ForecastEx LLC Rulebook

Version Date: September 22, 2026

By accessing ForecastEx, regardless of any further action, undertaking, or agreement, any Person agrees to be bound by and comply with the Rules of the Exchange, the Rules of the Clearinghouse and Applicable Law, in each case to the extent applicable to it, and to become subject to the jurisdiction of ForecastEx with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person. ForecastEx's rules constitute a binding agreement between it and its Market Participants, and, in addition to any separate agreements, establish rights and Obligations between ForecastEx and its Market Participants. Any CFTC Regulations that apply to trades, trading, transactions, or any of their derivative terms apply to pairing and executions on ForecastEx.

Table of Contents

- Chapter 1 – Definitions
  - Rule 101 - Definitions
- Chapter 2 – Governance
  - Rule 201 – Ownership
  - Rule 202 – Board of Directors
  - Rule 203 – Committees
  - Rule 204 – Officers
  - Rule 205 – Indemnification
  - Rule 206 – Conflicts of Interest
  - Rule 207 – Confidentiality and Employee Restrictions
  - Rule 208 – Limitation of Affiliate Participation
  - Rule 209 – Recordkeeping
  - Rule 210 – Regulatory Cooperation
- Chapter 3 – Membership and Access Privileges
  - Rule 301 – Applications for Membership
  - Rule 302 – Member Responsibilities
  - Rule 303 – Sponsored Access
  - Rule 304 - Customer Access to ForecastEx
  - Rule 305 – Customer Account Requirements
  - Rule 306 – OCR and Position Reporting
  - Rule 307 – Withdrawal of a Member
  - Rule 308 – Dues, Fees, and Assessments
  - Rule 309 – Application of Rules and Jurisdiction
  - Rule 310 – Recording Conversations
  - Rule 311 – Public Information
- Chapter 4 – Participation at ForecastEx
  - Rule 401 – Forecast Contracts

    - Rule 402 – Hours of Operation
    - Rule 403 – Bid Entry
    - Rule 404 – Placing Bids
    - Rule 405 – Filling Bids
    - Rule 406 – Entering Forecast Contracts on Behalf of Customers
    - Rule 407 - Error Trades
    - Rule 408 – Position Accountability and Position Limits
    - Rule 409 - Emergencies
    - Rule 410 – Transfers
    - Rule 411 – Market Data Available to Market Participants
    - Rule 412 – Precedence of Federal Law
    - Rule 413 – Contract Modifications
    - Rule 414 – Accelerated Settlement
    - Rule 415 – Event Review Process
    - Rule 416 – Market Maker Program
    - Rule 417 – Liquidity Incentive Program
    - Rule 418 – Block Trading
    - Rule 419 – Request for Quotes
- Chapter 5 – Obligations of Members
    - Rule 501 – Recordkeeping
    - Rule 502 – Financial Reporting Requirements
    - Rule 503 – Treatment of Customer Funds
    - Rule 504 – Confirmations and Customer Statements
    - Rule 505 – Responsibility for Customer Bids
    - Rule 506 – System Security
    - Rule 507 – Documents Provided to Customers
    - Rule 508 - Fraudulent or Misleading Communications
    - Rule 509 – Prohibited Actions and Activities
- Chapter 6: Clearing Rules
    - Rule 601 – Application of Clearinghouse Rules and Jurisdiction
    - Rule 602 – Clearing
    - Rule 603 – Settlement of Forecast Contracts
    - Rule 604 – Offsetting Positions
    - Rule 605 – Deposit Procedures
    - Rule 606 – Member Withdrawal Requests
    - Rule 607 – Reconciliation
    - Rule 608 – Full Collateralization Required
    - Rule 609 – Collateral
    - Rule 610 - Segregation of Funds
    - Rule 611 – Concentration limits
    - Rule 612 – Investment of Member Funds
    - Rule 613 – Default of a Member
    - Rule 614 - Clearinghouse Recordkeeping
    - Rule 615 - KYC and AML.
    - Rule 616 – Clearing Fund Contributions
    - Rule 617 - Clearing Fund Purpose and Use

- Chapter 7 – Discipline and Enforcement
  - Rule 701 – Monitoring the Market
  - Rule 702 – Investigations
  - Rule 703 – Notice of Charges
  - Rule 704 – Offers of Settlement
  - Rule 705 – Disciplinary Hearings
  - Rule 706 – Sanctions
  - Rule 707 – Appeal
  - Rule 708 – Summary Fines
  - Rule 709 – Summary Suspension
  - Rule 710 – Reporting Violations
- Chapter 8 - Arbitration
  - Rule 801 – Matters Subject to Arbitration
  - Rule 802 – Rules of Arbitration
  - Rule 803 – Failure to Honor Arbitration
- Chapter 9 – Governing Law
  - Rule 901 – Property Rights
  - Rule 902 – Signatures
  - Rule 903 – Governing Law
  - Rule 904 – Legal Proceedings
  - Rule 905 – Limitation of Liability

Chapter 1 – Definitions

Chapter 1 pertains to both the Clearinghouse and Exchange.

Rule 101 - Definitions

(a) When used in this Rulebook, the following terms shall have the respective meanings as follows:

(1) Access Privileges – The right to access, place Bids, and enter into Forecast Contracts in the Exchange Platform.

(2) Affiliate – IBG LLC, Interactive Brokers Group, Inc., IBG Holdings LLC, and its member companies which include any legal entity under IBG LLC's, Interactive Brokers Group, Inc.'s, or IBG Holdings LLC's direct or indirect control.

(3) Affiliated Participant – A person, who is an Affiliate, with an account for their benefit at a Member or Sponsored FCM subject to the limitations in Rules 208 and 405(b).

(4) AML – Anti-money laundering.

(5) Appeals Panel – A panel of Board members chosen by the ROC who oversee the appeals of disciplinary proceedings as described in Rule 707.

(6) Applicable Law – With respect to any Person, any statue, law, regulation, rule, or ordinance of any governmental or self-regulatory authority applicable to such Person, including the CEA, CFTC Regulations, and state regulations where applicable.

(7) Authorized Representative – With respect to any Member, an Officer of the Member who is responsible for supervising all activities of the Member, its Authorized Trading Users, and its employees, and for providing information regarding the Member to ForecastEx upon request.

(8) Authorized Trading User – A natural Person who is either employed by or is an agent of a Member or Sponsored FCM and who is authorized by the respective Member or Sponsored FCM to enter Bids and into Forecast Contracts on behalf of that Member. In the case of FCM Members and Sponsored FCMs the Person may also be authorized to enter Bids and into Forecast Contracts on behalf of Customers. The Member or Sponsored FCM must maintain supervisory authority over such individual's trading activities, but Authorized Trading Users shall not include (i) employees or agents of Customers or (ii) Customers that are natural Persons.

(9) Bank Account – A bank account to transfer funds to ForecastEx's Settlement Bank pursuant to Rule 602.

