ICE FUTURES U.S.
55 East 52nd Street
New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 14-33
April 22, 2014

Ms. Melissa Jurgens
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to Chapter 2 (Membership Rules), Chapter 27 (Electronic Trading Rules), Definitions and Bylaw Section 5.1 and 5.7
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("Exchange" or "ICE") hereby submits by certification amendments to the Bylaws and Rules Annexed as Exhibit A, which update the Exchange's membership rules and structure to more accurately reflect the trading rights held by market participants, eliminate categories of membership that have become obsolete and streamline the membership process. The amendments will become effective on May 31, 2014.

The Exchange currently has three main categories of members—NYBOT Members, Energy Members and Clearing Members. The Exchange is renaming the Energy Member/Energy Member Firm as the IFUS Member/IFUS Member Firm, in recognition of the fact that the holders of Energy memberships are not limited to trading only energy products, but may trade all Exchange contracts. In addition, to streamline the application process for firms seeking membership in this category, the requirement to have membership "conferred" by an individual member affiliated with the firm has been eliminated so that firms seeking membership may apply to, and be approved by, the Exchange directly. There are no amendments being made to the NYBOT Member and Clearing Member category or applicable requirements.

The amendments also address two other aspects of the membership rules—trading permits and direct access members. The predecessor exchanges to ICE previously issued a fixed number of transferable trading permits --Option Trading Permits, Finex Trading Permits and Finex Europe Trading Permits (collectively "Trading Permits") to individuals that held floor trading privileges, as specified in Rule 2.38. Each Trading Permit initially authorized its holder to execute by open-outcry, on the trading floor of the Exchange, futures contracts and/or options on futures contracts for customers, but only in the types of contracts authorized by the particular category of Trading Permit held. There were no restrictions on proprietary trading conducted by a Permit Holder. The Exchange subsequently extended to Permit Holders the right to execute on the trading floor customer transactions in all Exchange contracts without regard to the particular Trading Permit they held. Because the Exchange no longer offers open- outcry

trading and all transactions are executed electronically, the Trading Permits have come to serve no function. As a consequence, the market for transferring Trading Permits has been essentially dormant for many years and the Exchange has determined to eliminate the Trading Permits and to grant each Permit Holder an IFUS Membership. Accordingly, references to the Trading Permits have been eliminated from Chapter 2 of the Rules, the Definitions and Bylaw Sections 5.1 and 5.7.

The Exchange also has determined to eliminate the category referred to as Direct Access member. In October 2012, in connection with the listing of OTC energy contracts as Exchange futures contracts, the Exchange adopted Rule 2.08 establishing this category, which offered a shortened form of application process (compared to the then Energy Membership or the NYBOT Membership) for market participants that were seeking a direct connection to the Exchange, as such persons were deemed "members" under CFTC regulations. No applications were received and the Exchange therefore is eliminating Rule 2.08 and all references to Direct Access Members in Chapters 2 and 27 of the Rules and in the Definitions.

The Exchange certifies that the amendments are consistent with the CEA and the rules and regulations promulgated by the Commission thereunder. The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (https://www.theice.com/notices/RegulatoryFilings.shtml). The Exchange is not aware of any substantive opposing views.

If you have any questions or need further information, please contact the undersigned at 212-748-4083 or Audrey.hirschfeld@theice.com.

Sincerely,

Audrey R. Hirschfeld
SVP & General Counsel

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

[In the text below additions are underscored and deletions overstruck]

MEMBERSHIP RULES

TABLE OF CONTENTS

Rule	Subject
	REQUIREMENTS
2.01	Qualifications
2.02	~~Energy~~IFUS Membership
	APPLICATION PROCEDURES
2.03	Application
2.04	Notice of Application
2.05	Review of Application
2.06	Election to Membership; Reinstatement; Rejection
2.07	Conditions for Denial
2.08	Eligibility Requirements and Application Procedure
	MEMBER FIRMS
2.09	Eligibility for Member Firm Privileges; Conditions for Denial
2.10	Application for Member Firms
2.11	Member Firm Annual Fees
2.12	Cancellation of Member Firm Privileges
2.13	Termination of Member Firm Privileges
	CLEARING MEMBERS AND GUARANTORS
2.14	Application and Qualification of Clearing Members
2.15	Reserved
2.16	Reserved
2.17	Reserved
	FLOOR TRADING PRIVILEGES
2.18	Qualifications and Requirements for Floor Trading Privileges
2.19	Application
2.20	Notice of Application
2.21	Granting of Floor Trading Privileges
2.22	Termination of Floor Trading Privileges
2.23	Reserved
	NYBOT MEMBERSHIP SALES AND TRANSFERS

2.24 Security Interest and Disposition of Proceeds from Sale of a Membership and Required Shares
2.25 General Transfer Procedure; Beneficial Interest
2.26 Sole Membership Transfer Procedure

DUTIES OF MEMBERS

2.27	Duties of Member-Elect
2.28	Duties of All Members
2.29	Member Violations
2.30	Reserved
2.31	Reserved
2.32	Reserved
2.33	Duty to Supervise
2.34	FCM Member Firm Financial and Reporting Requirements
2.35	Service of Papers
2.36	Reserved
2.37	Expenses of Lawsuits Brought Against the Exchange by Members
2.38	~~NYBOT Trading Permits~~Reserved
2.39	Market Specialists
2.40	Cross Margining Privileges
2.41	Exchange Broker Fee Payment Policy

RESOLUTIONS

No. 1	Statement of Policy Concerning Conduct

ICE FUTURES U.S. ®, INC.

MEMBERSHIP RULES

REQUIREMENTS

Rule 2.01. Qualifications

To be eligible to become and remain a holder of an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership ~~or a NYBOT Trading Permit,~~ a ~~p~~Person must (i) if a~~be a~~ natural person, be at least twenty-one (21) years of age, of good character, reputation and business integrity with adequate financial resources to assume the responsibilities and privileges of being a Member ~~Membership~~, and (ii) if a Firm, be of good reputation and business integrity with adequate financial resources to assume the responsibilities and privileges of being a Member.~~.~~

Rule 2.02. ~~Energy~~IFUS Membership

(a) The Exchange hereby establishes a class of Trading Membership pursuant to Section 5.1(a)(ii) of ~~Annex A to~~ the Bylaws that shall be known as "~~Energy~~IFUS Membership" and shall have the rights, privileges and obligations set forth herein.

(b) ~~Energy~~IFUS Members and IFUS Member Firms will be permitted to trade in all ~~Energy~~ Commodity Contracts listed or traded on the Exchange or subject to the Rules.~~, as well as all other Commodity Contracts traded on the Exchange or subject to the Rules~~.

(c) For the avoidance of doubt, NYBOT Members will also be permitted to trade in all ~~Energy~~ Commodity Contracts listed or traded on the Exchange or subject to the Rules.

(d) Notwithstanding anything to the contrary in the Rules, ~~Energy~~IFUS Memberships shall not be permitted to be transferred or sold by or to a Member or prospective member at any time. ~~Energy~~IFUS Members shall not be required to own, acquire or pledge Required Shares to the Exchange or to acquire a Trading Membership from another person.

(e) The Exchange may permit a NYBOT Member to convert its NYBOT Membership to an ~~Energy~~IFUS Membership, on terms and pursuant to procedures adopted by the Exchange.

APPLICATION PROCEDURES FOR ~~ENERGY MEMBERSHIP,~~ NYBOT MEMBERSHIP AND IFUS MEMBERSHIP~~, AND NYBOT TRADING PERMIT~~

Rule 2.03. Application

(a) An individual applying to be a holder of an ~~Energy~~IFUS Membership~~,~~ or NYBOT Membership ~~or NYBOT Trading Permit~~ must file with the Exchange an application for Membership in the form supplied by the Exchange, a non-refundable application fee in the amount specified by the Board, and such other documents as the Exchange may deem necessary or appropriate, including in the case of a NYBOT Membership, evidence that the individual owns or will acquire the Required Shares, or that the Required Shares will be owned by a NYBOT Member Firm with which the Person has entered into an A-B-C Agreement approved by the Exchange.

