. A Block Trade shall be entered into solely by an ECP, satisfy any appropriate minimum block size requirements as may be implemented by CME SEF under this Rule, and comply with CFTC Regulation 43.6. Implemented appropriate minimum block size requirements are set forth in the Block Trade Level Table in the Interpretations Section at the end of Chapter 5.

D. The Participants to a block trade or, in the case of a brokered transaction, the Authorized Broker or an Authorized Manager handling the block trade, must ensure that each block trade is reported to CME SEF in a manner prescribed by CME SEF and as soon as technologically practicable after execution but in any event within twelve minutes of the time of execution.

E. An Order for a Block Trade must explicitly indicate that the Order is to be executed or executable as a Block Trade.

F. Orders may not be aggregated across multiple accounts or multiple Participants in order to meet any appropriate minimum block size requirement for a Block Trade, except that (i) a commodity trading advisor registered with the Commission pursuant to the Act or excluded or exempt from registration under the Act or the CFTC Regulations, except for entities exempt under CFTC Regulation 4.14(a)(3); (ii) an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940 or with a state pursuant to applicable state law or excluded or exempt from registration under the Investment Advisers Act of 1940 or applicable state law or rule; (iii) a bank, insurance company, trust company, or savings and loan association subject to federal or state regulation; (iv) a foreign adviser that exercises discretionary trading authority solely over the accounts of non-U.S. persons, as defined in CFTC Regulation 4.7(a)(1)(iv); (v) a futures commission merchant registered with the Commission pursuant to the CEA; or (vi) an introducing broker registered with the Commission pursuant to the CEA., if otherwise authorized to arrange Block Trades on CME SEF and granted investment discretion to do so, may aggregate Orders across multiple accounts or multiple Participants to meet any appropriate minimum block size requirement for a Block Trade.

G. Block Trades are, and each party to a Block Trade is, subject to all applicable CME SEF books and records requirements. Each party to a Block Trade shall upon a request from the CME SEF produce satisfactory evidence that the Block Trade meets the requirements set forth in this Rule and any additional requirements implemented under this Rule.

H. A Participant transacting a Block Trade on behalf of a customer must receive prior written instruction or consent from the customer to enter the Block Trade. Such written consent may be in the form of a power of attorney or other grant of discretionary trading authority.

527. ERRORS AND MISHANDLING OF CUSTOMER ORDERS

Any Participant that mishandles any Order or who executes an Order in error is responsible for all remedial actions and potential losses incurred with respect to such Order.

528. SWAP DATA REPOSITORY AND COMMISSION REPORTING

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A. CME SEF will transmit swap transaction and pricing data to CME SDR for all Trades (including accepted block trades) executed on or pursuant to the rules of CME SEF as soon as technologically practicable after execution in compliance with Part 43 and Part 45 of the CFTC Regulations. As required in CFTC Regulation 43.3(b)(3), the SEF Platform will not disclose swap transaction and pricing data to Participants before it has transmitted such data to CME SDR. Participants should be aware that the trading screen may in some circumstances disclose transaction and pricing data prior to such data being displayed in CME SDR; however, such disclosure will only be to Participants and will occur with respect to all Participants at once, without discrimination. CME SEF will record and report to the CFTC all data required to be reported to the CFTC under Part 16 of the CFTC Regulations in the form and manner required by such regulations. The parties to a Trade will be responsible for compliance with their own reporting obligations, if any, with respect to such Trade under applicable CFTC Regulations.

B. If a reporting party becomes aware of an error or omission in the swap transaction or pricing data which was reported to CME SDR by CME SEF with respect to such swap, the reporting party shall promptly submit corrected data to CME SEF.

C. To the extent counterparties to a trade executed on or pursuant to the rules of CME SEF do not identify which counterparty is the reporting party, or CME SEF cannot otherwise determine from the information provided which counterparty is the reporting party under CFTC Regulation 45.8, CME SEF will assign the seller counterparty as the reporting party.

529. WITHHOLDING ORDERS PROHIBITED

No person entering orders on the Globex or CME Direct platform shall withhold or withdraw from the market any order, or any part of an order, for the benefit of any person other than the person placing the order.

530. PRIORITY OF CUSTOMERS' ORDERS

A Participant shall not buy (sell) a swap contract for his own account, an account in which he has a direct or indirect financial interest, or an account over which he has discretionary trading authority when he is in possession of an executable order for another person to buy (sell) a swap contract in the same product, regardless of the platform. All contract months in a given swaps product shall be considered the same product for the purposes of this rule.

The foregoing shall not apply to DRT orders provided that the customer has previously consented in Writing and evidence of such general consent is provided upon request.

No person shall enter an order into the Globex or CME Direct platform for his own account, an account in which he has a direct or indirect financial interest or an account over which he has discretionary trading authority, including, without limitation, an order allowing discretion as to time and price, when such person is in possession of any order for another person that the Globex or CME Direct platform is capable of accepting.

531. TRADING AGAINST CUSTOMERS' ORDERS PROHIBITED

531.A. General Prohibition

No person in possession of a customer order shall knowingly take, directly or indirectly, the opposite side of such order for his own account, an account in which he has a direct or indirect financial interest, or an account over which he has discretionary trading authority.

531.B. Exceptions

The foregoing restriction shall not apply to the following:

1. Transactions executed in accordance with Rule 527.A to resolve errors;

2. Block trades executed pursuant to Rule 526;

3. On the Globex or CME Direct platform, a person may knowingly trade against his customer order for his own account, an account in which he has a direct or indirect financial interest, an account over which he has discretionary trading authority, or a proprietary account of his employer, only if the customer order has been entered immediately upon receipt and has first been exposed on the Globex or CME Direct platform for a minimum of 15 seconds; and

4. Transactions where the customer has consented in writing no more than 12 months prior to the transaction to waive the application of Rule 531.A.

532. DISCLOSING ORDERS PROHIBITED

With the exception of transactions executed in accordance with the requirements of Rules 526 and 539, no person

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shall disclose another person's order to buy or sell except to a designated CME SEF official or the CFTC, and no person shall solicit or induce another person to disclose order information. An order for execution is not considered public until it has been bid or offered in the execution venue. No person shall take action or direct another to take action based on non-public order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this rule.

533. SIMULTANEOUS BUY AND SELL ORDERS FOR DIFFERENT BENEFICIAL OWNERS

A Participant or Authorized Broker who is in possession of both buy and sell Orders for different beneficial owners for the same product and expiration month, may execute such Orders for and directly between such beneficial owners provided that on the Globex or CME Direct platform, one Order is exposed for a minimum of 15 seconds. An Order allowing for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite another Order entered by the same firm only if this other Order has been entered immediately upon receipt and has been exposed on the Globex or CME Direct platform for a minimum of 15 seconds.

534. WASH TRADES PROHIBITED

No person shall place or accept buy and sell orders in the same product and expiration month, where the person knows or reasonably should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales). Buy and sell orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash trades. Additionally, no person shall knowingly execute or accommodate the execution of such orders by direct or indirect means.

535. [RESERVED]

536. RECORDKEEPING REQUIREMENTS FOR GLOBEX OR CME DIRECT, AND NEGOTIATED TRADES

536.A. Globex or CME Direct Order Entry

1. General Requirement

Each Authorized Trader, Authorized Manager or Authorized Broker entering orders into Globex or CME Direct shall input for each order: a) the user ID assigned him by CME SEF, a clearing member or other authorized entity b) the price, actual notional or principal amount (which must be input as the contract unit value in which the swap trades) quantity, product, expiration month, CTI code, and account number (except as provided in Section C.). The Globex or CME Direct terminal operator's user ID must be present on each order entered. For a Globex or CME Direct terminal operator with access pursuant to Rule 574, clearing members authorizing such access will be responsible for the Globex or CME Direct terminal operator's compliance with this rule.