(10) Bid – An order to enter into a Forecast Contract. A Forecast Contract is not entered until a "Yes" Bid and an opposing "No" Bid have a combined price of $1.00 per Rule 401.

(11) Board – The Board of Directors of ForecastEx LLC as described in Rule 202.

(12) Business Day - Monday through Friday, 8:00 CT to 17:00 CT, excluding equity market holidays.

(13) CEA – The Commodity Exchange Act, as amended from time to time.

(14) CEO – The Chief Executive Officer of ForecastEx, LLC as described in Rule 204.

(15) The CFTC or the Commission – The Commodity Futures Trading Commission or any successor regulatory body.

(16) CFTC Regulation – The regulations of the CFTC, as in effect from time to time, including any CFTC-issued orders, interpretative letters, or no-action letters.

(17) The Clearinghouse – The activities of ForecastEx in its capacity as a Derivatives Clearing Organization.

(18) Clearing Fund – The fund established pursuant to Rule 616.

(19) Clearinghouse Platform – The ForecastEx clearing systems.

(20) Clearing Privileges – Any right granted by the Clearinghouse to a Member to clear Forecast Contracts.

(21) Collateral Account – With respect to a Member, an account opened and maintained by a Member at the Clearinghouse to which (a) a Member transfers proprietary or Customer funds and (b) from which ForecastEx is authorized to debit fees, and credit Settlement payments, as applicable. A FCM Member may have up to two Collateral Accounts: a Customer Collateral Account and a Non-customer Collateral Account. Non-FCM Members may only have a Non-customer Collateral Account.

(22) Compliance Department – The department, reporting to the CRO, that is responsible for compliance, investigations, and disciplinary proceedings.

(23) Contract – Any derivative, including Forecast Contracts, traded on ForecastEx.

(24) Contract Specifications – With respect to any Forecast Contract, the rules or other trading protocols containing specifications for such Forecast Contract, including all terms and conditions, as adopted, amended, supplemented or otherwise modified from time to time by ForecastEx.

(25) CRO – The Chief Regulatory Officer of ForecastEx, LLC.

(26) Customer – any person who uses a FCM Member, Sponsored FCM, introducing broker, commodity trading advisor, or commodity pool operator as an agent in connection with trading in any Forecast Contract. An owner or holder of a proprietary account (as defined in CFTC Regulations) at a Member or Sponsored FCM, shall not be deemed to be a Customer with respect to that Member or Sponsored FCM.

(27) Customer Account – A Customer segregated account in accordance with CFTC Regulations.

(28) Customer Collateral Account - A Collateral Account on the books of the Clearinghouse that holds Customer funds.

(29) Director – A member of the Board of Directors of ForecastEx LLC.

(30) Disciplinary Panel – in the event of disciplinary proceeding, three individuals selected by the CRO from Board members and/or Market Participants, including at least one individual who would qualify as a Public Director and acts as Chairman of the Panel.

(31) ERO – The Enterprise Risk Officer of ForecastEx, as set forth in CFTC Regulation 39.10(d)(4) and performing the duties of the Chief Risk Officer as set forth in CFTC Regulation 39.13(c).

(32) The Exchange – The activities of ForecastEx in its capacity as a Designated Contract Market.

(33) Exchange Platform – The ForecastEx pairing and trading systems.

(34) Event Question – Binary Yes/No questions based on whether specific real world events will occur at or before a specific time period. The Outcome of an Event Question is either "Yes" or "No".

(35) Event Review Process - The process by which ForecastEx reviews the Outcome of a Forecast Market in accordance with Rule 415.

(36) FCM – A Futures Commission Merchant as defined by the CFTC and registered with NFA.

(37) FCM Member – an FCM who is a Member.

(38) Forecast Contract – Either a "Yes" Position or a "No" Position listed in a Forecast Market by the Exchange and entered by Market Participants through inverse pricing as described in Rule 401.

(39) Forecast Market – A listing of an intrinsically paired "Yes" Forecast Contract and a "No" Forecast Contract with the same Event Question.

(40) ForecastEx – ForecastEx, LLC, a Delaware LLC.

(41) ForecastEx Business Day - The days that ForecastEx is open as described in Rule 402

(42) ForecastEx Participant - Collectively, Members, Sponsored FCMs, the Authorized Trading Users of Members, and the Related Parties of Members and Sponsored FCMs.

(43) ForecastEx Rules – The ForecastEx Rulebook, interpretations, orders, resolutions, advisories, notices, statements of policy, decisions, manuals, and directives of ForecastEx.

(44) ForecastEx System – The Exchange Platform and the Clearinghouse Platform.

(45) Fully Collateralized – a "fully collateralized position," as defined in CFTC Regulation 39.2.

(46) IBG – IBG LLC the majority owner and controlling member of ForecastEx. IBG and ForecastEx are Affiliates of Interactive Brokers Group, Inc (Nasdaq: IBKR).

(47) Insider– Any Person who has access to or is in a position to have access to material non-public information before such information is made publicly available.

(48) KYC – Know your customer.

(49) Market Maker – A Member designated by ForecastEx to provide liquidity in one or more Forecast Markets pursuant to a ForecastEx Market Maker agreement and a ForecastEx Market Maker program as specified in Rule 416.

(50) Market Participant – Collectively, Members, Sponsored FCMs, the Authorized Trading Users of Members, the Related Parties of Members and Sponsored FCMs, and the Customers of FCM Members and Sponsored FCMs.

(51) Market Participant Director – A Director who has been found by the Board to be an Authorized Representative of a Member and suitable to be a Director pursuant to Section 5b(c)(2)(Q) of the CEA.

(52) Member – A Person who has completed the Membership process described in ForecastEx Rule 301 and to which ForecastEx has granted Access Privileges, Clearing Privileges and related services.

(53) NFA – The National Futures Association.

(54) "No" Position – A Forecast Contract that pays out at its Resolution Time if the Outcome of the Event Question is "No".

(55) Non-customer Collateral Account - A Collateral Account on the books of the Clearinghouse that holds proprietary funds.

(56) Non-FCM Member – A Member who is not an FCM.

(57) Obligation – Any Rule, order or procedure issued by ForecastEx, including a Member notice or other requirement implemented by ForecastEx under the Rules (including Contract Specifications), as well as any contractual obligations between, on the one hand, a Person, and on the other hand, ForecastEx, and any Bid entered by an Authorized Trading User or Forecast Contract entered into by a Market Participant.

(58) Officers – Collectively, the Chairman, CEO, CRO, ERO and any other such Officers who have been appointed by the CEO as described in Rule 204.

(59) Operating Agreement – The Limited Liability Company Operation Agreement of ForecastEx, as it may be modified from time to time.

(60) Outcome – As related to Event Questions, whether an Event Question resolves to "Yes" or "No".

(61) Person – Any natural or legal person, association, partnership, limited liability company, joint venture, corporation, or any other type of entity.