(b) Unless the Exchange decides otherwise, an individual who had been a Member in good standing and who, following the transfer of his sole Membership, files an application for readmission to Membership, in the form prescribed by the Exchange, a non-refundable application fee in the amount specified by the Board and such other documents as the Exchange deems necessary or appropriate, shall be readmitted to Membership if such application, fee and other documents are filed within forty-five (45) calendar days following the date of transfer of the applicant's sole Membership.

(c) Incomplete applications shall be kept on file for two (2) months; thereafter, the application shall be deemed withdrawn and an applicant must submit a new application for Membership.

Rule 2.04. Notice of Application

The name of each applicant applying to be a holder of an ~~Energy~~IFUS Membership~~,~~ or NYBOT Membership ~~or a NYBOT Trading Permit~~ shall be posted on the Member Page of the Exchange's website or otherwise sent to all Members at least ten (10) days prior to approval by the Exchange.

Rule 2.05. Review of Application

(a) The Exchange may direct the applicant to supplement, or the Exchange may investigate, any information supplied by the applicant, or which the Exchange believes is appropriate.

(b) The Exchange shall review the application and may ask for and review any additional information it deems relevant.

Rule 2.06. Election to Membership; Reinstatement; Rejection

(a) The Exchange shall, when it deems the application to be a holder of an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership ~~or a NYBOT Trading Permit~~ to be complete, either approve the application or refer the application to the Membership Committee for action with a recommendation either to approve or disapprove the same, provided that the Exchange shall refer the application to the Membership Committee whenever (i) an application contains, or the Exchange learns of, information of the type specified in the Rules as constituting a condition for denial, (ii) an application is filed by a suspended Member seeking reinstatement or (iii) an application is filed by an expelled Member.

(b) The Membership Committee shall consider each application to be a holder of an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership ~~or a NYBOT Trading Permit~~ referred to it by the Exchange and shall vote for or against election of the applicant to Membership. An applicant receiving affirmative votes of a majority of those members of the Membership Committee present at a duly convened meeting shall be elected to Membership; provided, however, that a suspended Member's application for reinstatement of Membership shall be treated in accordance with the Rules of the Exchange concerning the reinstatement of suspended Members, and an expelled Member's application for readmission to Membership:

(i) shall only be considered if notice thereof shall have been included in written notice of the meeting, which shall have been given at least three (3) days in advance thereof; and

(ii) shall require the affirmative votes of three-fourths of the members of the Membership Committee present to effect a readmission.

Notwithstanding the above, the Membership Committee, by a vote of three-fourths of the members present may place such conditions or restrictions on the execution of Transactions by an applicant elected to Membership as the Membership Committee deems appropriate, including, but not limited to, a restriction against executing Transactions for customer accounts.

(c) In the event that the Exchange recommends to the Membership Committee denial of an application to be a holder of an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership, ~~a NYBOT Trading Permit~~ or the Membership Committee intends to deny such an applicant for Membership, the applicant shall be given notice thereof and an opportunity to be heard by the Membership Committee, or a subcommittee of the Membership Committee designated for this purpose by the Chairman of the Membership Committee, to present evidence as to why the application should not be denied, provided that the Secretary of the Exchange receives a written request from the applicant for such a hearing within ten (10) days after the receipt of such notice by the applicant. If a hearing is held before a subcommittee designated by the Chairman of the Membership Committee pursuant to this paragraph (c), such

subcommittee shall report its findings and conclusions to the Membership Committee. The Membership Committee decision shall be the final action of the Exchange.

(d) Any application to be a holder of an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership ~~or a NYBOT Trading Permit~~ rejected by the Membership Committee shall not be reconsidered for one (1) year.

Rule 2.07. Conditions for Denial

The Exchange may deny Membership or reinstatement to any applicant seeking approval to hold an ~~Energy~~IFUS Membership~~,~~ or a NYBOT Membership ~~or NYBOT Permit~~ who:

(a) does not meet any of the qualifications for Membership, or does not follow the procedures for application, set forth in these Rules;

(b) has been denied registration or whose registration has been revoked or is currently suspended by the CFTC or by the Securities and Exchange Commission;

(c) is the subject of any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere involving a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of fiduciary relationship or other similar acts;

(d) has been enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument;

(e) is or has been subject to an order of the CFTC denying trading privileges on any contract market to the applicant, or suspending or expelling the applicant from membership on any contract market;

(f) has been or is suspended or expelled from any commodity or securities exchange, related clearing organization, the National Futures Association, Financial Industry Regulatory Authority, Inc., or any other self-regulatory organization or other business or professional association for violation of any rule of such organization;

(g) has accumulated a disciplinary or arbitration record at any exchange, association or similar tribunal which record is judged by the Exchange or the Membership Committee to be such that membership for the applicant would not be in the best interests of the Exchange;

(h) has made any false statement in or in connection with any application filed with the Exchange;

(i) fails to meet such other qualifications as the Board may from time to time determine are in the best interests of the Exchange.

~~ELIGIBILITY REQUIREMENTS AND APPLICATION PROCEDURES FOR DIRECT ACCESS MEMBERS~~

Rule 2.08. ~~Eligibility Requirements and Application Procedure~~Reserved

~~(a) To be eligible to become and remain a Direct Access Member, an applicant must (i) be a Customer authorized by a Clearing Member pursuant to Rule 27.04, (ii) not be presently enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument; and (iii) have adequate systems and controls for risk management and to monitor its orders and trades effected through Direct Access on a real time basis.~~

~~(b) A Customer applying to be a Direct Access Member must file with the Exchange an application in the form supplied by the Exchange.~~

~~(c) The Clearing Member authorizing such applicant must file with the Exchange such documents as required, in a form prescribed by the Exchange, setting forth the Clearing Member's obligation to clear Trades submitted by the Direct Access Member that it has authorized for Direct Access. The Clearing Member shall confirm that each applicant for which it provides Direct Access meets the Direct Access Member qualifications, and promptly shall provide to the Exchange upon request information substantiating such Direct Access Member's compliance with the Direct Access Member qualifications.~~

~~(d) The Exchange may refuse to grant, suspend or terminate a Direct Access Member's Direct Access if the Exchange determines that granting Direct Access to such Person is not consistent with the best interests of the Exchange. Any such refusal by the Exchange may be appealed by the Direct Access Member and shall be considered by a panel of the Business Conduct Committee comprised of three members of the committee. Each panel shall determine the specific procedures to be applied, provided that the Direct Access Member shall be afforded the opportunity to present such evidence as it deems relevant. Such a presentation shall be conducted informally with no transcript taken.~~

MEMBER FIRMS

Rule 2.09. Eligibility for Member Firm Privileges; Conditions for Denial

(a) ~~(a)~~ NYBOT Member Firms .

(1)Any Firm shall be eligible to ~~receive~~be a NYBOT Member Firm ~~privileges~~ provided that at least one (1) of its general partners, directors, officers, members, executive employees or managers (a "Conferring Member") (i) is a full-time employee of such Firm or an Affiliated Firm thereof; (ii) is a ~~Trading~~ NYBOT Member in good standing and (iii) has and exercises authority over the affairs of the Firm directly related to the Firm's activities on the Exchange, satisfactory to the Exchange.

(~~b~~2) A NYBOT Member who is a special or limited partner in a Firm may not confer any of the privileges of the Exchange on such Firm.

(~~c~~3) A NYBOT Member cannot confer Membership privileges upon more than one (1) Firm at any one (1) time.

(b) IFUS Member Firms. Any Firm shall be eligible to be an IFUS Member Firm provided that it complies with such application procedures as the Exchange may adopt and is not subject to any condition for denial of membership specified in the Rules.