With respect to orders received by a Globex or CME Direct terminal operator which are capable of being immediately entered into Globex or CME Direct, no record other than that set forth above need be made. However, if a Globex or CME Direct terminal operator receives an order which cannot be immediately entered into Globex or CME Direct, the Globex or CME Direct terminal operator must prepare a written order and include the account designation, date, time of receipt and other information required pursuant to section A.1. above. The order must be entered into Globex or CME Direct when it becomes executable.

536.B. Customer Type Indicator (CTI) Codes

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

CTI 2: Applies to non-agency orders entered by a participant.

CTI 4: Applies to an agency order entered by a participant.

536. C. [RESERVED]

536.D. Negotiated Trades

All orders executed in accordance with Required and Permitted transactions, unless otherwise exempted by rule, are subject to the recordation requirements pursuant to Section A.1.

536.E Recordings

Unless specifically exempted by the Market Regulation Department or designated CME SEF staff, each Participant, Authorized Manager or Authorized Broker shall keep records of all communications that relate to or result in swap transactions and make such records available upon request to CME SEF, the Regulatory Services Provider, or the CFTC. Participants, Authorized Managers and Authorized Brokers are permitted to utilize recording devices that meet

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reasonable standards with respect to quality and reliability and allow for comprehensive, accurate and timely reconstruction of all relevant communications.

536.F. Retention of Records

Each Participant, Authorized Broker, Authorized Manager or Customer, and employees of the foregoing must keep full, complete and systematic records, including records created or transmitted electronically, together with all pertinent data and memoranda, of all transactions relating to its business of dealing in swap transactions in accordance with CFTC Regulation 1.35. Such records must be retained for a minimum of five years in permanent form, and shall at all times be open to inspection by CME SEF staff or any representative of the CFTC or the United States Department of Justice, and to the Securities and Exchange Commission in regard to swaps as defined in section 1a(47)(A)(iv) of the Act.

CME SEF may require a Participant or Authorized Manager to furnish (periodically or on a particular occasion) information concerning the Participant's SEF Activity or open trading positions, swaps to which the Participant is a party, or other information related to SEF Activity.

537. DATA SUBMITTED TO CME SEF

(a) Subject to each market participant's rights with respect to its own data, CME SEF shall own all rights, title and interest, database rights and trade secret rights in and to all trade data and related information submitted in connection with trading on CME SEF, and which is not collected or received for the purpose of fulfilling regulatory obligations. CME SEF has the exclusive right to use, distribute, sub-license, disclose and sell anonymized trade data and derivative works in any manner, media and jurisdiction. Market participants shall not redistribute trade data or derivative works based thereon unless licensed by CME SEF. The restriction on redistribution shall not apply to a market participant's own data.

(b) Proprietary data or personal information collected or received by CME SEF for the purpose of fulfilling regulatory obligations shall not be disclosed publicly other than on an aggregated or anonymized basis, or in a manner that does not directly or indirectly identify any market participant who has submitted such data. Regulatory data may not be used by CME SEF for business or marketing purposes unless the market participant has clearly consented to the use of such data in such manner. Access to CME SEF will not be conditioned upon a market participant's consent to data collected or received for the purpose of fulfilling regulatory obligations being used for business or marketing purposes. Nothing in this Rule shall preclude CME SEF from disclosing data pursuant to a valid subpoena or court order, or as otherwise required by law.

538. [RESERVED]

539. PREARRANGED, PRE-NEGOTIATED AND NONCOMPETITIVE TRADES PROHIBITED

539.A. General Prohibition

No person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction, except in accordance with Sections B. and C. below.

539.B. Exceptions

The foregoing restriction shall not apply to block trades pursuant to Rule 526.

539.C. Pre-Execution Communications Regarding Globex or CME Direct Trades

Parties may engage in pre-execution communications with regard to transactions executed on the Globex or CME Direct platform where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the order under the following circumstances:

1. A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
2. Parties to pre-execution communications shall not (i) disclose to a non-party the details of such communications or (ii) enter an order to take advantage of information conveyed during such communications except in accordance with this rule.
3. In the case of orders, the first party's order must be entered into the Globex or CME Direct platform first and the second party's order may not be entered into the Globex or CME Direct platform until a period of 15 seconds has elapsed from the time of entry of the first order.

540. RESPONSIBILITY FOR CUSTOMER ORDERS

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540.A. Standard of Responsibility

A Participant or Authorized Broker shall exercise due diligence in the handling and execution of customer orders. Failure to act with due diligence shall constitute negligence. In the case of a dispute as to whether a Participant or Authorized Broker has exercised due diligence, the appropriate arbitration or disciplinary committee is authorized to determine whether the Participant or Authorized Broker was negligent and, if so, whether an adjustment is due to the customer. The committee may take into consideration the nature of the order and existing market conditions at the time the Participant or Authorized Broker acted or failed to act. However, no market condition nullifies a Participant's or Authorized Broker's responsibility to exercise due diligence.

A Participant or Authorized Broker is prohibited from directly or indirectly guaranteeing the execution of an order or any of its terms such as the quantity or price. A Participant or Authorized Broker may only report an execution that has been effected through the Globex or CME Direct platform, or has been executed as a permissible privately negotiated transaction. This rule shall not be construed to prevent a Participant or Authorized Broker from assuming or sharing in the losses resulting from an error or the mishandling of an order.

540.B. Liability for Negligence

A Participant or Authorized Broker may not adjust the price at which an order was executed or be held responsible for executing or failing to execute an order unless such Participant or Authorized Broker was negligent or is settling a bona-fide dispute regarding negligence.

A Participant or an Authorized Broker firm may not compel an adjustment from a Participant or an Authorized Broker in the absence of a bona-fide dispute regarding negligence.

Clearing members shall document all adjustments. Clearing members shall make and retain a record which contains the date the adjustment was received, the name of the Participant or Authorized Broker making the adjustment, the account to which the adjustment was credited, the amount of the adjustment, the order number and the reason for the adjustment. Such records must be provided to the Market Regulation Department upon request.

541-46. [RESERVED]

547. DISCRETIONARY ORDERS

Other than DRT orders, no Participant shall accept an Order that gives more latitude than price and time in execution of the Order.

The above restriction shall not apply to those orders:

1. placed by another Participant for an account owned by such Participant; and
2. placed for proprietary accounts of Participants firms.

548. PRIORITY OF EXECUTION

Non-discretionary customer orders received by a Globex or CME Direct terminal operator shall be entered into Globex or CME Direct in the sequence received. Non-discretionary orders that cannot be immediately entered into Globex or CME Direct must be entered when the orders become executable in the sequence in which the orders were received.

549-52. [RESERVED]

553. AVERAGE PRICE SYSTEM

553.A. Application of Average Prices

CME SEF'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 swaps 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 swaps.

553.B. Requirements for APS Trades

A clearing member may have CME SEF calculate average prices or a clearing member may calculate average prices internally for contracts executed on CME SEF. 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 CME SEF at the executed price.
3. If a clearing member computes and confirms the average price to its customers, it must compute the weighted

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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.

553.C. 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.

553.D. 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.

554-58.[RESERVED]

559. POSITION LIMITS AND EXEMPTIONS

The position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table (Table) in the Interpretations Section at the end of Chapter 5.