(62) ROC – The Regulatory Oversight Committee as described in Rule 203.

(63) Regulatory Agency - The CFTC or any other U.S. Government financial regulatory agency.

(64) Related Party – With respect to any ForecastEx Participant, any partner, Director, Officer, branch manager, or employee of such ForecastEx Participant, or any Person. Additionally, any

Person directly or indirectly, controlling, controlled by, or under common control with such ForecastEx Participant.

(65) Resolution Time – The time when the Outcome of a Forecast Market is determined, and Settlement is initiated.

(66) Self-Regulatory Organization – Unless otherwise provided, the meaning set forth in CFTC Regulation 1.3 and Derivatives Clearing Organizations.

(67) Settlement – The process by which the Clearinghouse credits funds to the Member's Collateral Accounts and Market Participants realize profits and losses on Forecast Contracts.

(68) Settlement Bank– A depository, bank or trust which has entered into an agreement with the Clearinghouse to facilitate Settlement on behalf of Members.

(69) Settlement Bank Business Day - the days on which ForecastEx's Settlement Bank is open.

(70) Settlement Value – The value of an Event Question at Resolution Time after its Outcome has been determined.

(71) Source Agency – Any agency, whether public or private, that publishes data used to determine the Outcome of an Event Question.

(72) Sponsored Clearing Agreement – An agreement between a Sponsored FCM and a FCM Member through which the Member authorizes the Sponsored FCM to submit Bids for Forecast Contracts to be cleared and settled in a designated account of such Member.

(73) Sponsored FCM – An FCM that is not a Member, but is sponsored by a FCM Member to have Access Privileges in accordance with Rule 303.

(74) User ID – The unique identifier registered with ForecastEx that ForecastEx assigns to an Authorized Trading User, and which is included on each Bid to enable ForecastEx to identify the Person entering such Bids.

(75) "Yes" Position – A Forecast Contract that pays out at its Resolution Time if the Outcome of the Event Question is "Yes".

(b) For the purpose of ForecastEx Rules (each individual rule a "Rule," collectively, all Rules, the "Rules"), the following rules of construction shall apply:

(1) Words conveying a singular number include the plural number, where the context permits, and vice versa.

(2) References to any Regulatory Agency or Self-Regulatory Organization include any successor Regulatory Agency or Self-Regulatory Organization respectively.

(3) If, for any reason, a Rule is found or determined to be invalid or unenforceable by a court of law, the Commission or another governmental or quasi-governmental agency with supervisory authority, such Rule shall be considered severed from the Rules and all other Rules shall remain in full force and effect.

(4) All references to time are to the local time in Chicago, Illinois unless expressly provided otherwise.

(5) All terms defined in the Commodity Exchange Act, as amended, or CFTC Regulations and not otherwise defined herein shall have the respective meanings accorded to them therein.

(6) All terms defined in the UCC and not otherwise defined herein shall have the respective meanings accorded to them therein.

(7) In the event of a conflict between these Rules and a non-disclosure agreement between ForecastEx or an Affiliate of ForecastEx and a ForecastEx Participant or Customer, these Rules shall govern.

(8) In the event of a conflict between these Rules and the CEA or CFTC Regulations, the applicable provision of the CEA and/or CFTC Regulation shall govern.

(9) Any rule that exclusively pertains to the Exchange is considered an Exchange Rule, and may only be enforced by the Exchange.

(10) Any Rule that exclusively pertains to the Clearinghouse is considered a Clearinghouse Rule, and may only be enforced by the Clearinghouse.

(11) Rules common to both the Exchange and the Clearinghouse (i.e., Rules that refer to ForecastEx) may be enforced by either entity.

(12) Rules that do not refer to any of the Exchange, the Clearinghouse, or ForecastEx may also be enforced by either entity.

(13) Chapter 6 of the Rulebook exclusively contains Clearinghouse Rules. The remaining portions of the Rulebook contain Rules that apply to both the Clearinghouse and the Exchange.

Chapter 2 – Governance

Chapter 2 pertains to both the Clearinghouse and Exchange.

Rule 201 – Ownership

ForecastEx, LLC is a Delaware limited liability company. ForecastEx LLC is a wholly owned subsidiary of IBG LLC and is governed by the Operating Agreement and the ForecastEx Rules.

Rule 202 – Board of Directors

(a) General. The Board is empowered to direct the business and affairs of ForecastEx. The Board may affirm, modify, overrule, or review any decisions by its standing committees, special committees, or Officers, except for decisions by the Regulatory Oversight Committee and Event Review Committee.

(b) Composition.

(1) The Chairman and the CEO shall serve as a members of the Board.

(2) The other members of the Board will be appointed by the nominating committee as is described in Rule 203(f).

(3) The number of Directors can be changed by IBG, provided that the number of Public Directors represents more than 35% of the Board members.

(4) Market Participant Directors are members of the Board.

(c) Public Directors.

(1) Qualifications of Public Directors. Public Directors must not have a material relationship with ForecastEx that could affect the independent judgment or decision making of the Person as a Public Director. A material relationship will be determined to exist if one of the following circumstances is true or was true within the past year:

(i) The Director has been an employee or Officer of ForecastEx, or an officer of an Affiliate;

(ii) The Director has been a Member of ForecastEx, or an officer or director of a Member;

(iii) The Director has received more than $100,000 in combined annual payments from ForecastEx or an Affiliate for legal, accounting, or consulting services. Compensation for services as a Director of ForecastEx or an Affiliate do not count towards the $100,000 limit, nor does deferred compensation for services prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable; or

(iv) Paragraphs (i), (ii) or (iii) of this Rule 202(c)(1) apply to a Director's immediate family (i.e. spouse, children, parents, and siblings).

(2) Public Directors are not disqualified from serving as Directors of Affiliates if they otherwise meet the qualifications of a Public Director listed in Rule 202(c)(1).

(3) ForecastEx shall disclose to the CFTC which members of its Board are Public Directors and describe the basis for the determination that each Board member is qualified to server as a Public Director.

(4) This rule shall be deemed to be modified to conform to any change to the definition of "Public Director" set forth in Core Principle 15 of Section 5(d) of the CEA or any CFTC Regulation.

(d) Tenure. Each Director shall serve until their death, resignation, or removal, whichever occurs first, in a manner permitted by Applicable Law. The Board shall have procedures which allow it to remove a Director for cause. The Board will review the performance of its members on no less than an annual basis.