(~~d~~c) The Exchange may deny Member Firm status to an applicant or reinstatement to a suspended Member Firm that:

(i) does not meet all of the qualifications for Membership, or does not follow the procedures for application, set forth in these Rules;

(ii) has been denied registration or whose registration has been revoked or is currently suspended by the CFTC or by the Securities and Exchange Commission;

(iii) is the subject of any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere involving a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of fiduciary relationship or other similar acts;

(iv) has been enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from

engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument;

(v) is or has been subject to an order of the CFTC denying trading privileges on any contract market to the applicant, or suspending or expelling the applicant from membership on any contract market;

(vi) has been or is suspended or expelled from any commodity or securities exchange, related clearing organization, the National Futures Association, the Financial Industry Regulatory Authority, or any other self-regulatory organization or other business or professional association for violation of any rule of such organization;

(vii) has accumulated a disciplinary or arbitration record at any exchange, association or similar tribunal which record is judged by the Exchange or the Membership Committee to be such that membership for the applicant would not be in the best interests of the Exchange;

(viii) has made any false statement in or in connection with any application filed with the Exchange;

(ix) has as one of its Principals, an individual who could be subject to denial of an application for Membership or reinstatement of Membership pursuant to Rule 2.07, and

(x) fails to meet such other qualifications as the Board may from time to time determine are in the best interests of the Exchange.

(~~e~~d) In the event that the Exchange recommends to the Membership Committee denial of an application to be a Member Firm or the Membership Committee intends to deny an application to be a Member Firm, the applicant shall be given notice thereof and an opportunity to be heard by the Membership Committee, or a subcommittee of the Membership Committee designated for this purpose by the Chairman of the Membership Committee, to present evidence as to why the application should not be denied, provided that the Secretary of the Exchange receives a written request from the applicant for such a hearing within ten (10) days after the receipt of such notice by the applicant. If a hearing is held before a subcommittee designated by the Chairman of the Membership Committee pursuant to this paragraph (c), such subcommittee shall report its findings and conclusions to the Membership Committee. The Membership Committee decision shall be the final action of the Exchange.

Rule 2.10. Application for Member Firm Privileges

(a) To obtain Member Firm privileges, a Firm shall file with the Exchange an application for Member Firm privileges in a form specified ~~approved~~ by the ~~Board~~Exchange , accompanied by a non-refundable application fee in the amount specified by the ~~Board~~Exchange, an agreement whereby the Firm agrees to abide by and be subject to the Rules, ~~and~~ in the case of a NYBOT Member Firm, an agreement in a form prescribed by the Exchange, signed by the Conferring Member and such other documents as the Exchange may request, which documents may include, but shall not be limited to:

(1) in the case of a partnership, a copy of the partnership agreement together with any amendments thereto, certified by a general partner;

(2) in the case of a corporation, a copy of the certificate of incorporation, including all amendments thereto, the by-laws, and a resolution of the board of directors thereof authorizing the application for Member Firm privileges, duly certified by the secretary of the corporation;

(3) in the case of a limited liability company ("LLC"), a copy of the articles of organization and operating agreement, and all amendments thereto, duly certified by an authorized member or manager thereof; and

(4) in the case of a sole proprietorship, a copy of a certificate of doing business as a sole proprietor (d/b/a) which has been filed with the Clerk of New York County, City of New York, at least five days prior to conferring membership privileges upon such sole proprietorship.

(b) If a Member Firm receives privileges on the basis of a NYBOT Membership, an agreement in a form prescribed by the Exchange, shall be signed by the Conferring Member, making the proceeds from the sale of his Trading Membership and the corresponding Required Shares, if applicable, available for settlement of Exchange, Clearing Organization and Members' Claims against such Firm and against any Affiliated Firms of such Firm that are entitled to Member Firm rates on contract fees in accordance with Standing Resolution No. R-6, but which are not themselves Member Firms, and against such Member as prescribed in such agreement.

(c) The Exchange shall, when it deems the application to be complete, either approve the application or refer the application to the Membership Committee for action with a recommendation either to approve or disapprove the same.

Rule 2.11. Member Firm Annual Fees

Each Member Firm shall pay to the Exchange an annual fee in the amount specified by the Board, which shall be due and payable on the first day of January of each year.

Rule 2.12. Cancellation of Member Firm Privileges

(a) Member Firm privileges may be canceled by the Conferring Member or the Firm at any time provided that:

(1) A Notice of Intention to Cancel such privileges, signed by the Firm or by the Conferring Member, shall be given to the Exchange at least ten (10) calendar days prior to the intended termination date of such privileges; and

(2) The Firm and the Conferring Member shall have filed with the Exchange a written statement that all Claims arising out of Commodity Contracts executed on the Exchange have been settled.

(b) Cancellation of privileges shall be effective on such date as specified by the canceling party in subparagraph (a)(1), provided, however, that the Exchange shall hold the Conferring Member responsible for all Claims against the Firm until the requirements specified in paragraph (a) of this Rule have been satisfied.

Rule 2.13. Termination of Member Firm Privileges

In the event the Conferring Member <u>of a NYBOT Member Firm</u> ceases to comply with the eligibility requirements specified in the Rules, the Member Firm shall continue to enjoy Member Firm privileges for ninety (90) days following the occurrence of such event. Thereafter, Member Firm privileges shall be terminated unless, within such ninety (90) day period another Trading Member confers privileges to the Firm.

CLEARING MEMBERS AND GUARANTORS

Rule 2.14. Application and Qualification of Clearing Members

(a) Any Firm desiring to become a Clearing Member shall submit an application in the form prescribed by the appropriate Clearing Organization and satisfy such requirements as may be established by such Clearing Organization from time to time.

(b) In order to be eligible to be a Clearing Member of Commodity Contracts, a Firm must continually meet such requirements as the Clearing Organization shall specify.

(c) Each Clearing Member for Commodity Contracts traded on the Exchange or subject to the Rules, must be a Member Firm, provided, however, that a Clearing Member which receives Member Firm privileges solely on the basis of an ~~Energy~~IFUS Membership may only clear Energy Contracts.

FLOOR TRADING PRIVILEGES

Rule 2.18. Qualifications and Requirements for Floor Trading Privileges

(a) To be eligible to receive and hold floor trading privileges a Person must:

(i) Be an individual NYBOT Member~~, NYBOT Permit Holder~~ or ~~Energy~~IFUS Member in good standing and (ii) comply with the application and approval procedures for the granting of floor trading privileges; and

(ii) Attend an ethics course as required by CFTC or National Futures Association regulations; and

(iii) Attend a sexual harassment awareness course sponsored by or acceptable to the Exchange as may be determined by the President, in his sole discretion; and

(iv) Prior to being granted floor trading privileges, successfully complete the Exchange's Floor Trading course.

Rule 2.19. Application

(a) A Person applying for floor trading privileges must file with the Exchange an application for floor trading privileges in the form supplied by the Exchange.

(b) Incomplete applications shall be kept on file for two (2) months; thereafter, such applications shall be deemed withdrawn and an applicant must submit a new application.

Rule 2.20. Reserved

Rule 2.21. Granting of Floor Trading Privileges

(a) The Exchange will review the information contained in the application to determine if the Person has met the requirements set forth in Rule 2.18.

Rule 2.22. Termination of Floor Trading Privileges

(a) An individual Member who has been granted floor trading privileges may voluntarily terminate such privileges. Such termination shall be effective upon receipt by the Exchange of a written notice of termination and floor trader's identification badge.

(b) The floor trading privileges of a suspended Member shall terminate at the time of his suspension.

Rule 2.23. Reserved

NYBOT MEMBERSHIP SALES AND TRANSFERS

Rule 2.24 Security Interest in Disposition of Proceeds from Sale of a Membership and Required Shares

(a) In becoming a NYBOT Member, each NYBOT Member grants to the Exchange for the benefit of the Exchange, the appropriate Clearing Organization, the Clearing Members and all other Members, a security interest in the Required Shares that he owns to satisfy the NYBOT Membership requirements of Section 5.1(a)(i) of ~~Annex A to~~ the Bylaws and the proceeds thereof, for the purpose of securing such Member's obligations under the Rules, including, without limitation this Rule 2.24. In the case of a NYBOT Member who is a party to an approved A-B-C Agreement with a Member Firm, the Member Firm may grant the required security interest in the Required Shares on behalf of the NYBOT Member.