A person seeking an exemption from position limits must apply to the Market Regulation Department on forms provided by CME SEF. In order to obtain an exemption from position limits, a person must:

1. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation §1.3(z)(1), risk management positions or arbitrage/spread positions;
2. Provide a complete and accurate explanation of the underlying exposure related to the exemption request;
3. Agree to promptly provide, upon request by the Market Regulation Department, information or documentation regarding the person's financial condition;
4. [RESERVED]
5. Agree to comply with all terms, conditions or limitations imposed by the Market Regulation Department with respect to the exemption;
6. Agree that the Market Regulation Department may, for cause, modify or revoke the exemption at any time;
7. Agree to initiate and liquidate positions in an orderly manner;
8. Agree to comply with all CME SEF rules; and
9. Agree to promptly submit a supplemental statement to the Market Regulation Department whenever there is a material change to the information provided in the most recent application.

A person intending to exceed position limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from the Market Regulation Department 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 Market Regulation Department shall not be in violation of this rule provided the filing occurs within five (5) business day after assuming the position except in circumstances where the Market Regulation Department directs a person to file prior to the fifth business day. In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant and clearing firm will be in violation of speculative limits for the period of time in which the excess positions remained open.

The Market Regulation Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Market Regulation Department may approve, deny, condition or limit any exemption request based on factors deemed by the Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

Nothing in this rule shall in any way limit (i) the authority of CME SEF to take emergency action; or (ii) the authority of the Market Regulation Department 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 the Table.

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A person who has received written authorization from the Market Regulation Department to exceed position limits must annually file an updated application not later than one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.

559.A. Bona Fide Hedging Positions

The Market Regulation Department may grant exemptions from position limits for bona fide hedge positions as defined by CFTC Regulation §1.3(z)(1).

Approved bona fide hedgers may be exempted from emergency orders that reduce position limits or restrict trading.

559.B. Risk Management Positions

The Market Regulation Department may grant exemptions from the position limits for risk management positions. For the purposes of this rule, risk management positions are defined as swaps positions which are held by or on behalf of an entity or an affiliate of an entity which typically buys, sells or holds positions in the underlying cash market, a related cash market, a related over-the-counter market, or a related futures market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between the swaps market and the underlying market in question.

559.C. Arbitrage and Spread Positions

The Market Regulation Department may grant exemptions from the position limits for arbitrage, intracommodity spread, intercommodity spread, and eligible option/swaps spread positions.

559.D. Aggregation of Positions

1. Positions to be Aggregated - The position limits in the Table shall apply to all positions in accounts for which a person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in the Table shall also apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.

2. Ownership of Accounts – Except as set forth in Section E. below, any person holding positions in more than one account, or holding accounts or positions in which the person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such accounts or positions unless such person is a limited partner, shareholder, member of a limited liability company, beneficiary of a trust or similar type of pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the person is a commodity pool operator, controls the commodity pool's trading decisions, or has an ownership or equity interest of 25% or more in a commodity pool whose operator is exempt from registration with the CFTC.

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

Positions carried in the separate account or accounts of independent account controllers shall not be aggregated for position limit purposes provided that person can demonstrate independent control and knowledge of trading and positions.

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

559.F. Violations

Violations of position limits and approved exemption limits are subject to the provisions of Rule 562.

560. POSITION ACCOUNTABILITY

A person who owns or controls positions in contracts traded on CME SEF or cleared by the Clearing House shall keep records, including records of their activity in the underlying commodity and related derivative markets, and make such records available, upon request, to CME SEF.

Upon request by the Market Regulation Department, such person shall also provide information relating to the positions owned or controlled by that person including, but not limited to, the nature and size of the position, the trading strategy employed with respect to the position, and hedging information, if applicable.

For purposes of this rule, all positions in accounts for which a person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Additionally, positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding shall be treated the same as if the positions were held by a single person.

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If the person from whom such records or information is requested fails to comply as directed, the Market Regulation Department may order the reduction of such position, in addition to taking disciplinary action as a result of such failure.

A person who exceeds position accountability or position limit levels as a result of maintaining positions at more than one clearing firm shall be deemed to have waived confidentiality regarding his position and the identity of the clearing members at which the positions are maintained.

A person who holds or controls aggregate positions in excess of specified position accountability levels or in excess of position limits pursuant to an approved exemption shall be deemed to have consented, when so ordered by the Market Regulation Department, not to further increase the positions, to comply with any prospective limit which exceeds the size of the position owned or controlled, or to reduce any open position which exceeds position accountability or position limit levels. Any order to reduce an open position shall be issued by the Chief Compliance Officer or his designee, if he determines in his sole discretion, that such action is necessary to maintain an orderly market.

A clearing member that carries positions for another person shall be responsible for taking reasonable and diligent actions to effect the timely compliance with any order issued pursuant to this rule upon notification of such order by the Market Regulation Department.

All positions must be initiated and liquidated in an orderly manner.

561. REPORTS OF LARGE POSITIONS

The Market Regulation Department shall have the authority to request daily reports of open positions in instruments that are traded on CME SEF. These requests may be made to Clearing members or market participants. The reports shall be submitted in a form acceptable to the Market Regulation Department. CME SEF may require that more than one large trader report be submitted daily. Upon request by the Market Regulation Department, Clearing members or market participants must provide the Market Regulation Department with account identification, CFTC Form 40, and any additional account information deemed necessary for each reportable account.

562. POSITION LIMIT VIOLATIONS

Any positions in excess of those permitted under the rules of CME SEF shall be deemed position limit violations.

A clearing member shall not be in violation of this rule if it carries positions for its customers in excess of the applicable position limits for such reasonable period of time as the firm may require to discover and liquidate the excess positions. For the purposes of this rule, a reasonable period of time shall generally not exceed one business day.

A customer who exceeds the position limits as a result of maintaining positions at more than one clearing member shall be deemed to have waived confidentiality regarding his positions and the identity of the clearing members at which they are maintained. A clearing member carrying such positions shall not be in violation of this rule if, upon notification by the Market Regulation Department, it liquidates its pro-rata share of the position in excess of the limits or otherwise ensures the customer is in compliance with the limits within a reasonable period of time.

563.-73.[RESERVED]

GLOBEX OR CME DIRECT ELECTRONIC TRADING SYSTEM RULES

574. GLOBEX OR CME DIRECT ACCESS RESTRICTIONS

All connections to the Globex or CME Direct system 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.

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

Clearing members shall suspend or terminate a Person's Globex or CME Direct access if CME SEF determines that the actions of the Person threaten the integrity or liquidity of any contract or violate any CME SEF rule or the Act, or if the Person fails to cooperate in an investigation.

If a clearing member has actual or constructive notice of a violation of CME SEF rules in connection with the use of Globex or CME Direct 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 CME SEF.

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575. DISRUPTIVE PRACTICES PROHIBITED

All orders must be entered for the purpose of executing bona fide transactions. Additionally, all non-actionable messages must be entered in good faith for legitimate purposes.

A. No person shall enter or cause to be entered an order with the intent, at the time of order entry, to cancel the order before execution or to modify the order to avoid execution;

B. No person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to mislead other market participants;

C. No person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to overload, delay, or disrupt the systems of the Exchange or other market participants; and

D. No person shall enter or cause to be entered an actionable or non-actionable message with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.

To the extent applicable, the provisions of this Rule apply to electronic trading activity. Further, the provisions of this Rule apply to all market states, including the pre-opening period, the closing period and all trading sessions.

576. IDENTIFICATION OF GLOBEX OR CME DIRECT TERMINAL OPERATORS

Each Globex or CME Direct terminal operator shall be identified to CME SEF, in the manner prescribed by CME SEF, and shall be subject to CME SEF rules. If user IDs are required to be registered with CME SEF, 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 or CME Direct. 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.