(e) Eligibility. No Person may serve as a member of the Board, or of a subcommittee of the Board if the Person:

(1) Within the prior three years has been found, by a final decision of a court of competent jurisdiction, an administrative law judge, the CFTC, or any Self-Regulatory Organization, to have committed a disciplinary offense;

(2) Within the prior three years has entered into a Settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(3) Is currently suspended from trading on a Designated Contract Market or a Swap Execution Facility, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence of probation, or owes any portion of a fine or penalty imposed pursuant to either: a finding by final decision of a court of competent jurisdiction, an administrative law judge, the CFTC or any Self-Regulatory Organization that such Person committed a disciplinary offense; or a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(4) Is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;

(5) Is currently, or within the past three years has been, subject to a revocation or suspension of registration by the CFTC, or has been convicted within the past three years of any of the felonies listed in Section 8a(2)(D)(ii) through (iv) of the CEA;

(6) Is currently subject to a denial, suspension or disqualification from serving on a Disciplinary Panel, 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;

(7) Is subject to a statutory disqualification pursuant to Section 8a(2) of the CEA; or

(8) Is disqualified from serving on the Board or any of its committees due to CFTC Regulation 1.63 which is incorporated herein by reference.

If any member of the Board, or a member of a committee or subcommittee of the Board is ineligible or becomes ineligible, they must immediately notify the CEO.

(f) Frequency of Board meetings. The Board will regularly meet at the times and places, and in the manner and frequency determined appropriate by the Board.

(g) Decision-making.

(1) A majority of the Directors serving on the Board, including at least one Public Director, shall constitute a quorum for the transaction of business of the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting, and the Board may act only by the decision of a majority of the Directors constituting a quorum by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the Operating Agreement.

(2) In the case that a motion before the Board of Directors results in a tie vote, the Chairman may break the tie.

Rule 203 – Committees

(a) General. The Board may create by resolution one or more committees which shall be comprised of individuals appointed by the Board. At the Board's discretion, these committees also include members who are not Directors. Members on ForecastEx committees who are not Directors must meet the qualification requirements in Rule 202(e). These committees will have the power and authority to exercise the functions delegated to them by the Board.

(b) Decision-making. Subject to the approval of the Board, each committee will create rules to govern its proceedings. At least one Public Director will serve on each committee. Each Committee may only act by the decision of the majority vote of a quorum at a meeting or by unanimous written consent without a meeting. The Board will designate the chairperson of each committee.

(c) Regulatory Oversight Committee

(1) General. The Board will establish the ROC as a standing committee. The ROC shall be responsible for overseeing ForecastEx's regulatory program. The Board will ensure that the ROC is delegated sufficient authority, resources, and time to accomplish its mandate.

(2) Composition. The ROC shall be composed entirely of Public Directors.

(3) Duties. In addition to the general responsibility described in section (b)(1) of this Rule 203, the ROC will:

(i) Monitor and regularly review the ForecastEx's regulatory program for sufficiency, effectiveness, and independence;

(ii) Oversee the regulatory program of ForecastEx, including market surveillance, trade practice, audits, examinations, regulatory responsibilities with respect to Market Participants, and conducting investigations;

(iii) Oversee the regulatory budget, determine the sufficiency of resources allocated to market regulation, and review the number, hiring, termination, and compensation of regulatory personnel. The ROC will review the size and workload of compliance staff at least annually. In determining the appropriate level of compliance resources and staff, the ROC will consider trading volume increases, the number of new products or contracts to be listed for trading, any new responsibilities to be assigned to compliance staff, the results of any internal review demonstrating that work is not completed in an effective or timely manner, and any other factors suggesting the need for increased resources and staff;

(iv) Supervise the CRO;

(v) Prepare an annual report detailing ForecastEx's self-regulatory program. This report will list the Compliance Department's expenses, staffing, and structure. The report will also describe the disciplinary actions taken during the previous year as well as the performance of any disciplinary reviews and panels. The report will be presented to the Board and to the CFTC;

(vi) Recommend changes to the Compliance Department that encourage effective regulation;

(vii) As needed, appoint individuals to any Disciplinary Panels. At least one Person on each Disciplinary Panel should not be disqualified from serving as a Public Director; and

(viii) Advise the Board on whether and how regulatory proposals may impact the effectiveness of the Compliance Department.

(d) Clearing Committee.

(1) General. The Clearing Committee is a committee comprised of members of the Board, including at least one Market Participant Director. The purpose of the committee is to review and provide oversight of the risk management activities of the Clearinghouse. The Clearing Committee shall prioritize the safety and efficiency of the Clearinghouse while supporting the stability of the broader financial system. The Clearing Committee shall be composed of no fewer than one Public Director, one Market Participant Director, and one other Board member.

(2) Duties. The duties of the Clearing Committee include the following:

(i) Review the adequacy of financial safeguards for the Clearinghouse, and receive regular risk reports from the Clearinghouse Officers.

(ii) Approve all substantive changes to the ForecastEx Rulebook that impact the Clearinghouse.

(iii) At least annually, review and approve the risk management framework, the liquidity risk management framework, the credit risk assessment methodology, collateral policy, clearing investment policy, and the Clearinghouse recovery & wind down plan. The Clearing Committee will also review and approve any substantive changes to the above policies. If the Committee recommends changes to these policies that would have a significant impact on the Clearinghouse's risk profile, the Clearing Committee will submit a recommendation to the Board.

(iv) Approve all financial institutions that perform the functions of a Settlement Bank, a collateral custodian, a cash depository institution, or an investment counterparty for the Clearinghouse.

(v) Approve all new Members, and Member mergers, substantive changes, and withdrawals to Members.

(vi) Review and approve all substantive changes to Membership requirements.

(vii) Recommend to the Board for approval the individuals to serve as Officers of the Clearinghouse.

(viii) Oversee the Clearinghouse budget, determine the sufficiency of resources allocated to market regulation, and review the number, hiring, termination, and compensation of Clearinghouse Personnel.

(ix) Any such other matter as the Board may from time to time prescribe.

(e) Event Review Committee.

(1) General. The Event Review Committee shall be responsible for conducting the Event Review Process described in Rule 415.

(2) Composition. The Event Review Committee members shall be appointed via the process described in Rule 203(f)(3). A majority of Event Review Committee members must be Public Directors. Public Directors may concurrently serve on both the Event Review Committee and the ROC.

(f) Nominating Committee

(1) General. The Nominating Committee shall be responsible for nominating individuals to serve on the ForecastEx Board of Directors and Board level Committees.

(2) Composition. A majority of members on the Nominating Committee must be Public Directors. The members of the Nominating Committee will be appointed by the Board.

(3) Nomination Process. When there is a vacancy on the Board or a Board-level Committee, the Nominating Committee will nominate individuals to fill the vacancies. The nominations of the Nominating Committee will be sent to the Board for advice and consent.

(i) If the Board approves the nominations, then the nominated individuals will be appointed to their respective positions.

(ii) If the Board rejects the nominations, then the Nominating Committee will nominate other individuals for the Board's approval.

Rule 204 – Officers

(a) General.

(1) Designation. The Chairman, CEO, CRO, and ERO shall be appointed by the Board. Other Officers may be appointed at the discretion of the CEO.

(2) Salaries. The salaries of all Officers of ForecastEx shall be approved by the Board.