Each such NYBOT Member (and Member Firm, if applicable) shall execute such documentation as may be required by the Exchange to evidence such security interest.

(b) The distribution by the Exchange of the proceeds from the sale of a NYBOT Membership and the Required Shares or of funds deposited with the Exchange pursuant to Rule 2.26(b) shall be made as follows:

(i) First, in satisfaction pro rata of any amounts which have been determined to be payable out of such proceeds or funds to other Members pursuant to paragraph (b) of this Rule with respect to Allowable Claims against the Member whose NYBOT Membership has been sold; provided however, that no partner shall share in the proceeds from the sale of a NYBOT Membership and corresponding Required Shares of one of his partners or in funds deposited by such partner with the Exchange pursuant to Rule 2.26(b), and no member of a limited liability company shall share in the proceeds of the sale of a NYBOT Membership and corresponding Required Shares of one of the members of such limited liability company or in funds deposited by such member with the Exchange pursuant to Rule 2.26(b), until all Allowable Claims filed by other Members and amounts owing to the Exchange and the Clearing Organization as provided in subparagraph (iii) have been satisfied in full;

(ii) Second, in satisfaction pro rata of any amounts that may be due to the Clearing Organization and the Exchange for dues, assessments, fees or fines; and

(iii) Third, to the person whose NYBOT Membership was sold, or to his legal representatives or assigns, upon the execution and delivery to the Exchange of a release or releases in form and substance satisfactory to the Exchange.

(c) Any Claimant holding an Allowable Claim against a Member whose NYBOT Membership is sold shall be entitled to participate in the proceeds of sale of such Membership and corresponding Required Shares or in the distribution of funds deposited with the Exchange by the transferor of such Membership pursuant to Rule 2.26(b) provided that:

(i) The Claimant shall have filed a Notice of Claim with the Exchange within ten (10) days after the Exchange shall have posted notice of the Exchange's receipt of the Notice of Intention to Transfer such Membership on the Exchange's website, or shall have timely filed with the Exchange the Claim Notice required by Rule 21.34 (if applicable); and

(ii) The Arbitration Committee shall have determined that such Claim is valid, in whole or in part, pursuant to this Rule.

(d) In the event any Claim is disputed, the Arbitration Committee shall proceed as though the disputing party had demanded arbitration; provided, however, that the disputing party shall pay the fee prescribed in the Arbitration Rules. The Arbitration Rules of the Exchange shall apply to such proceedings, except to the extent the Arbitration Committee may decide otherwise.

Rule 2.25. General Transfer Procedure; Beneficial Interest

(a) A NYBOT Member may transfer his NYBOT Membership only to another NYBOT Member or to a Member-Elect who will own the Required Shares (or otherwise satisfy the Required Shares requirement) as set forth in Section 1(a)(i) of Annex A to the Bylaws as of the effective time of the transfer, whether such Required Shares are to be purchased from the transferring Member or from another party. Such transfer shall become effective upon execution by the Exchange of a proper notation of the assignment of his NYBOT Membership on the records of the Exchange.

(b) The Exchange shall be entitled to treat the person in whose name any NYBOT Membership is registered on the books of the Exchange as the sole owner thereof, for all purposes, and shall not be bound to recognize any Claim to, or interest in, such Membership, except as provided in the Rules, on the part of any other Person, whether or not the Exchange shall have notice thereof.

(c) Notwithstanding the above, a NYBOT Membership may be considered an asset of a Member Firm by the Member Firm provided (i) such Member Firm enters into an A-B-C Agreement with an individual NYBOT Member who is an officer, general partner or employee of such Member Firm or an Affiliated Firm and (ii) such A-B-C Agreement has been approved by the Exchange prior to becoming effective.

(d) A NYBOT Membership subject to the provisions of an A-B-C Agreement in accordance with this Rule may not be transferred unless and until the Member Firm that is party to such agreement submits written notice to the Exchange acknowledging notification of such transfer.

Rule 2.26. Sole Membership Transfer Procedure

(a) If a NYBOT Member wishes to transfer a NYBOT Membership and such Membership is the only NYBOT Membership owned by such Member, such Membership shall not be transferred unless and until:

(i) a "Notice of Intention to Transfer" signed by the NYBOT Member or his legal representative shall be given to the Exchange at least fifteen (15) days prior to the intended effective date of the proposed transfer. Such notice shall include the date on which the NYBOT Membership rights and privileges of the transferor shall cease and the date on which the transfer is to become effective. A NYBOT Membership subject to the provisions of an A-B-C Agreement may not be transferred unless and until the Member Firm that is party to such agreement submits written notice to the Exchange acknowledging notification of such transfer. The Exchange shall notify the Members of the receipt of such Notification of Intention to Transfer no less than ten (10) days prior to the intended effective date of such transfer by posting such notice on the Member Page of the Exchange's website;

(ii) Any investigation commenced by the Compliance Department with respect to such Member has been concluded and any resulting disciplinary actions have been completed;

(iii) All Allowable Claims of Members against such Member filed with the Exchange within ten (10) days after the Exchange has posted notice of the receipt of the Notice of Intention to Transfer on the Member Page of the Exchange's website, have been paid or resolved in accordance with the Rules; and

(iv) All dues and assessments levied by the Clearing Organization or the Exchange with respect to the NYBOT Membership sought to be transferred have been paid and all fines and fees imposed or charges assessed by the Clearing Organization or the Exchange against the NYBOT Member whose NYBOT Membership is to be transferred have been paid in accordance with the Rules.

(b) Notwithstanding the fifteen-day requirement in subparagraph (a)(i) of this Rule, subject to the approval of the President, a Notice of Intention to Transfer a Membership may be given to the Exchange less than fifteen (15) days prior to the intended effective date of the transfer and the conditions set forth in subparagraphs (a)(ii)-(iv) need not be complied with, if the transferor deposits with the Exchange an Official Teller's check or similar instrument issued by a bank or such other financial institution as is acceptable to the Exchange payable to the order of the Exchange in an amount equal to the price of the last sale of a Membership of the same type as the Membership sought to be transferred or the last bid for such a Membership, whichever is higher, plus (ii) the market value of the Required Shares corresponding to the Membership to be transferred. Upon receipt by the Exchange of such deposit the Membership may be transferred. The Exchange shall retain such deposit in its custody either for fifteen (15) days, or until such time as the provisions of paragraph (a) have been satisfied, whichever is longer. Such deposit shall be paid and applied in accordance with the provisions of Rule 2.24.

DUTIES OF MEMBERS

Rule 2.27. Duties of Member-Elect

(a) A Member-Elect shall within thirty (30) days after his election or such longer period of time as the President shall determine:

(i) sign an agreement in the form supplied by the Exchange to abide by the Rules and all amendments that may be made thereto; and

(ii) pay the Exchange such initiation fee as the Board may determine from time to time; and

(iii) in the case of a NYBOT Member, secure a transfer of a NYBOT Membership or Trading Permit to himself from another NYBOT Member or NYBOT Permit Holder; and

(iv) in the case of a NYBOT Member, acquire the Required Shares as set forth in Section 1(a)(i) of Annex A to the Bylaws.

(b) Failure by a Member-Elect to secure to himself the Required Shares and a NYBOT Membership ~~or a NYBOT Trading Permit, as applicable,~~ within the period of time specified in or under paragraph (a) shall void the Member's election.

(c) Upon compliance with the provisions of paragraph (a) of this Rule within the period of time specified therefor, the Member-Elect shall automatically and without any further act become a Member in the category in which he was elected.

Amended by the Board September 10, 2012; effective October 15, 2012 [¶¶ (a)(i) and (a)(iii)].