577. [RESERVED]

578. LIMITATION OF LIABILITY, NO WARRANTIES

A. EXCEPT AS PROVIDED BELOW, CME SEF, THE CHICAGO MERCANTILE EXCHANGE ("CME"), THE BOARD OF TRADE OF THE CITY OF CHICAGO, INC. ("CBOT"), THE NEW YORK MERCANTILE EXCHANGE INC. ("NYMEX") THE BOARD OF TRADE OF KANSAS CITY, MISSOURI, INC. ("KCBT") (INCLUDING EACH OF THEIR RESPECTIVE SHAREHOLDERS), ALONG WITH THE MINNEAPOLIS GRAIN EXCHANGE ("MGEX") AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, MEMBERS, 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 CME SEF 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 PARTICIPANTS, AUTHORIZED BROKERS OR AUTHORIZED MANAGERS AND AUTHORIZED EMPLOYEES OF SUCH PERSONS, 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 CME SEF 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 CME SEF OR ANY CME SEF SYSTEMS, SERVICES OR FACILITIES; OR

(iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY CME SEF 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.

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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 CME SEF (INCLUDING THOSE PROVIDED BY ITS SUBSIDIARIES AND AFFILIATES), ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, AND LICENSORS RELATING TO ANY SYSTEMS OR SERVICES OF CME SEF OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE GLOBEX OR CME DIRECT SYSTEM.

C. ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF CME SEF OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH CME SEF (INCLUDING ITS SUBSIDIARIES AND AFFILIATES), OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS OR LICENSORS IS A PARTY SHALL BE ARBITRATED PURSUANT TO SEF RULES. ANY ARBITRATION SHALL BE BROUGHT WITHIN THE PERIOD PRESCRIBED BY SEF RULES. ANY OTHER ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OF THE ABOVE MUST BE BROUGHT WITHIN TWO 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 SEF 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. CME SEF, CME, CBOT, NYMEX AND KCBT MAY, IN THEIR SOLE DISCRETION, ASSUME RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE NEGLIGENCE OF GLOBAL COMMAND CENTER OR OTHER CME SEF, CME, CBOT, NYMEX OR KCBT 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 CME SEF, CME, CBOT, NYMEX AND KCBT 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 CME SEF RULES.

E. IN NO EVENT SHALL THE COLLECTIVE TOTAL AGGREGATE LIABILITY FOR CME SEF, CME, CBOT, NYMEX AND KCBT 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 CME SEF, CME, CBOT, NYMEX OR KCBT SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF CME SEF, CME, CBOT, NYMEX OR KCBT 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, CME SEF, CME, CBOT, NYMEX AND KCBT 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 CME SEF, CME, CBOT, NYMEX AND KCBOT 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 CME SEF RULES.

FOR THE PURPOSES OF THIS RULE AND RULE 588, 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 CME SEF, CME, CBOT, NYMEX OR KCBT 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

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FAILURE, MALFUNCTION, OR NEGLIGENT OPERATION OF GLOBEX OR ANY OTHER CME SEF, CME, CBOT, NYMEX OR KCBT SYSTEM, SERVICE OR FACILITY.

G. IN NO EVENT SHALL THE COLLECTIVE TOTAL AGGREGATE LIABILITY FOR THE CME SEF, CME, CBOT, NYMEX AND KCBT 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 588.F. IS REQUIRED IN ORDER FOR LOSSES TO BE CONSIDERED BY CME SEF, CME, CBOT, NYMEX AND KCBT PURSUANT TO THIS RULE.

579. GLOBAL COMMAND CENTER

579.A. Customer Support

The Global Command Center (GCC) provides customer support and problem management only to Participants, Authorized Brokers, Authorized Managers, clearing members, and customers designated by clearing members. In order to be eligible for GCC support, such persons must be a registered contact. The GCC provides customer support via a specified telephone number, email address, and instant messaging service during specified hours. GCC employees may not always be available to assist Registered Contacts. Persons other than Registered Contacts, customers of Participants, Authorized Brokers or Authorized Managers, must contact such person or their clearing member to make support requests.

579.B GCC Communications

As provided in Rule 578, CME SEF shall not be liable for any loss resulting from any inability to communicate with the GCC. The liability of CME SEF for the negligent acts of GCC staff shall be subject to the limitations and conditions of Rule 578. In no event, however, shall CME SEF 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.

579.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 a CME SEF 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 CME SEF for incorrect order status shall be subject to the limitations and conditions of Rule 578.

580. CME GLOBEX OR CME DIRECT TRADE MATCHING ALGORITHMS

The CME Globex or CME Direct 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 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.

581.-87.[RESERVED]

588. TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

588.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 578, and irrespective of the terms of any order entered into Globex or CME Direct, CME SEF shall not have any liability for losses resulting from price adjustments or trade cancellations by the GCC under this Rule.

588.B. Review of Trades

The GCC may determine to review a trade based on its independent analysis of market activity or upon request for

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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.

588.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, as described in Section H. 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 or duration, the price of the same or related contract established in another venue or another market, the market conditions at the time of the trade, 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

If the GCC determines that a trade price is outside the Non-Reviewable Range for a swaps contract (including swaps 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.

Cancelled trade prices, any prices that have been adjusted, and any trades that are price adjusted shall be inserted in the official time and sales record at the adjusted trade price.

588.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.

A trade that is not cancelled may not be reversed via a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with Rule 539.C.

588.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 CME SEF on an CME SEF claim form within five business days of the event giving rise to the claim. CME SEF 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 CME SEF 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.

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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 CME SEF.

To the extent that liability is denied, the party making the claim shall submit the claim to arbitration in accordance with Rule 622. 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 Chapter 6.

588.F. Permissible Responses to Phantom Orders

If the GCC has reason to believe that Phantom Orders as defined in Rule 578 have been or are being entered into any CME SEF 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 CME SEF 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 firm 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).

588.G. Schedule of Administrative Fees

When GCC cancels or price adjusts a trade, the party responsible for entering the order into the electronic trading system that gave rise to the trade cancellation or price adjustment shall pay an administrative fee to CME SEF in the amount of $500 for each such occurrence. If the party fails to pay the fee, the clearing member through which the trade was placed shall be responsible for payment of the fee.

588.H. Globex or CME Direct Non-Reviewable Trading Ranges

Non-reviewable trading price ranges are set forth in the Non-Reviewable Trading Ranges Table in the Interpretations Section at the end of Chapter 5.

589. REGULATORY SERVICES PROVIDER

CME SEF may contract with a Regulatory Services Provider to provide certain surveillance, investigative, and regulatory functions under the SEF Rules. CME SEF may provide information to the Regulatory Services Provider in connection with the performance of its functions. CME SEF shall retain exclusive authority in all substantive decisions made by the Regulatory Services Provider, including, but not limited to i) decisions involving the cancellation of trades, ii) the issuance of disciplinary charges against market participants, and iii) denials of access to the trading platform for disciplinary reasons. CME SEF shall remain in compliance with Commission Regulation 37.204 when utilizing the services of a Regulatory Services Provider.

Interpretations Section

Position Limit, Position Accountability and Reportable Level Table

Block Trade Level Table

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Non-Reviewable Trading Ranges Table

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Chapter 6 - Arbitration

JURISDICTION

600. DISPUTES SUBJECT TO CME ARBITRATION

600.A. Disputes

It is contrary to the objectives and policy of CME SEF to litigate certain CME SEF related disputes. Subject to the exceptions set forth in Rule 600.B below, the following disputes shall be subject to mandatory arbitration in accordance with the rules of this Chapter:

1. Claims between and among Participants, Authorized Brokers, Authorized Managers, their respective customers and/or Clearing Members that relate to or arise out of any transaction on or subject to the rules of the CME SEF;
2. Claims against CME SEF pursuant to the provisions of Rule 578.C. and/or 579.C., provided the claimant has complied with all pre-filing requirements under the applicable rule(s).