(3) Eligibility. All Officers must meet the eligibility requirements for Board members in Rule 202(e).

(4) Affiliation. Any Officer may also be a Director, Officer, partner, or employee of an Affiliate subject to disclosure and resolution of conflicts of interest.

(b) Chairman. The Chairman shall be a member of the Board and, if present, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to them by the Board. The same individual may serve as CEO and Chairman.

(c) Chief Executive Officer. The CEO shall be in charge of the Business of ForecastEx, subject to the discretion and approval of the Board. The CEO shall discharge all executive duties of ForecastEx and such other duties delegated by the Board. The CEO shall be responsible for carrying into effect the directions of the Board, except where the responsibility is specifically assigned to another Person by the Board of authority is expressly delegated to another Officer of ForecastEx.

(d) Chief Regulatory Officer. The CRO shall be in charge of overseeing compliance matters and managing the day-to-day regulatory functions of ForecastEx, including that the CRO is intended to carry out the chief compliance officer's responsibilities under CFTC Regulation 39.10. The CRO will report to the ROC for all regulatory, compliance, supervisory, and surveillance matters. The CRO will report to the CEO on all other matters.

(e) Enterprise Risk Officer. The ERO shall be responsible for overseeing the Clearinghouse's Enterprise Risk Management Program. The ERO shall perform the duties of the Enterprise Risk Officer as set forth in CFTC Regulation 39.10(d)(4) and the duties of the Chief Risk Officer as set forth in CFTC Regulation 39.13(c). The ERO will report to the Clearing Committee.

Rule 205 – Indemnification

(a) General. ForecastEx shall indemnify and hold harmless its Directors and Officers, to the fullest extent permitted by law, from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including legal fees and expenses), judgments, fines and other amounts paid in settlement, incurred or suffered by such Director or Officer, as a party or otherwise, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, arising out of or in connection with the business or the operation of ForecastEx or by reason of their status as a Director or Officer, if (1) the Director or Officer acted in good faith and in a manner he or she reasonably believed to be in the best interests of ForecastEx and, with respect to any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful, (2) the Indemnitee's conduct did not constitute intentional misconduct, gross negligence, knowing violation of the law or a material breach of any agreement with ForecastEx and (3) the Director or Officer's conduct did not involve a transaction from which such they derived an improper personal benefit.

(b) Indemnification of other employees. Persons who are not covered by Rule 205(a) and who are or were employees or agents of ForecastEx, may be indemnified to the extent authorized from time to time by the Board.

(c) Other rights of Indemnification. Indemnification provided by ForecastEx shall not be deemed exclusive of any other rights to which a Person may be entitled under any agreement or as a matter of law or otherwise.

(d) Notwithstanding paragraphs (a), (b), and (c) of this Rule 205, no Person shall be indemnified from liability for fraud, bad faith, willful misconduct, or gross negligence. The Directors and Officers of ForecastEx shall be each charged with the same fiduciary duties of care, loyalty, and good faith. Further, no Person shall be indemnified against a civil penalty imposed by the CFTC under Section 6b of the CEA.

Rule 206 – Conflicts of Interest

(a) Definition. A conflict of interest shall be considered present when:

(1) Relationship to named party. A member of the Board, any Board Committee, or any other disciplinary committee has one of the following relationships:

(i) Is a named party in interest;

(ii) Is an employer, employee, or fellow employee of a named party in interest;

(iii) Has a family relationship with a named party in interest;

(iv) Has any other significant ongoing business relationship with a named party in interest, excluding relationships related to clearing futures or options transactions opposite each other or to clearing futures or option transactions through the same Member; or

(v) Is associated with another party in interest through a Broker Association as is defined in CFTC Regulation 156.1.

(2) Financial interest in a vote. A member of the Board, any Board Committee, or any other disciplinary committee knowingly has a direct or substantial financial interest in the result of the vote based upon either an exchange or a non-exchange position that could be reasonably expected to be affected by the action.

(b) Prohibition. No member of the Board, any Board Committee, or any other disciplinary committee shall participate in such body's deliberations and voting on any action where there is a conflict of interest.

(c) Determination by CRO.

(1) Disclosure. Prior to the consideration of any matter involving a conflict of interest each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose the conflict of interest to the CRO, or their designee. In the case of a potential conflict of interest due to a financial interest, the member of the deliberating body must disclose:

(i) Gross positions held at ForecastEx in the member's personal accounts or "controlled accounts," as defined in Commission Regulation 1.3(j);

(ii) Gross positions held at ForecastEx in proprietary accounts, as defined in Commission Regulation 1.17(b)(3), at the member's affiliated firm;

(iii) Gross positions held at ForecastEx in accounts in which the member is a principal, as defined in Commission Regulation 3.1(a);

(iv) Net positions held at ForecastEx in "Customer" accounts, as defined in Commission Regulation 1.17(b)(2), at the member's affiliated firm; and

(v) Any other types of positions, whether maintained at ForecastEx or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that ForecastEx reasonably expects could be affected by the significant action.

(2) Determination. The CRO or their designee shall determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this Rule 206(b). The determination shall be based on:

(i) Information provided by the member pursuant to this Rule 206(c)(1);

(ii) The most recent position reports and clearing records available to ForecastEx;

(iii) Any other source of information that is held and reasonably available to ForecastEx taking into consideration the exigency of the situation.

(d) Participation in deliberation. Any member of the Board, any Board committee, or any other disciplinary committee who is required to abstain from deliberations and voting pursuant to this Rule 206(b), may participate in deliberations, but not voting if the deliberative body determines that participation would be in the public interest. In making its determination, the following factors shall be considered.

(1) The factors considered by the CRO or their designee in making a determination about conflicts of interest as described in this Rule 206(c);

(2) Whether such member's participation in the deliberations is necessary to achieve a quorum; and

(3) Whether such member has unique or special expertise, knowledge, or experience in the matter being considered.

(e) Documentation. Any meeting of the Board, any Board committee, or any other disciplinary committee shall include in their minutes or otherwise document the conflicts determination procedures followed. The records must also include:

(1) The names of all members who attended the meeting either in person or were present by electronic means;

(2) The name of any member who voluntarily recused themselves or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention; and

(3) Information on the position information that was reviewed for each member.

Rule 207 – Confidentiality and Employee Restrictions

(a) Confidentiality of non-public information. No member of the Board, Board Committee, Officer, employee, or consultant of ForecastEx will misuse any material non-public information obtained as a result of their affiliation with ForecastEx. Misuse means any use that is not required as part of the performance of their official duties as a ForecastEx Board member, committee member, Officer, employee or consultant respectively. This includes, but is not limited to:

(1) Disclosing to any Person material nonpublic information for purposes inconsistent with such Person's official duties;

(2) Using the material nonpublic information for Personal gain, monetary benefit or otherwise; and

(3) Trading for their own account or on behalf on any other account, in any commodity interest, related commodity interest, or security for which they have access to material nonpublic information.