Rule 2.28. Duties of All Members

(a) Each Member shall immediately notify the Exchange in writing at such time as he becomes aware of the occurrence of any of the following events~~, *provided that* a Direct Access Member only shall be required to notify the Exchange of the occurrence of the events set forth in clauses (iii),(iv), (v), (vi), (vii), and (viii) below~~:

(i) In the case of a Member Firm, any material adverse change in financial condition;

(ii) Any material change in the Member's relationship with a guarantor;

(iii) Any refusal of admission to, any suspension or expulsion, denial of membership, registration or license, permanent injunction or denial of trading privileges through an adverse determination, voluntary settlement or otherwise, by a commodity or securities exchange, clearing organization, the National Futures Association, the Financial Industry Regulatory Authority, Inc., or any other self-regulatory organization or other business or professional association;

(iv) Any suspension, expulsion, denial of registration, cease and desist order, temporary or permanent injunction, fine in excess of $25,000 in the case of an individual, or $150,000 in the case of a Firm, through an adverse determination, voluntary settlement or otherwise by:

(1) the Securities and Exchange Commission, the CFTC or the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country or;

(2) any federal court, state court, or regulatory agency not mentioned above, or quasi-governmental body;

(v) Any conviction, finding of guilt, confession of guilt, plea of guilty or nolo contendere to a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, money laundering, abuse of a fiduciary relationship or other such act;

(vi) The issuance of a bar by any agency of the United States from contracting with the United States;

(vii) The commencement, by the issuance or service of a written complaint (or its equivalent), of any judicial, administrative or self-regulatory proceeding, as the case may be, against such Member

by the CFTC, the Securities and Exchange Commission, the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country, or any commodity or securities exchange or related clearing organization, the National Futures Association, the Financial Industry Regulatory Authority, Inc., or any self-regulatory organization or other business or professional association;

(viii) Any change in the office where papers may be served upon the Member or any change in the Exchange liaison designated pursuant to subparagraph (b) hereof; or

(ix) If an individual Member is employed by another Member upon whom such individual Member confers Membership privileges, any material change in the status of such individual Member's employment, including without limitation any termination, voluntary or otherwise, of his employment by such other Member.

(b) Each Member shall file with the Exchange (i) a written notice designating an office where papers may be served upon such Member; and (ii) if a partnership, corporation, limited liability company or other entity, a written notice designating an officer, employee, partner or member as the Exchange liaison, whom the Exchange may contact in order to obtain additional information or documentation in connection with any matter whatsoever provided in the Rules.

(c) Each Member shall promptly notify the Exchange's Membership Department in writing of any change in address of the Member. The most recent address of a Member as is on file in the records of the Membership Department shall be deemed to be said Member's current address for all purposes, including service of notices or other documents.

Rule 2.29. Member Violations

It shall be a violation of the Rules for any Member to:

(a) Submit for clearance to a Clearing Member Transactions which were executed after an announcement was made that such Clearing Member was in default, (as that term is defined in Clearing Organization Rules).

(b) Trade or accept Margins after insolvency;

(c) Receive and execute an order if such Member is an associated broker who has not registered with the Exchange in accordance with the Rules;

(d) Accept a Commodity Contract account for (i) a Clerk of a Member registered with the Exchange, (ii) an employee of the Exchange, the Clearing Organization, or another Member, without the written consent of the employer in each case, or (iii) a non-member market participant who has been denied access to the Exchange's markets;

(e) Unless otherwise provided, gain access to the minutes of meetings of the Board or any committee except under such regulations as the Board may prescribe; provided, however, that notwithstanding any other provision in the Rules, all books, records, minutes and journals of proceedings of the Exchange, the Board and the committees of the Exchange, shall be subject to inspection by any authorized representatives of the CFTC or the United States Department of Justice;

(f) Fail continuously to meet the criteria for eligibility for Membership;

(g) clear Commodity Contracts on the Exchange or subject to the Rules for a Member or non-member Futures Commission Merchant, foreign broker or other such entity which does not disclose the identity of the ultimate Customer for whom the contracts are cleared, unless the Clearing Member has the authority and ability to provide the Exchange, promptly upon request by the Exchange, with:

(i) the name, address and telephone number of any ultimate Customer(s);

(ii) the name, address and telephone number of any intermediary Person through whom that ultimate Customer placed orders for the execution of such contracts; and

(iii) such other information concerning the account as the Exchange may request; including, but not limited to, the positions held by each ultimate Customer in the account; or

(h) register or conduct business as a Clerk on the Floor of the Exchange at any time during which the Member's registration under the Act as a Floor Broker is suspended by the CFTC.

Rule 2.33. Duty to Supervise

(a) Every Member shall diligently supervise the Exchange-related activities of such Member's employees and shall be responsible for the acts and omissions of such employees.

(b) Every Member Firm shall diligently supervise the Exchange-related activities of its employees and shall be responsible for the acts and omissions of such employees.

(c) Each Member and Member Firm which employs a Clerk must be present or have a Member who is either an associate of the Broker Association or Member Firm that employs such Clerk present on the premises occupied by the Exchange at all times during which such Clerk is engaged in Exchange-related activities.

Rule 2.34. FCM Member Firm Financial and Reporting Requirements

(a) A Member Firm which is registered as a Futures Commission Merchant or which is a Clearing Member must submit to the Exchange, within ninety (90) days of the close of its fiscal year, or, in the case of an FCM that is also registered as a broker dealer, within sixty (60) days of the close of its fiscal year, a copy of its financial statement certified by an independent Certified Public Accountant.

(b) A Member Firm which is registered as a Futures Commission Merchant shall submit to the Exchange, as of the close of business each month, a statement of the computation of its net capital. Such statement shall be filed with the Exchange no later than seventeen (17) Business Days of the statement date.

(c) A Member Firm which is registered as a Futures Commission Merchant and for which the Exchange is the designated self-regulatory organization shall submit to the Exchange a copy of its Form 1-FR-FCM (as defined in Commission Regulation 1.10) for each fiscal quarter of each fiscal year including the final fiscal quarter of each fiscal year; provided, however, that a Member Firm which is registered with the Securities and Exchange Commission as a securities broker or dealer may elect to file a copy of its unaudited Financial and Operational Combined Uniform Single Report under the Securities and Exchange Act of 1934, Part II or Part IIA instead of the Form 1-FR-FCM. Each Form 1-FR-FCM for the fiscal quarter must be filed with the Exchange no later than seventeen (17) Business Days after the date for which the report is made. Filing the Form 1-FR-FCM with the Exchange does not relieve the Member Firm from filing the Form 1-FR-FCM with the Commission in accordance with Regulation 1.10.

(d) A Member Firm which is registered as a Futures Commission Merchant shall treat and deal with all money, securities and property received from, or held for, a Customer in connection with a Commodity Contract on the Exchange in accordance with applicable provisions of the Act and CFTC regulations.

Rule 2.35. Service of Papers

(a) The service of papers upon a Member, or any written notification to the Exchange from a Member in accordance with the Rules may be made as follows:

(i) By personal delivery to the Member or an officer of the Member or, in the case of a notification to the Exchange, by personal delivery to the Secretary or such other officer of the Exchange as may be specified in the Rules;

(ii) By first class mail, postage prepaid, or express courier, delivery charges prepaid, in each case to the office or address on file with the Exchange or, in the case of a notification to the Exchange, to the principal office of the Exchange addressed to the Secretary or such other officer of the Exchange as may be specified in the Rules; or

(iii) By facsimile message ("FAX") to a FAX number on file with the Exchange or, in the case of notification to the Exchange, to the FAX number from time to time published by the Exchange for the purpose.

(b) Service of papers and written notification in accordance with paragraph (a) of this Rule shall be complete upon delivery, in the case of personal service, or express courier, two (2) days after depositing in the U.S. mail or, in the case of a FAX, upon receipt of confirmation of successful transmission from the transmission device.