600.B. Exceptions

The requirements of Rule 600.A shall not apply in the event any potential parties have otherwise agreed in writing to submit a dispute to another dispute resolution mechanism or forum.

600.C. Waiver of Any Objection to Jurisdiction

Any claimant who submits a claim or grievance to arbitration or any claimant who appeals to a hearing committee of the Board from any panel decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the panel or hearing committee of the Board to hear and determine the claim or appeal.

600.D. Hearing Panel

Any claim shall be heard by a panel comprised of Participants and its decision shall be rendered in accordance with the rules of this Chapter. A Participant panel shall mean an arbitration panel consisting of a co-chairman of the Arbitration Committee and five Participants, as defined in the Definitions and Chapter 1 of these Rules.

601. CLAIMS

601.A. Initiation of Arbitration

A claimant shall file a completed arbitration and deposit the arbitration fee with CME SEF. Notice shall then be given to the person or entity against whom the claim is asserted, who shall respond to the claim in accordance with Rule 603.

Claims (and any counterclaims, cross-claims or third-party claims applicable thereto) that do not exceed $5,000 may, in the interests of efficiency and economy, be resolved without hearing. The panel shall render its decision based upon the parties' written submissions and any other relevant information obtained and provided to the panel and the parties at the direction of the chairman and/or the panel.

FILING PROCEDURES

602. INITIATING AN ARBITRATION CLAIM

A claimant may initiate a claim by submitting a written description of the dispute, a completed Arbitration Cover Sheet and depositing the appropriate arbitration fee with CME SEF within the period of eligibility for arbitration claims. The written claim shall include a clear description of the facts and circumstances involved in the dispute, including the transaction(s) or agreement(s) complained of, the names of the persons and firms alleged to be responsible for any loss to the claimant, the dates of all acts or omissions relevant to the claim, a detailed calculation of the amount claimed and any other information necessary to fully describe the dispute.

CME SEF shall reject for filing any claim that does not fully describe the dispute, is clearly filed after the period of eligibility has expired or is clearly not arbitrable at CME SEF. Such a claim will be promptly returned to the filing party with a notice describing the deficiency. A claimant seeking to correct the deficiency and file an amended claim may do so within 30 days of receiving notice describing the deficiency despite any expiration of the period of eligibility prescribed by Rule 609 during that 30-day period. The acceptance for filing by the Market Regulation Department shall not preclude a challenge to the arbitrability of the claim nor create a presumption that the claim is arbitrable.

603. ANSWERING AN ARBITRATION CLAIM

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Each respondent shall file a written response within 21 days after receipt of the written claim. However, if a party has timely filed a challenge to the arbitrability of the dispute, its response shall be due 21 days after receipt of the written decision confirming the arbitrability of the dispute.

The written answer must admit the claim or describe the respondent's basis for denying liability to the claimant(s). The answer may include an admission or denial of each specific allegation contained in the claim and/or the respondent's narrative description of the facts and circumstances involved in the dispute. A respondent may assert in an answer any defense that would be available in a court of law or equity, including any affirmative defense.

604. FAILURE TO ANSWER

A respondent's unexcused failure to file a timely answer shall constitute an admission of the facts alleged in a claim.

605. COUNTERCLAIMS, CROSS-CLAIMS AND THIRD-PARTY CLAIMS

A respondent may assert any counterclaim, cross-claim and/or third-party claim to the extent such claim would be allowable as an original claim under these rules and, in response to claims by a customer against a claimant, the claimant may assert any counterclaim, cross-claim and/or third-party claim arising out of the same transaction or incident that is the subject of the customer's claim. Each respondent must file any counterclaim, cross-claim or third-party claim at the same time an answer to a claim is due. Initiating counterclaims, cross-claims, third-party claims and answers thereto shall conform to the requirements for initiating and answering original claims.

A respondent who believes that another claimant may have a claim to any money or property which is the subject of a dispute in arbitration and that the failure of that other claimant to assert a claim in the pending arbitration could prejudice the interests of the respondent may submit a request to the chairman to compel the participation of the other claimant. If a claimant fails to file such claim after being ordered to assert that claim in the pending arbitration, then notwithstanding any other rule, that claimant shall be barred from asserting in the future any claim against the respondent that is based on the same transaction, occurrence or subject.

606. REVIEW OF ARBITRABILITY

Any party may file a challenge to the arbitrability of a dispute submitted for arbitration at the CME SEF. A party's failure to file a timely challenge to arbitrability shall waive any right to object thereafter to the arbitrability of the dispute.

A challenge to arbitrability by a claimant must be filed no later than 5 days after the claim is submitted for arbitration. A challenge to arbitrability by a respondent must be filed no later than 10 days after the respondent has received notice of the claim. The request must be in writing and state the reasons why the dispute is not arbitrable at the CME SEF. Any other party may file a written response in support of or opposition to the challenge no later than 10 days after receiving notice of the challenge to arbitrability.

The chairman may decide the arbitrability of a dispute based on his consideration of the written submissions of the parties. The chairman's decision shall be final and is not appealable.

607. CONSOLIDATION OF ARBITRATION DISPUTES

If a chairman receives notice that two or more arbitration disputes pending at the CME SEF are related, the chairman may order that any or all of the disputes be consolidated for purposes of conducting a hearing on the disputes. In determining whether to consolidate the disputes the chairman may consider the efficiencies of consolidation as well as the burdens and benefits to the parties in consolidating the disputes.

608. WITHDRAWAL OF CLAIMS

A. A party may voluntarily withdraw its claim, counterclaim, cross-claim or third-party claim without prejudice at any time before an answer thereto has been filed by notifying the Market Regulation Department in writing of such withdrawal.

B. After an answer to any claim, counterclaim, cross-claim or third-party claim has been filed, the claimant seeking to withdraw the claim, counterclaim, cross-claim or third-party claim must submit to the chairman a written request to withdraw with prejudice or upon such terms and conditions as may be imposed by the chairman.

C. A withdrawal with prejudice under this rule shall bar the claimant from re-filing any claim based on the same acts, transactions or omissions as the dismissed claim.

609. PERIOD OF ELIGIBILITY FOR ARBITRATION

An arbitration must be initiated within two years of the date the claimant knew or should have known of the dispute on which the claim is based, except that claims filed pursuant to Rule 600.A.2. must be submitted within 10 days of receiving notice that the CME SEF has refused to compensate the claimant for the claimed loss.

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Counterclaims, cross-claims and third-party claims must be submitted no later than the date on which the answer is due.

610. PARALLEL PROCEEDINGS

No claim will be accepted for arbitration at the CME SEF if the CME SEF receives notice that another arbitration, reparations action or civil court proceeding based on the same act, transaction or omission as the arbitration claim is pending at the time of filing.

No claim, counterclaim, cross-claim or third party-claim will be accepted for arbitration against a respondent if CME SEF has received notice that a stay exists due to the pendency of any bankruptcy proceeding against that respondent. If such a stay arises after a claim is accepted for arbitration or if CME SEF subsequently learns that such a stay is pending, the claim shall be dismissed without prejudice as to each respondent who is the subject of the stay. Nothing in this rule shall prevent a claim in arbitration from proceeding against any remaining respondent.

PRE-HEARING PROCEDURES

611. REQUESTS FOR DOCUMENTS, INFORMATION OR TESTIMONY

A. The initial schedule for document requests by parties and responses will be set by CME SEF. The chairman may require any party, or any person employed by or associated with a party to produce relevant documents in his possession or control at any time after a claim has been filed.

Upon the failure of a party to voluntarily produce relevant documents in its possession or control upon request by a party, the party seeking the documents may submit a written request to the chairman for an order compelling the production of such documents.