(b) No ForecastEx Officer or employee shall directly or indirectly enter into any Forecast Contract. This does not prohibit an Officer or employee from buying shares of investment vehicles which might enter into Forecast Contracts, but only so long as the employee has no control or discretion over the Forecast Contracts entered into and closed. This also does not prohibit Affiliates from trading on ForecastEx subject to the limitations of Rule 208 below.

(c) No ForecastEx Officer or employee shall accept any gift, gratuity, compensation, or other form of remuneration valued at an amount greater than $100, either directly or indirectly, from a Market Participant without the approval of the CEO.

(d) For purposes of this Rule, the terms "material information," "non-public information," "linked exchange", "commodity interest," and "related commodity interest" have the same meanings as they do in Commission Regulation 1.59 which are incorporated here by reference.

(e) If a Director, Officer, or employee of ForecastEx violates any provision of this Rule 207, they will be required to indemnify ForecastEx for any costs, damages, or losses caused by the violation.

Rule 208 – Limitation of Affiliate Participation

(a) ForecastEx, pursuant to approval by the Board, may permit an Affiliate to participate on the ForecastEx System, either as a Member, Sponsored FCM, or an Affiliated Participant, subject to the following conditions:

(b) ForecastEx has ensured the Affiliate does not have access to ForecastEx's material non-public information, and ForecastEx ensures the Affiliate's access to information is limited to public information available to all Market Participants. (The provision of information to common Directors of ForecastEx, and any Affiliate or the holding company shall not constitute a violation of this proscription.)

(c) ForecastEx maintains operational independence from the Affiliate. Operational independence means that the Affiliate must:

(1) Have no access to ForecastEx operations, including servers, databases, accounts, tools, software, and development tooling, separate from ForecastEx;

(2) Comply with all of the rules in this Rulebook, including the rules regarding Members;

(3) Have access to the ForecastEx System limited to that set forth in the rules in this Rulebook;

(4) Not have access to material non-public information, including but not limited to information regarding order flow, trading, Settlement, Forecast Markets, and compliance; and

(5) Have and maintain physical separation from ForecastEx.

(d) All capital underlying trading by an Affiliate will not originate from ForecastEx.

(e) Any algorithms employed by any Affiliate will not be readily exploitable (e.g., not be readily subject to manipulation, hacking).

(f) There may be multiple Affiliated entities using the Exchange Platform.

(g) If additional Affiliates of ForecastEx commence trading on the Exchange Platform, or if the information about the trading activities of the Affiliate changes materially, ForecastEx will, prior to the commencement of such trading, put in place necessary controls to ensure that the provisions in this Rule 208 are followed, notify Market Participants by issuing a notice on the website that discloses any Affiliate's purpose in trading on the Exchange Platform, and provide a summary of the procedures in place to manage and disclose actual or potential conflicts of interest and effects on trading to ensure market integrity and fairness are preserved.

Rule 209 – Recordkeeping

(a) ForecastEx will maintain books of account on a cash or accrual basis to the extent required by the Internal Revenue Code and in accordance with generally accepted accounting principles. These records shall record all income distributions, expenses, and transactions of ForecastEx. The books of account as well as ForecastEx's income tax returns will be kept for six years.

(b) ForecastEx will maintain records of all trading, Bids, disciplinary or investigatory documents, and any other documentation required by the CEA and CFTC Regulations. The books and records shall be maintained in the manner prescribed by the CEA and CFTC Regulations.

(c) Upon request, ForecastEx will provide information to the CFTC, US Securities and Exchange Commission, the US Department of Justice, or any representative of a prudential regulator as authorized under Applicable Law, in the manner and form required. This includes records relating to Swaps in the Section 1a(47)(A)(v) of the CEA open to inspection and examination by the US Securities and Exchange Commission.

Rule 210 – Regulatory Cooperation

ForecastEx may enter into agreements with domestic or foreign Self-Regulatory Organizations, associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance, for any financial or regulatory purpose that ForecastEx may consider appropriate, or as the CFTC may require. The CEO or their designee is authorized to provide information to an entity that is party to an information sharing agreement with ForecastEx, in accordance with the terms and conditions set forth in each agreement.

Chapter 3 – Membership and Access Privileges

Chapter 3 pertains to both the Clearinghouse and Exchange.

Rule 301 – Applications for Membership

(a) ForecastEx will provide Access Privileges, Clearing Privileges, and related services to Members. Applications for Membership will be considered, approved, or rejected in an impartial, transparent, fair and non-discriminatory manner. In order to become a Member, an applicant must:

(1) Be an FCM registered with the NFA if the applicant intends to transact in Forecast Contracts on behalf of Customers or is other otherwise required to be registered as an FCM;

(2) Complete and submit the ForecastEx Member Application and Agreement, User Agreement, and application fee, as may be established by ForecastEx from time to time;

(3) Not be subject to any economic or trade sanctions programs administered by Office of Foreign Assets Control or other relevant U.S. or non-U.S. authority, and must not include any Person listed on Office of Foreign Assets Control's List of Specially-Designated Nationals and Blocked Persons among its beneficial owners;

(4) Be a validly organized corporation, limited liability company, partnership, or other entity approved by ForecastEx, and in good standing, in the United States. Membership is not offered for personal accounts of natural persons;

(5) Not be prohibited from using the services of ForecastEx for any reason whatsoever;

(6) Have a good reputation and business integrity and maintain adequate financial resources and credit;

(7) Not have filed for bankruptcy and not be insolvent;

(8) If an FCM, comply with Capital and other rules of the CFTC and NFA. If a non-FCM, maintain total equity at all times of at least $1 million.

(9) Designate at least one Authorized Trading User;

(10) Designate at least two Authorized Representatives who are responsible for supervising all activities of the Member, its Authorized Trading User(s) and its employees relating to transactions, for initiating requests and for providing any information ForecastEx may request

regarding such Member; provided, that upon request ForecastEx may permit an entity applicant to designate a single Authorized Representative in the CRO's sole discretion;

(11) Have sufficient operational capabilities and resources to support the ForecastEx Platform transfer requirements, including sufficient: (a) policies and procedures, (b) understanding of and support for Forecast Contracts, (c) asset security and cyber security procedures and (d) AML controls;

(12) Have sufficient ability, appropriate accounts and technical support to clear Forecast Contracts, including maintenance of the requisite Collateral Accounts at all times;

(13) Satisfy the minimum Clearing Fund requirements;

(14) If an FCM, designate Sponsored FCMs, if any, to fill and give up Bids for clearing on its behalf;

(15) If an FCM, have a Designated Self-Regulatory Organization ("DSRO"); and

(16) If a non-FCM, represent that it has received all necessary registrations, approvals and consents from all applicable regulatory authorities and governmental authorities to permit it to conduct the business of a Member.

(17) If a non-FCM, represent that it will trade only for itself and will not trade as an intermediary for any other Person or entity.