Rule 2.36. Reserved

Rule 2.37. Expenses of Lawsuits Brought Against the Exchange by Members

Any Member who institutes a lawsuit or other similar proceeding against the Exchange, or any of its officers, the Board or committee members, agents or employees in any court or otherwise and who fails to prevail in such lawsuit or proceeding shall pay to the Exchange and any such officer, member, agent or employee any and all reasonable expenses and disbursements, including attorney's fees and any statutory costs, incurred thereby in the defense of such lawsuit or proceeding.

Rule 2.38. ~~Exchange Trading Permits~~ Reserved

~~(1) Authorization~~

~~(a) The Board of Directors may issue the following NYBOT Trading Permits:~~

~~(i) FINEX® Trading Permits, which authorize the Permit Holder to trade Financial Contracts and Index Contracts;~~

~~(ii) Option Trading Permits, which authorize the Permit Holder to trade all Exchange Options and Futures Contracts on Coffee, Sugar, Cocoa, Cotton and FCOJ; and~~

~~(iii) FINEX Europe Trading Permits, which authorize the Permit Holder to trade only those Commodity Contracts that are listed by the Exchange for trading in Dublin, Ireland.~~

~~(2) Trading Limitations~~

~~(a) A Trading Permit issued hereunder authorizes the Permit Holder to:~~

~~(i) enter into proprietary trades in those Commodity Contracts which are authorized by the particular type of Permit held; and~~

~~(ii) execute from the Floor of the Exchange, for the account of other Persons, those Commodity Contracts which are authorized by the particular type of Permit held.~~

~~(b) A Permit Holder shall not execute or attempt to execute, or participate in any manner in any activity on the Floor of the Exchange involving Commodity Contracts other than those Commodity Contracts that are authorized by the Trading Permit held by him.~~

~~(c) A Permit Holder shall not represent by word or conduct that he is a Trading Member.~~

~~(d) Notwithstanding the above, a Permit Holder, who is also registered with the CFTC as an associated person, may submit to the Exchange's electronic trading system trades for customer accounts in Commodity Contracts which are not authorized by the particular type of Permit held, subject to compliance by the associated person with all applicable law.~~

~~(e) Notwithstanding the above, a Permit Holder who is also registered with the CFTC as a floor broker, is authorized to submit to the Exchange's electronic trading system from the Trading Floor, trades for customer accounts in Cash Settled US Agricultural Futures and Options Contracts.~~

~~(3) Committee Membership~~

~~A Permit Holder may be elected or appointed to any Exchange committee as permitted by the Rules.~~

~~(4) Qualification for Trading Permit and Application Procedure~~

~~(a) Every applicant for a Trading Permit hereunder shall satisfy the qualifications specified in Rule 2.01.~~

~~(b) An applicant for a Trading Permit shall follow the application procedures specified in Membership Rules 2.03 through 2.08.~~

~~(5) Number of Authorized NYBOT Trading Permits~~

~~(a) The number of FINEX Trading Permits authorized hereunder is four hundred eighty-three (483).~~

~~(b) The number of Option Trading Permits authorized hereunder is one hundred thirty-nine (139).~~

~~(c) The number of FINEX Europe permits authorized hereunder is one hundred twenty-five (125).~~

~~(6) Transfer of Trading Permit~~

~~Trading Permits may be transferred in accordance with the Rules regarding the transfer of Memberships (without reference to the Required Shares provisions).~~

Rule 2.39. Market Specialists

From time to time, the Exchange may adopt one or more Market Specialist or Liquidity Provider Programs pursuant to which the program participant may be appointed and authorized to maintain two-sided markets for Commodity Contracts designated by the Board. To the extent that the terms of any such program may be in conflict with any Rules, such terms shall supersede such Rules; provided, however, that nothing in this Rule shall alter or waive a Member's responsibility to comply with provisions of the Act or the rules and regulations of the CFTC.

Rule 2.40. Cross Margining Privileges

The Exchange may, upon application submitted in accordance with such procedures as it adopts from time to time, grant cross margining privileges to any Person that is a member or member firm of another designated contract market. The holder of such privileges shall be entitled to participate in any Cross Margining Program authorized under Clearing Organization Rule 502B, but only to the extent that the holder actively trades for his or its own account Exchange Futures Contracts or Options that are eligible for cross margining treatment under the terms of the Cross Margining Program. Cross margining privileges granted pursuant to this Rule shall not be transferable.

Rule 2.41. Exchange Broker Fee Payment Policy

(a) Whenever a Floor Broker or Member Firm provides written notice to a Clearing Member of the rate such Floor Broker or Member Firm charges for Trade execution services for a particular Customer, such Clearing Member shall thereafter pay such rate for any Trades which the Floor Broker or Member Firm gives up to, and which are accepted by, the Clearing Member for such Customer. In connection with all Transactions executed on the Exchange, any Member who provides Trade execution services and any Clearing Member for which such services are performed may utilize ATOM® ("Automatic Transfer of Money" System) to effect payment of brokerage fees. To comply with this Rule, a Member must file with the Membership Department an application in a form supplied by the Exchange.

(b) No Clearing Member may implement a rate change in ATOM® with respect to a Customer described in paragraph (a), above, unless a minimum thirty-day (30) written notice of rate change ("Notice Period") has been given to each and every Member affected by such change. No such rate change may become effective prior to the first of the month following the month in which expiration of the Notice Period occurs, unless agreed to in writing by the Floor Broker or Member Firm. Within fifteen (15) days following receipt of a notice of rate change, a Floor Broker or Member Firm may notify the Clearing Member in writing that such rate change is rejected. In the event that a Floor Broker or Member Firm provides such notice of rejection to a Clearing Member, the Clearing Member shall continue to pay the last rate specified in writing by the Floor Broker or Member Firm to the Clearing Member for any orders thereafter executed by the Floor Broker or Member Firm for each Customer in dispute.

(c) A Floor Broker or Member Firm may not change the rate charged to a particular Customer unless a minimum thirty-day (30) written notice of rate change has been given to the Clearing Member affected by such change. No such rate change may become effective prior to the first of the month following the month in which expiration of the Notice Period occurs, unless agreed to in writing by the Clearing Member.

(d) No rate change in ATOM implemented by a Clearing Member may be imposed retroactively.

Chapter 27-ELECTRONIC TRADING RULES

Rule 27.03. Access to ETS

(a) All Clearing Members are eligible for Direct Access to the ETS upon execution of an Electronic User Agreement and such other agreements required by the Exchange.

(b) A Clearing Member may authorize its Customers to have Direct Access to the ETS. A Person is eligible for Direct Access to the ETS upon execution of an Electronic User Agreement and such other agreements required by the Exchange, and upon the authorization of a Clearing Member.

(c) Clearing Members and Customers with Direct Access [~~Members~~] may connect to the ETS through Direct Access by using an application provided by WebICE or another independent software vendor ("ISV") which has been approved and authorized by the Exchange, or by developing their own application program interface ("API") which has been approved and authorized by the Exchange

(d) A Clearing Member may permit its Customers to connect to the ETS by Order Routing, provided the Clearing Member maintains appropriate controls designed to facilitate the Clearing Member's management of financial risk. A Customer that connects to the ETS by Order Routing does not itself have Direct Access.

(e) The Exchange may refuse to grant Direct Access to any Customer which a Clearing Member seeks to authorize if the Exchange determines that granting Direct Access to such Customer is not consistent with the best interests of the Exchange. Any such refusal by the Exchange may be appealed by the Clearing Member and shall be considered by a panel of the Business Conduct Committee comprised of three members of the committee. Each panel shall determine the specific procedures to be applied, provided that the Clearing Member shall be

afforded the opportunity to present such evidence as it deems relevant. Such a presentation shall be conducted informally with no transcript taken.

Rule 27.04. Clearing Member Responsibilities

(a) Each Clearing Member is responsible for the financial obligations of each Customer [~~Direct Access Member~~] for which it authorizes Direct Access and for each Customer for which it provides Order Routing with respect to all orders entered and Transactions executed under its Clearing Member Mnemonic.