1. Any request for an order compelling production of documents must:

a. identify each document or type of document sought with as much specificity as possible;

b. explain the relevance of each document or type of document sought; and

c. include a representation that the requesting party has attempted to obtain the documents from the responding party before resorting to a request to the chairman.

2. The party against whom an order compelling production is sought shall:

a. produce copies of the requested documents to the requesting party and the CME SEF; or

b. represent in writing that the documents are not in his possession or control and explain the basis for such representation, and, if applicable, identify who is in possession or control of the requested documents; or

c. object in writing to a request and provide the basis for each objection.

B. In connection with any claim, counterclaim, cross-claim or third-party claim that seeks relief in excess of $50,000, any party may seek leave from the chairman to serve written requests for information on any other party. The chairman shall have discretion to determine whether and under what circumstances such requests may be permitted.

C. The chairman may require any party, or any person employed by or associated with a party, to appear and to testify at a hearing.

D. Whenever such production or appearance results from the request of a party, all reasonable costs and expenses incurred shall be borne by the party making the request, unless directed otherwise by the panel. A party who incurs costs and expenses recoverable under this rule may, no later than the close of the last hearing date in the matter, submit an application to the panel for such costs and expenses. Such application shall contain a detailed explanation of amounts claimed. The panel may grant or deny all or any portion of the application.

E. Any party or employee thereof failing to appear, testify, produce documents or provide information in accordance with this rule may be charged with a violation of Rule 432.

612. DOCUMENTS AND WITNESSES TO BE PRESENTED AT HEARING

No later than 10 business days prior to the first scheduled hearing, each party must provide every other party and the CME SEF with copies of all documents that the party intends to offer into evidence and a list of the names of all witnesses, including party-witnesses, who the party intends to call at the hearing in support of a claim or defense. Parties are not required under this rule to provide copies of those documents that they may use, or to identify any witnesses whom they may call, only in cross-examination or rebuttal.

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613. ADDITIONAL PROCEDURES

The chairman may establish any procedures not otherwise contemplated by these rules necessary to establish a just, equitable and efficient method of resolving a particular dispute, except that the chairman may not decide a motion to dismiss a claim, as motions to dismiss are not permitted under these rules.

HEARINGS

614. ARBITRATION PANEL

614.A. Appointment of Arbitration Panel

CME SEF shall select a panel of arbitrators from the CME SEF's Arbitration Committee to hear and decide a dispute. The panel shall consist of five arbitrators and one chairman.

614.B. Requests to Remove an Arbitrator

1. Each party may request the removal of any arbitrator(s) from a panel for good cause shown. Such request must be made no later than the start of testimony at the first scheduled hearing. Failure of a party to timely request the removal of any arbitrator(s) will be deemed a waiver of that party's right to any further objection to the arbitrator's participation in the hearing and decision of the dispute.
2. The chairman, after considering a request to remove an arbitrator, another party's objections thereto and/or the statements of an arbitrator whose removal is sought, may deny the request or excuse the arbitrator. The chairman's decision shall be final and may not be appealed.
3. If an arbitrator is excused prior to the date of the first scheduled hearing, the Market Regulation Department shall select another Arbitration Committee member to replace the excused arbitrator at the hearing. Parties may make any appropriate request for the removal of the replacement arbitrator under this rule.
4. If an arbitrator is excused on or after the date of the first scheduled hearing, the dispute may, at the election of the non-requesting party and with the consent of the chairman be heard and decided by the remaining arbitrators.

615. HEARING PROCEDURES

615.A. Chairman

The panel chairman shall preside over the proceeding and shall make such determinations on relevancy and procedure as will promote a fair and expeditious adjudication of any claim. The chairman may administer oaths or affirmations by witnesses.

615.B. Arbitrators

The arbitration panel shall consider all relevant, probative testimony and documents submitted by the parties. The panel shall be the sole judge of the law and the facts, but if the panel is in doubt as to any questions of law, it may refer the question to CME SEF legal counsel for an opinion. The panel shall not be bound by the formal rules of evidence. The final decision of the panel shall be by majority vote of the arbitrators, and the chairman shall vote only to resolve a tie.

615.C. Parties and their Representatives

Each party and his representative has the right to examine all relevant documents prior to and during the hearing, to present all relevant evidence in support of a claim or defense or as rebuttal to a claim or defense, and to question during the hearing witnesses presented in connection with a claim or defense. An entity may have one corporate representative of the entity, in addition to any counsel of record, attend the arbitration hearing. Such corporate representative will not be precluded from testifying in the matter.

615.D. Witnesses

All testimony offered to the panel will be under oath or affirmation. Witnesses will be permitted in the hearing room only while providing testimony to the panel. Witnesses shall testify in person at the hearing, except that for good cause shown and in the discretion of the chairman, a witness may be allowed to testify by telephone or other appropriate means.

615.E. Hearing Record

An audio recording of the proceeding shall be made. Unless otherwise ordered by a chairman of the Arbitration Committee, Business Conduct Committee or a duly appointed Hearing Panel of the Board of Directors, a copy of the audio recording will be released to a party only for the purpose of perfecting an appeal of a decision rendered by a

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Panel or upon application to confirm, vacate, modify or correct an award in a court of law. The requesting party shall bear the cost of copying the recording.

DECISIONS

616. AWARDS

616.A. Decision by Panel

After a hearing, or, on customer claims that do not exceed $5,000, upon consideration of the pleadings and other relevant information, the arbitration panel shall issue a written decision signed by the panel chairman and at least a majority of the panel. The panel may decide any matter in controversy and issue any order the panel deems necessary to fully resolve the dispute. The Market Regulation Department shall promptly serve copies on all parties. A monetary award made by the panel may include the following:

1. actual damages;
2. interest thereon;
3. punitive damages, awarded to a customer only after a determination that there has been willful and wanton misconduct in the execution or handling of an order, of no more than two times the amount of actual damages;;
4. the arbitration fee incurred by a prevailing party, or a portion thereof; and
5. all or any portion of the administrative costs of the proceeding and any other reasonable and necessary expenses, including, but not limited to, attorneys' fees (a) incurred by a party by reason of another party's frivolous or bad faith claim, defense, or conduct during the arbitration or (b) where a statutory or contractual basis exists for awarding such fees. Requests for attorneys' fees and costs incurred in the arbitration proceeding must be raised in the proceeding or they are waived.

616.B. Decision by the Chairman

The chairman may order a party who fails to prosecute or defend a claim to pay to the CME SEF all or a portion of its administrative costs incurred in connection with the arbitration claim.

616.C. Limitations on Monetary Awards

Monetary awards in claims filed pursuant to Rule 621 shall be limited as set forth in Rule 578.

617. CORRECTION OF AWARD

Any party may, within three days after receipt of the notice of decision, request the arbitration panel to modify or correct its decision where there has been an obvious material miscalculation or misdescription or where the notice is imperfect in a matter of form not affecting the merits of the dispute or decision.

618. SATISFACTION OF AWARD[1]

A party directed to pay an award shall submit payment of the amount due directly to the party receiving the award. An arbitration award must be satisfied within 15 days of receipt of the notice of decision. If a request is made to correct an award pursuant to Rule 617, the award must be satisfied within 15 days of receipt of the corrected notice of decision.

A party making payment must submit proof of payment to the Market Regulation Department no later than the business day following payment. An individual who fails to provide proof of payment within the time prescribed will forfeit the following privileges until proof of payment has been provided: 1) access to all CME Group markets; 2) access to the Globex platform; and 3) access to any other electronic trading or clearing platform owned or controlled by CME Group. An entity that fails to provide proof of payment within the time prescribed will forfeit preferred fee treatment for its proprietary trading. Any person subject to SEF Rules that fails to pay an arbitration award within the time prescribed may be subject to sanctions pursuant to Rule 432.R and may be immediately removed from any trading floor or trading platform owned or controlled by CME Group.