(18) Possess a valid Legal Entity Identifier as described in Commission Regulation §45.6(b).

(19) Meet any other criteria and provide ForecastEx with any other information ForecastEx may request regarding the Member.

(b) Prior to becoming a Member, FCM applicants must submit to ForecastEx: (1) a guarantee agreement on a form prescribed by the Clearinghouse defining the Member's Obligation to financially guarantee the applicant's Bids and Forecast Contracts and those of the applicant's Customers, signed by the Member.

(c) ForecastEx may in its sole discretion approve, deny, or condition any Member application as ForecastEx deems necessary or appropriate.

(d) If a Member application is approved by ForecastEx, the applicant will be a Member of ForecastEx with Access Privileges and Clearing Privileges with respect to its Customers and its proprietary account, as applicable.

(e) Submission of a Member Application and Agreement to ForecastEx constitutes the applicant's agreement to be bound by the Rules and the published policies of ForecastEx.

(f) No Person affiliated, within the meaning of Section 5b(c)(2)(O)(ii)(V) of the CEA, with a Director of ForecastEx or a Member (for purposes of this Rule, an "affiliate") shall meet the CFTC's criteria for refusal to register a Person under Section 8a(2) of the CEA, unless the Clearing Committee finds that there are special circumstances warranting the application of such criteria with respect to the affiliate.

(1) With respect to affiliates, the Board shall be entitled to rely on a representation from the relevant Director or Member that, to the best of such Person's knowledge, none of its affiliates is subject to disqualification pursuant to ForecastEx's fitness standards and that such Person will notify ForecastEx if at any time such Director or Member becomes aware that any such affiliate fails to meet the fitness standards.

(2) Section 5b(c)(2)(O)(ii)(IV) of the CEA requires each DCO to establish Fitness Standards for Persons with direct access to the Settlement or clearing activities of the DCO. The only Persons with such access are Authorized Trading Users of Members.

(g) Applicants for Member status of ForecastEx may withdraw their applications at any time without prejudice or without losing their right to apply at a future time.

(h) ForecastEx may, in its sole discretion, deny any Member application, or suspend, revoke, limit, condition, restrict, or qualify the Access Privileges or Clearing Privileges of any account owner or any Authorized Trading User as deemed necessary or appropriate.

(1) Any Member whose Access Privileges or Clearing Privileges have been limited will be provided in writing the reason such action was taken.

(2) Any Person whose Member application was denied or whose Access Privileges or Clearing Privileges have been limited can file a petition with ForecastEx for review of the decision within 20 Business Days from the date of the notice of denial or limitation. ForecastEx will have sole discretion as to whether to grant the petition. A Person denied Membership will not eligible for re-application for six months.

(i) Independent Software Vendors.

(1) Applicants seeking to become Members have the option request that ForecastEx provide access to one or more Independent Software Vendors ("ISVs"). This request should be submitted in writing concurrently with an application to become a Member or Sponsored FCM.

(2) Any cost or fee associated with using an ISV is the responsibility of the requesting Member or Sponsored FCM.

Rule 302 – Member Responsibilities

(a) Access Privileges shall be given to Members with respect to their proprietary and Customer Bids.

(b) Related Parties authorized by a Member may be given Access Privileges for proprietary accounts of the Member. Related Parties authorized by a FCM Member to handle Customer Bids must be registered if required by Applicable Law.

(c) Members must establish, maintain, and administer written supervisory procedures reasonably designed to ensure that their Related Parties comply with Applicable Law and ForecastEx Rules.

(d) Each Member must represent to the Clearinghouse that each such Member will adhere to the Clearinghouses' collateral transfer procedures. Each Member agrees to provide and accept collateral when required to do so by the Clearinghouse.

(e) Each Member must inform ForecastEx of: (i) any change to its email address within 24 hours after such change; (ii) any changes to the regulatory registration information of the Member's Authorized Trading Users within two Business Days of such change; and (iii) other information provided in the Member Application and Agreement within five days after any such change or sooner if such change is material to the Member's continued compliance with ForecastEx Rules.

(f) Members must maintain current Risk Management Procedures that address the risks that the Member poses to ForecastEx. The Risk Management Procedures must be at least as stringent as requirements in Commission Regulation 1.11. The Member must present these procedures to ForecastEx or the Commission upon request.

(g) Non-FCM Members must comply with the requirements set forth in Part 1 of CFTC Regulations.

(h) Members shall keep confidential all information provided by ForecastEx in connection with the undersigned's access to, ad use of, the Exchange Platform, both during the term and after the termination of a Member's membership. Members may disclose any such information to such persons, and in such circumstances, as permitted under the Rule 906(a), as if references therein to "ForecastEx" were references to Members.

Rule 303 – Sponsored Access

(a) FCM Members may elect to settle and clear transactions on behalf of a Sponsored FCM submitting its own Customer or proprietary Bids subject to the Member meeting the following requirements.

(b) FCM Members are responsible for the activities of FCMs for whom they sponsor access. This includes:

(1) Providing ForecastEx with a completed Sponsored Member Agreement and having that agreement approved prior to offering Settlement and clearing services to any Sponsored FCM;

(2) Guaranteeing and assuming Settlement responsibility for all activity submitted by the Sponsored FCM on ForecastEx;

(3) Assisting ForecastEx in any investigation related to the Sponsored FCM. The assistance will be timely and use reasonable efforts to require the Sponsored FCM to produce documents or otherwise participate in the investigation by ForecastEx;

(4) Suspending or terminating the Sponsored FCM's Access Privileges, if ForecastEx determines that the sponsored FCM's activity on ForecastEx poses a threat to the integrity or liquidity of any Forecast Market, a threat to the integrity of the ForecastEx marketplace, violates Applicable Law, the Rules of ForecastEx, or refuses to cooperate in any investigation; and

(5) Upon receipt of a termination notice in respect of a Sponsored Clearing Agreement, the Clearinghouse shall promptly notify the affected Sponsored FCM and FCM Member of the termination. A mutually agreed upon termination shall be effective when both the Sponsored FCM and FCM Member thereto notify the Clearinghouse that they have agreed to terminate their Sponsored Clearing Agreement registration. A unilateral termination shall be effective at 8:00 CST on the ForecastEx Business Day immediately succeeding the ForecastEx Business Day on which notice of termination was given to the Clearinghouse. FCM Members will maintain responsibility for performance on open Forecast Contracts to be cleared on behalf of such Sponsored FCM prior to termination.

(c) Prior to a FCM Member offering settlement and clearing services to any Sponsored FCM, the Sponsored Member Agreement submitted by a Member must be approved by the Clearing Committee. Prior to approval by Clearing Committee, Sponsored FCMs must submit an application to ForecastEx which contains the names of all the Authorized Trading Users of that Sponsored FCM as well as any other information that ForecastEx may from time to time require.