(b) A Clearing Member is obligated to accept for clearance on the Trade date all trades executed and allocated to such Clearing Member by each Customer with Direct Access [~~Member~~] and for each Customer for which it provides Order Routing. Except as provided in Rule 27.08, a Clearing Member's obligation to accept such Trades for clearance shall remain in full force and effect until the Exchange terminates Direct Access and cancels all orders of the Customer with Direct Access [~~Member~~] or Customer for which it provides Order Routing as result of the Clearing Member's written notice to the Exchange revoking such authorization.

(c) With respect to each Customer with Direct Access [~~Member~~] or Customer for which it provides Order Routing, the Clearing Member shall:

(i) take any and all actions requested or required by the Exchange with respect to such [~~Direct Access Member or~~] Customer, including, but not limited to, assisting the Exchange in any investigation into potential violations of the Rules or of the Act, and requiring such[~~Direct Access Member or~~] Customer to produce documents, provide information, answer questions and/or to appear in connection with any investigation;

(ii) suspend or terminate the Direct Access ~~Member's Direct Access~~ if the Clearing Member has reason to believe that the Customer [~~Direct Access Member no longer meets the Direct Access Member qualifications~~] is enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument; or if the Customer fails to have adequate systems and controls for risk management to monitor its orders and trades effected through Direct Access on a real time basis;

(iii) suspend or terminate the [~~Direct Access Member or~~] Customer if the Clearing Member has reason to believe that the actions of the [~~Direct Access Member or~~] Customer threaten the integrity or liquidity of any Exchange Contract, violate the Rules or the Act, or if the [~~Direct Access Member or~~] Customer fails to cooperate in any investigation; and

(iv) utilize such controls designed to facilitate the Clearing Member's management of financial risk as may be provided by the Exchange from time to time.

(d) If a Clearing Member has actual or constructive notice of a violation or potential violation of the Rules or the Act in connection with the use of ETS by a Customer for which it provides Order Routing or by a Customer with Direct Access [~~Member~~] and the Clearing Member fails to take appropriate action, the Clearing Member may be found to have violated Rule 4.04 [~~2.29(e)~~] and subject to disciplinary action under the Rules.

Rule 27.06. Revocation of Direct Access Authorization by Clearing Member

A Clearing Member that authorizes Direct Access for a Customer[~~Direct Access Member~~] may revoke such authorization without prior notice to the Customer [~~Direct Access Member~~]. Written notice of the revocation of such authorization shall be immediately provided to the Exchange, which shall thereby terminate the Direct Access that had been authorized by such Clearing Member and cancel all orders of the Customer [~~Direct Access Member~~] in the system under the revoking Clearing Member's Mnemonic.

Rule 27.07. eBadges and Responsible Individuals

(a) Each Clearing Member and Customer with Direct Access [~~Member~~] (other than a Floor Broker) shall request one (1) or more eBadges as it deems necessary to accommodate the nature and volume of its business.

(b) At least one (1) Responsible Individual must be registered with the Exchange for each eBadge issued. The Exchange, in its sole discretion, may limit the number of, or require additional, eBadges and Responsible Individuals. Whenever a Responsible Individual is absent and therefore not able to be contacted, a Backup Responsible Individual must be registered with the Exchange to fulfill the role of a Responsible Individual.

(c) A Responsible Individual or, in his absence, a Backup Responsible Individual, must be reachable via telephone by the Exchange at all times that any of the eBadges as to which he is registered with the Exchange are in use.

(d) A Responsible Individual may be a trader or supervisor of other individuals who are traders.

Rule 27.08. Effect of Termination or Suspension of Clearing Member

If a Clearing Member terminates its Clearing Membership with the Exchange or has its Clearing Member privileges terminated or suspended by the Exchange or the Clearing Organization, the Direct Access of the Clearing Member, the Direct Access authorized by such Clearing Member to any Customer [~~Direct Access Member~~], and any Order Routing provided to a Customer shall automatically terminate on the effective date of the termination or suspension of such clearing privileges.

Rule 27.09. Required Identifications

(a) Each individual Customer with Direct Access [~~Member~~], employee of a Clearing Member or of a Customer with Direct Access [~~Member~~], automated trading system and Customer that connects to the ETS by Order Routing must have a unique identification assigned to them in accordance with the procedure adopted by the Exchange from time to time in order to utilize ETS. Each Person or automated trading system assigned a unique identification shall be referred to as a "Registered Operator". The unique identification assigned to a Registered Operator may not be reassigned to another Registered Operator.

(b) Orders entered on the ETS must include the unique identification assigned to the Registered Operator. A Registered Operator is prohibited from allowing any other Person or

automated trading system to use such unique identification to enter orders on the ETS. A Registered Operator may not enter orders on the ETS using a unique identification that has not been assigned to the Registered Operator.

(c) Each Clearing Member and Customer with Direct Access [~~Member~~] shall file with the Exchange, in a method and format prescribed by the Exchange, information regarding each Registered Operator for whom the Clearing Member and/or the Customer with Direct Access [~~Member~~] has authorized access to the ETS and who is either (i) a Member, (ii) an employee of a Member, Member Firm, Customer with Direct Access [~~Member~~] or Clearing Member, (iii) individuals or employees of firms who participate in an Exchange market maker, market specialist or fee program, or (iv) any other Registered Operator as determined by the Exchange. Said information shall be filed with the Exchange prior to the date the Registered Operator is given access to ETS. Each Clearing Member and Customer with Direct Access [~~Member~~] shall ensure the accuracy of the registration information on file with the Exchange regarding its Registered Operators.

(d) Each order entered through an eBadge must contain the unique identification assigned in accordance with paragraph (a) of this Rule that identifies the Registered Operator who entered the order. Each Registered Operator must utilize a client application that automatically populates the unique identification for every order.

(e) A Registered Operator shall be subject to the Rules, including, but not limited to, the Rules of this Chapter and Rules relating to order handling, trade practices and disciplinary proceedings. It shall be the duty of the Person who employs the Registered Operator to supervise the Registered Operator's compliance with the Rules, and any violation thereof by such Registered Operator may be considered a violation by the employer.

Rule 27.12A. Audit Trail Requirements for Electronic Orders Submitted Through Direct Access or Order Routing Systems

(a) Each Clearing Member connecting to the ETS by Direct Access is responsible for (1) maintaining or causing to be maintained, and producing upon request of the Exchange, the audit trail for all orders submitted to the Exchange through its Direct Access connection and any Order Routing system and (2) producing upon request of the Exchange audit trail records for each [~~Direct Access Member~~] Customer with Direct Access that has been authorized by the Clearing Member to have such a connection. Each [~~Direct Access Member~~] Customer connecting to the ETS by Direct Access is responsible for maintaining or causing to be maintained the audit trail for all orders submitted to the Exchange through its Direct Access connection.

(a) A Clearing Member or Customer with Direct Access[~~Member~~] that has arrangements for a third party to maintain audit trail information on its behalf shall remain responsible for compliance with this Rule.

Remainder of Rule Unchanged

Rule 27.19. Order Execution

(a) A Trade is executed in ETS when the following conditions occur:

(i) one order is a bid and the other is an offer;

(ii) the two orders are for the same Exchange Commodity Contract and delivery or expiration month and, if an Option order, the same Strike Price and Option type, if available; and

(iii) the price of the bid (offer) equals or is greater (less) than the price of the offer (bid).

(b) All orders entered and activated are queued by the time of entry or amendment and matched on a first-in-first-out price and time priority basis.

(c) Details of each Trade made on ETS will be recorded by the Exchange, and confirmation of the Trade will be displayed on ETS for each Registered Operator who is a party to the Trade.

(d) Each matched Trade shall be transmitted to PTMS at which time executing Floor Brokers and Clearing Members will be able to view their matched Trades.

(i) A Trade allocated to a Clearing Member will be deemed accepted by such Clearing Member unless such Trade has been challenged by the end of the Trading Session the Trade was submitted for clearance.