APPEALS

619. APPEALS

Any decision rendered in a dispute among parties resulting in a non-cash award or involving a claim, counterclaim, cross-claim or third-party claim that sought a recovery over $10,000 may be appealed to an appellate panel of the

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Board (Appellate Panel). All other decisions rendered by an arbitration panel are final and may not be appealed. In order to appeal a decision, a party must, within 10 days of receipt of the notice of decision, file with the CME SEF a written request stating the grounds for the appeal and the specific error or impropriety of the original decision based upon the standards set forth in Rule 620 and deposit the applicable fee established by the CME SEF. Within 15 days of receipt of the notice of decision, the appellant must deposit with the Market Regulation Department a cashier's or certified check payable to CME Group in the amount of any monetary award against such appellant.

Failure to timely comply with these requirements for appeal, when applicable, shall constitute a waiver of any right to appeal and render the arbitrators' decision final and binding.

Within 15 days after filing a request for an appeal, the appellant shall file with the CME SEF any argument and any documents or information that the appellant intends to use in support of the appeal. The appellee shall have 15 days thereafter to file whatever documents or information he intends to rely upon in opposition to the appeal. An extension beyond the 15-day filing period may be granted by the CME SEF upon a showing of good cause. In the case of a non-cash award, the filing of the notice of appeal shall not stay the decision appealed from unless the panel from which the appeal is taken or the Chief Compliance Officer specifically directs that the decision be stayed.

The appeal will be determined by an Appellate Panel consisting of three directors appointed by the Chairman of the Board, one of whom the Chairman of the Board shall designate as chairman of the Appellate Panel. No director may serve on an Appellate Panel if he has a personal or financial interest in the matter under consideration. A party may strike any member of the Appellate Panel for good cause shown as determined by the Chief Compliance Officer, in which event that director shall be excused and the Chairman of the Board shall then select an alternate director from the Board. Any meeting of the Appellate Panel shall require the presence, either in person or by telephone, of each director appointed to the Appellate Panel and shall be conducted by the chairman of the Appellate Panel.

The Appellate Panel may, by unanimous vote, determine that the appeal will be decided based solely upon the parties' written submissions, the record from the arbitration proceeding and any other relevant information provided by the parties to the Appellate Panel. Any information provided by one party must be provided to all parties to the appeal. Additionally, the parties may, upon unanimous consent, request that the Appellate Panel consider the matter based solely on the parties' written submissions, subject to the approval of the Appellate Panel.

620. STANDARDS AND PROCEDURES FOR REVIEW UPON APPEAL

In the following cases, the hearing committee may enter an order amending or vacating the award of the arbitration panel:

A. Where the award was procured by corruption, fraud or undue means;

B. Where there was evident partiality or corruption on the part of any of the arbitrators or the chairman;

C. Where the arbitrators were guilty of misconduct in refusing to hear relevant evidence; or of any other behavior by which the rights of any party have been prejudiced;

D. Where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the dispute submitted was not made; or

E. Where the arbitrators acted in manifest disregard of the applicable law, including CME SEF rules.

The hearing committee shall consider only the record made before the panel and any other evidence submitted by the parties relevant to A. through E. above. In the event that the hearing committee determines to vacate the award, the matter shall be resubmitted to a new panel of arbitrators for a rehearing. In the event that the hearing committee amends the award or denies the appeal, such decision of the hearing committee shall be final and binding.

ADDITIONAL CLAIMS

621. CERTAIN CLAIMS AGAINST CME SEF INVOLVING TRADING SYSTEMS OR SERVICES

621.A. General

All claims arising out of or relating to the following matters shall be arbitrated in accordance with the specific requirements of this Rule 621 and, to the extent not inconsistent with such requirements, the rules of this Chapter:

1. receipt of an incorrect order status or the failure to have received an appropriate order status; or

2. the negligence of GCC personnel or any other staff.

Nothing in Rules 621 or 622 shall be construed to create a claim against the CME SEF, to limit a defense available to the CME SEF, or to obviate or modify any limitation of CME SEF liability imposed by any other rule.

621.B. Initial Liability Claim and Demand for Arbitration

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The initial claim of loss, including a detailed description of any loss suffered, must be made to the CME SEF within ten business days of the date of the incident that caused the loss. The CME SEF shall have 30 business days to pay or deny the claim in whole or in part. If the CME SEF denies the claim in whole or in part, the claimant must file a written demand for arbitration with the CME SEF within ten business days after the CME SEF has notified the claimant of such denial. A claimant's failure to pursue its claim within these time limits shall bar any recovery on such claim.

621.C. Selection of Arbitration Panel

The arbitration panel shall consist of three non-Participant arbitrators from the CME SEF's Arbitration Committee. The panel shall choose a chairman.

621.D. Related Claims

All claims arising out of the same system failure, event or alleged negligent act shall, to the extent practicable in the determination of the chairman, be consolidated for a single hearing.

621.E. Award

Within 30 days of completion of the hearing, the panel shall issue a written decision. The award shall be limited to the lesser of the actual loss or the loss that would have been incurred if the claimant had used its best efforts to mitigate the loss. Punitive damages, loss of profits, loss of use, and indirect, incidental or consequential damages shall not be awarded. The decision of a majority of the panel shall be final and binding, and there shall be no appeal to a hearing committee of the Board of Directors. A party may move, within three business days of the award, that the award be corrected to remedy any miscalculation or misdescription or where the award is otherwise imperfect in a matter of form not affecting the merits of the award.

621.F. Satisfaction of Award by CME SEF

The CME SEF shall satisfy any award against it subject to its limitation of liability rules and the rules respecting proration among claimants where damages allowed for a defined period of time exceed any limit imposed by CME SEF rules. The CME SEF may delay paying any award until such time as any applicable proration or limitation can be finally calculated.

622. CLAIMS RELATING TO TRADE CANCELLATIONS OR PRICE ADJUSTMENTS

622.A. General

All claims relating to price adjustments or trade cancellations pursuant to Rule 588 shall be arbitrated in accordance with the specific requirements of this Rule 622 and, to the extent not inconsistent with such requirements, the rules of this Chapter.

622.B. Initiation of Claim

Any claim for loss under Rule 588 must first be submitted to the CME SEF as described in Rule 588.E. Following a denial of liability by a party responsible for a trade cancellation or price adjustment and by the clearing firm through which the trade was placed, the claimant may file an arbitration claim with the CME SEF. The Market Regulation Department shall administer the arbitration and provide notice to all parties.

The party alleged to have made the trade that caused the trade cancellation or price adjustment and the clearing firm through which that trade was placed both may be respondents in the arbitration. Any party responsible for a trade cancellation or price adjustment who is not otherwise subject to arbitration under these rules may voluntarily submit to such arbitration by filing a submission agreement with the CME SEF within 21 days of that party's receipt of notice of the referral to arbitration. In the absence of the voluntary submission to arbitration by such party, the arbitration shall proceed solely against the clearing firm through which the trade was placed, and that firm shall be liable for any damages awarded by the panel.

622.C. Related Claims

All claims arbitrable under this rule that arise out of a trade cancellation or price adjustment that was caused by the same incident shall, to the extent practicable in the determination of the chairman, be consolidated for a single hearing.

622.D. Award

Within 30 days of completion of the hearing, the panel shall issue a written decision signed by a majority of the arbitrators. Except as provided below, the claims shall be limited to realized losses. Any award shall be made jointly and severally against the respondents. In the event the panel finds the respondent(s) liable for the full amount of the claim, the panel shall also award the claimants their costs and attorneys' fees incurred in connection with arbitrating the claim.