(ii) A Trade submitted to ETS by a [~~Floor Broker or~~] Person with Direct Access [~~Member~~] that is not otherwise accepted by the Clearing Member to which it is allocated will automatically clear to the account of the [~~Floor Broker's Clearing Member Guarantor (in the case of a Floor Broker) or the~~] Clearing Member which authorized Direct Access to the Customer [~~Direct Access Member~~].

(iii) All mechanical adjustments shall be made through TIPS/PTMS. Any Registered Operator submitting a mechanical adjustment shall include all information required by TIPS/PTMS to process such mechanical adjustment.

(e) Failure of ETS to broadcast any message in respect of a Trade made in ETS, an order book, order or any part thereof, shall not invalidate any Trade recorded by the Exchange.

(f) In the event that ETS or any part of ETS fails, the Exchange's determination that a Trade has or has not been made on ETS shall be conclusive and binding. Such determination shall be made by Market Supervision.

REMAINDER OF RULE UNCHANGED

BYLAWS ARTICLE V
TRADING MEMBERSHIPS AND TRADING PERMITS; CLEARING

Section 5.1. Issuance of Trading Memberships and Trading Permits

(a) Trading Memberships.

(i) The Corporation shall issue to each Former Member (and to no other Person) a NYBOT Membership upon receiving from such Former Member properly completed, executed copies of such NYBOT Membership application documentation as the Corporation shall have requested and delivered to such Former Member prior to the Effective Time. A NYBOT Member shall own, at all times, three thousand one hundred sixty two (3,162) shares of common stock, par value $0.01 per share, of ICE ("ICE Common Stock") (as adjusted for reclassifications, stock splits (including reverse stock splits), stock dividends or distributions, recapitalizations or similar transaction) for each NYBOT Membership held by such NYBOT Member. Any NYBOT Member that fails to hold such requisite number of shares of ICE Common Stock shall have such NYBOT Membership revoked and permanently cancelled. Each NYBOT Member shall grant to the Exchange a security interest in all of such shares of ICE Common Stock as provided in the Rules in a manner, and pursuant to arrangements, required by the Corporation. Each NYBOT Member shall have the right to execute trades in all Existing Products, to the extent that such Existing Products are then traded by the Exchange.

(ii) The Corporation may issue other Trading Memberships in such numbers and for such consideration as the Board of Directors may from time to time determine, subject to these Bylaws and the Rules, provided, however, that any Trading Membership issued other than pursuant to paragraph (a)(i), above, shall not include the right to execute Transactions on the Exchange trading floor.

(b) Trading Permits.

(i) ~~The Corporation shall issue NYBOT Trading Permits to each Former Permit Holder (and to no other Person), upon receiving from such Former Permit Holder properly completed, executed copies of such Trading Permit application documentation as the Corporation shall have requested and delivered to such Former Permit Holder. Each such NYBOT Trading Permit shall be limited to the specific Commodity Contracts for which such Former Permit Holder had trading rights immediately prior to the Effective Time.~~

~~(ii)~~ The Corporation may issue ~~other~~ Trading Permits in such numbers and for such consideration as the Board of Directors may from time to time determine, subject to these Bylaws and the Rules~~, provided, however, that any Trading Permits issued other than pursuant to paragraph (b)(i), above, shall not include the right to execute Transactions on the Exchange trading floor~~.

(c) Trading Members, Permit Holders and Member Firms shall have only such rights and privileges as are set forth in these Bylaws, the Rules or as prescribed by the Board of Directors, which rights will exist as a matter of contract only. Trading Members, Permit Holders and Member Firms shall not constitute stockholders within the meaning of the Delaware General Corporation Law, the Certificate of Incorporation, these Bylaws or the Rules, shall not have any of the rights and privileges of stockholders and shall have only such rights and privileges as are set forth in the Rules or as prescribed by the Board of Directors, which rights will exist as a matter of contract only. No director or officer of the Exchange shall have any fiduciary duty, obligation or responsibility of any nature to Trading Members, Permit Holders or Member Firms by virtue of such contractual rights. Without limiting the generality of the foregoing, Trading Members, Permit Holders and Member Firms will not have any voting rights in the Corporation

or any rights to receive any distributions of cash, securities or other property, whether on dissolution, liquidation, merger, consolidation or otherwise.

Section 5.7. Transferability of Trading Memberships and Trading Permits.

(a) The acquisition, ~~lease,~~ transfer, sale or other disposition of Trading Memberships and Trading Permits shall be effected according to the Rules; provided, however, that (i) no Person may transfer his Trading Membership or Trading Permit where an arbitration proceeding is pending against such Person or where the Compliance Department has commenced an investigation into possible violations of the Rules by such Person, until such arbitration, investigation and any resulting disciplinary actions have been completed.~~, (ii) no NYBOT Permit Holder may lease a Trading Permit and (iii) no Person may exercise, receive or confer any Member Firm rights, privileges or benefits through the lease of a Trading Membership (including, for the avoidance of doubt, a NYBOT Membership).~~

(b) Notwithstanding the provisions of paragraph (a) of this Section 5.7, the Chief Executive Officer may permit the transfer of a Trading Membership or Trading Permit if the transferor deposits with the Corporation an Official Teller's Check in an amount equal to the sum of (i) the price of the last sale or the last bid for such Trading Membership or Trading Permit, whichever is higher, plus (ii) the market value of the shares of ICE Common Stock required pursuant to Section 5.1(a)(i) of the Bylaws~~is Annex A,~~ in the case of a Trading Membership, and the Corporation shall retain such deposit in its custody until such time as the investigation and any disciplinary actions have been completed, after which said deposit shall be disposed of as provided in the Rules.

(c) Each transferee of a Trading Membership or Trading Permit shall enter into such documentation as the Corporation may require from time to time, including without limitation a written acknowledgement that such transferee agrees to be bound by and subject to these Bylaws and the Rules.

(d) To the extent any attempted acquisition, lease, transfer, sale or other disposition of a Trading Membership or Trading Permit would be in violation of these Bylaws or the Rules, it shall be null and void *ab initio*.

DEFINITIONS

~~**Direct Access Member**~~

~~The term "Direct Access Member" shall mean a Customer with Direct Access that meets the requirements in Rule 2.08 and that is authorized by a Clearing Member pursuant to Rule 27.04.~~

~~**Energy**~~**IFUS Member**

The term "~~Energy~~IFUS Member" shall mean an individual who has been granted one or more ~~Energy~~IFUS Memberships.

~~Energy~~IFUS Member Firm

The term "~~Energy~~IFUS Member Firm" shall mean any partnership, corporation, limited liability company, sole proprietorship or other entity ~~to~~ which has been granted one or more IFUS Memberships. ~~Exchange privileges have been conferred by an Energy Member who is an Affiliated Person of such Firm in accordance with the Rules.~~

~~Energy~~IFUS Membership

The term "~~Energy~~IFUS Membership" shall mean a Trading Membership issued pursuant to Section 5.1(a)(ii) of the Bylaws and Rule 2.02.

~~Guaranteed Member~~

~~The term "Guaranteed Member" shall mean any Trading Member, Permit Holder or Lessee that is guaranteed by a Clearing Member pursuant to Rule 2.16.~~

Membership

The term "Membership" shall mean any Trading Membership and any Trading Permit. ~~The term "Membership" does not include the rights of a Direct Access Member to connect to the ETS through Direct Access.~~

Member

The term "Member" shall mean and include a Permit Holder, ~~Direct Access Member,~~ Member Firm, Trading Member and Cross Margining Participant (to the extent that such Person engages in transactions in Commodity Contracts that are the subject of a Cross Margining Program implemented by the Clearing Organization).

~~NYBOT Permit Holder~~

~~The term "NYBOT Permit Holder" shall mean an individual who has been granted one or more NYBOT Trading Permits pursuant to Section 5.1(b)(i) of the Bylaws.~~

~~NYBOT Trading Permit~~

~~The term "NYBOT Trading Permit" shall mean the right to execute Trades in specific Commodity Contracts granted pursuant to Section 5.1(b)(i) of the Bylaws, specifically including the Trading Permits described in Membership Rule 2.38.~~