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Punitive damages, loss of profits, loss of use, and indirect, incidental or consequential damages shall not be awarded. The decision of a majority of the panel shall be final and may not be appealed. A party may move, within three business days of the award, for an order correcting or modifying the award to remedy any miscalculation or misdescription or where the award is otherwise imperfect in a matter of form not affecting the merits of the award.

MISCELLANEOUS

623. RIGHT TO COUNSEL

Every person is entitled to represent his own interests, be represented by an attorney at law of his choosing and at his own expense who is admitted to practice before the highest court in any State, or be represented by any other non-compensated representative at any stage of an arbitration proceeding at the CME SEF. An entity must be represented by an officer or owner of the entity or by an attorney at law.

624. COMPUTATION OF TIME

For the purposes of this Chapter, when a period of time is prescribed by a number of days, and not a specific date, the first day counted for the time prescribed is the day after notice is received or other event giving rise to the period of time occurs. Any submission is due or the time to take action shall lapse by the close of business on the last day counted, unless the last day is a weekend or CME SEF holiday, in which case the due date shall be the next following day the CME SEF is open for business.

For time periods of five days or less only days the CME SEF is open for business will be counted. For all other time periods calendar days will be counted.

625. SUBMISSIONS TO OR COMMUNICATIONS WITH THE PANEL

Any submission for consideration by a chairman or panel must be submitted to the CME SEF with copies simultaneously served on each other party or designated representative of a party.

After a dispute has been submitted for arbitration, a person filing the claim or required to respond to the claim and any person asked to provide documents, information or testimony in connection with such claim shall not contact any member of a panel appointed to hear the claim for any purpose related to the dispute described by the claim.

626. ARBITRATION FEES

Any person submitting an arbitration claim or appealing a decision of an arbitration panel shall remit the applicable fees as may be determined by the CME SEF at the time of submission or appeal, in order for such action to be effective.

ARBITRATION COMMITTEE

627. ARBITRATION COMMITTEE

Each member of the Arbitration Committee shall:

A. Be appointed by the Board Chairman on an annual basis;

B. Pledge to the CME SEF that he will not publish, divulge, or make known in any manner any facts or information which may come to his attention while performing his duties as a member of the Arbitration Committee, except when reporting to the Board, or to a committee concerned with such information, or when called upon to respond in any judicial or administrative proceeding;

C. Comply with the standards of the American Bar Association-American Arbitration Association's Code of Ethics for Arbitrators in Commercial Disputes which the CME SEF hereby adopts as its own code of ethics for arbitrators;

D. Pledge to immediately disclose any matter, relationship or interest with any party or the subject of a dispute which may affect the arbitrator's ability to be, or create the appearance that the arbitrator is not, impartial in deliberating and deciding a dispute; and

E. Promptly give notice of any ex parte communication directed to such Arbitration Committee member which is prohibited by Rule 625.

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Chapter 7 – Force Majeure

701. 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. CMEG SEF 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, Participants, Authorized Brokers and Authorized Managers to notify CME SEF 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.

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Chapter 8 - Clearing

800. CLEARING HOUSE

(a) CME SEF shall submit all Cleared Swaps to a Clearing House in accordance with the terms of any Clearing Services Arrangement between CME SEF and the Clearing House. CME SEF may discontinue the clearance of Cleared Swaps through a Clearing House in accordance with the terms of any such Clearing Services Agreement.

(b) The clearing services provided by a Clearing House with respect to a Cleared Swap will be governed by the rules, policies and procedures of the applicable Clearing House.

(c) The Clearing House Rules shall prevail in the event of any conflict or inconsistency between these Rules and such Clearing House Rules.

801. CLEARING MEMBERS

(a) Each Clearing Firm is bound by the Clearing House Rules of any Clearing House of which such Clearing Firm is a member.

(b) Clearing Membership: The Clearing House may specify the qualifications of any member of the Clearing House authorized to clear Cleared Swaps. The designation of Clearing Member eligible to clear Cleared Swaps will be set forth in the Swap Specifications of each product.

802. CLEARED SWAPS

(a) All trades in Cleared Swaps executed or submitted for clearing pursuant to the rules of CME SEF shall be guaranteed by a Clearing Member of the Clearing House.

(b) Each Participant must be a Clearing Member of a DCO where Cleared Swaps are cleared, or have a clearing account with a Clearing Member to allow the Participant to transact in Cleared Swaps.

803. FAILURE TO CLEAR

(a) If a Cleared Swap is submitted to a Clearing House and fails to clear, the trade will be void *ab initio*. In the event a trade is cancelled, CME SEF agrees to submit notice of such cancellation to the SDR.

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Chapter 9 – [Reserved]

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Chapter 10: US Midwest Busheling Ferrous Scrap (AMM) Swap (BUW)

10100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all swap contracts bought or sold on CME SEF for cash settlement based on the Floating Price (as defined below). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of CME SEF or other rules as referred to therein.

10101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the price assessment ("Index") published on the 10th of that given calendar month for the US Midwest Busheling Ferrous Scrap by American Metal Market ("AMM"). If the 10th falls into a holiday or weekend, the price will settle on the immediate following business day.

10102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by CME SEF.

10102.A. Trading Schedule

The hours of trading for this contract shall be determined by CME SEF.

10102.B. Trading Unit

The contract quantity shall be 20GT. Each contract shall be valued as the contract quantity multiplied by the settlement price.

10102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per gross ton. The minimum price fluctuation shall be $0.01 per gross ton. There shall be no maximum price fluctuation.

10102.D. Termination of Trading

Trading shall terminate on the 10th calendar day of the contract month. If the 10th calendar day falls into a holiday or weekend, the price will settle on the immediate following business day. Business days are based on the US Public Holiday calendar.

10103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

10104. CLEARING GUARANTEE

No order or trade in this contract may be entered or executed upon any CME SEF platform unless a NYMEX Clearing Member, as the term is defined under NYMEX Rules, guarantees and assumes complete responsibility for the financial obligations of the participant on whose behalf such order or trade is entered.

10105. DISCLAIMER

NEITHER CHICAGO MERCANTILE EXCHANGE INC. ("CME"), ITS AFFILIATES NOR AMM ("AMERICAN METAL MARKET") GUARANTEES THE ACCURACY NOR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN. CME, ITS AFFILIATES OR AMM MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING AND/OR CLEARING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. CME, ITS AFFILIATES AND AMM MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CME, ITS AFFILIATES OR AMM HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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Chapter 11: Transco Zone 6 Natural Gas (Platts IFERC) Fixed Price Swap (XZW)

11100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all swap contracts bought or sold on the CME SEF for cash settlement based on the Floating Price (as defined below). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the CME SEF or other rules as referred to therein.

11101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the price assessment, which is the bidweek (average) price for Transco Zone 6 N.Y. published in the Platts' Inside FERC ("IFERC") Gas Market Report under the "Northeast" heading in the "Index" column of the table entitled "Market Center Spot Gas Prices" for the corresponding contract month.

11102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by CME SEF.

11102.A. Trading Schedule

The hours of trading for this contract shall be determined by CME SEF.

11102.B. Trading Unit

The contract quantity shall be 2,500 million British thermal units ("MMBtu"). Each swap contract shall be valued as the contract quantity multiplied by the settlement price.

11102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be $0.0001 per MMBtu.

11102.D. Termination of Trading

The contract shall terminate on the last business day of the month prior to the contract month.

11103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

11104. CLEARING GUARANTEE

No order or trade in this contract may be entered or executed upon any CME SEF platform unless a NYMEX Clearing Member, as the term is defined under NYMEX Rules, guarantees and assumes complete responsibility for the financial obligations of the participant on whose behalf such order or trade is entered.

11105. DISCLAIMER

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