Rule 304 - Customer Access to ForecastEx

Any Person who is not eligible to become a Member of ForecastEx may enter into Forecast Contracts provided that they become a Customer of an FCM Member or a Sponsored FCM. The FCM Member or Sponsored FCM will be responsible for determining if the Customer is qualified to participate on ForecastEx and shall be financially responsible for all of the Customer's activity as is provided in Rule 301(b).

Rule 305 – Customer Account Requirements

(a) FCM Members must comply with the requirements set forth in Parts 1 and 22 of CFTC Regulations. This includes, but is not limited to, the following:

(1) Maintaining sufficient funds at all times in Customer Accounts.

(2) Computing, recording and reporting completely and accurately the balances in the Statement of Segregation Requirements and Funds in Segregation and the Statement of Segregation Requirements.

(3) Obtaining satisfactory Customer Segregated Account acknowledgment letters and identifying Customer Segregated Account as such.

(4) Preparing complete and materially accurate daily Customer Segregated Account in a timely manner.

(b) All FCM Members and Sponsored FCMs must submit a daily Customer Segregated Account statement through the Clearinghouse's-approved electronic transmissions by 12:00 CST on the following Settlement Bank Business Day.

(c) FCM Members must provide ForecastEx's Compliance Department with access to Customer Account information in a form and manner prescribed by the Compliance Department.

(d) All FCM Members must provide written notice to the Compliance Department of a failure to maintain sufficient funds in Customer Accounts. The Compliance Department must receive immediate written notification when a FCM Member knows or should have known of such failure.

(e) ForecastEx may prescribe additional Customer Account requirements.

Rule 306 – OCR and PositionReporting

(a) Ownership and Control Reporting. For every reportable account, FCM Members must submit the Ownership an Control Information contained in CFTC Form 102 to ForecastEx in a manner that ForecastEx determines is acceptable. Reports must be submitted to the Clearinghouse by 7:00 CST on the day after an account becomes a reportable account for the first time.

(b) Reportable Level. A reportable account is any account, including Customer, firm, or liquidity provider that meets the reportable level. Each account that has been reportable must also be reported on the first day that it falls below the reportable level. The reportable level is one Forecast Contract.

(c) Daily Position Reports. The clearinghouse shall make available to Members daily position reports reflecting positions carried in firm and Customer Accounts.

(d) Review and Reconciliation. Each Member shall review and reconcile the daily position reports issued by the Clearinghouse against the Member's internal books and records and shall promptly notify the Clearinghouse of any discrepancy, error, or unresolved break in the manner and timeframe prescribed by ForecastEx. Absent a timely notice of a discrepancy, the positions reflected in the Clearinghouse's daily position reports shall be deemed accepted by the Member for the purposes of Clearinghouse records and settlement processing.

(e) Additional Reporting. ForecastEx may require a Member to provide supplemental position, account, ownership, control, or collateral information at such time and in such format as ForecastEx may prescribe from time to time.

Rule 307 – Withdrawal of a Member

(a) A Member can withdraw from ForecastEx by submitting notice requesting withdrawal of their Membership. The notice will be accepted immediately and become effective once all of the Member's positions are closed and the Member has withdrawn all funds from their Collateral Accounts subject to the conditions in Rule 606.

(b) Once a withdrawal notice has been accepted, all Access and Clearing Privileges terminate except for those necessary to close or transfer existing positions. The Member has 30 days to remove all Forecast Contracts from its books by offset or Settlement. If this is not accomplished in 30 days, the Clearinghouse may exercise its rights under Rule 609(e) to liquidate or transfer the open Forecast Contracts of the Member.

(c) After withdrawal, a Member remains subject to the ForecastEx Rules to the extent that they apply to the Member's activity at ForecastEx. Withdrawal is final and the Member can only be re-instated via a new membership application.

(d) Inactive Member Status

(1) Instead of submitting a Membership withdrawal request, a Member may instead choose to submit a request to become an inactive Member. Inactive Members do not have Clearing or Access Privileges. Once a inactive Member request has been accepted, all Access and Clearing privileges terminate except for those necessary to close or transfer existing positions. The Member has 30 days to remove all Forecast Contract from its books by offset or Settlement. If this is not accomplished in 30 days, the Clearinghouse may exercise its rights under Rule 609(e) to liquidate or transfer the open Forecast Contracts of the Member. Inactive Member status becomes effective once all positions are closed or transferred.

(2) Inactive Members are not required to contribute to the ForecastEx Clearing Fund and are not required to submit to ForecastEx the financial reports described in ForecastEx Rule 502. An inactive Member remains subject to the ForecastEx Rules to the extent that they apply to the Member's activity at ForecastEx.

(3) Inactive Members may submit a reactivation request to ForecastEx. Once a reactivation request has been submitted, the inactive Member must (i) meet the required Clearing Fund contribution, (ii) provide ForecastEx with the most recent copies of the Member's quarterly financial statement and audited annual financial statement required under ForecastEx Rule 502 and (iii) update any out-of-date information in the Inactive Member's Member application or confirm that the information contained therein is up-to-date.

(4) Once the requirements in (3) above have been met, ForecastEx may grant the reactivation request at its discretion, and reinstate the Member to full Member status. Reactivated Members do not need to submit a new membership application.

Rule 308 – Dues, Fees, and Assessments

(a) ForecastEx shall have the sole power to set the dates and amounts of any dues, assessments, or fees levied by ForecastEx.

(b) If a ForecastEx Participant fails to pay any ForecastEx dues, assessments, or fees, ForecastEx may suspend, revoke, limit, condition, restrict, or qualify the Access Privileges of such ForecastEx Participant.

Rule 309 – Application of Rules and Jurisdiction

(a) By placing Bids on the Exchange, whether directly or through an intermediary, or by having a Bid placed for their benefit, a Market Participant agrees to be bound by the Exchange Rules of ForecastEx and (i) be subject to the jurisdiction of the Exchange with respect to all matters arising from, related to, or in connection with its activity on the Exchange without any need for any further action, undertaking, or agreement and (ii) agrees to be bound by and comply with the Exchange Rules in relation to such transactions, including but not limited to rules requiring cooperating and participating in investigatory and disciplinary processes. A ForecastEx Participant also agrees to be bound by the Exchange Rules of ForecastEx with the consequences described above, solely by accessing the ForecastEx System.

(b) If a Market Participant has their Access Privileges revoked or terminated, it remains bound by the Exchange Rules. Market Participants are subject to the Exchange Rules to the extent applicable and remain subject to the jurisdiction of Exchange with respect to any and all matters arising from, related to, or in connection with their former participation in the Exchange.

(c) ForecastEx may provide all information it possesses about any Market Participant to the CFTC or any other Regulatory Agency, Self-Regulatory Organization, law enforcement authority, or judicial tribunal, including foreign regulatory or self-regulatory bodies without notifying the Market Participant.

Rule 310 – Recording Conversations

ForecastEx may record conversations where Officers, employees, or agents of ForecastEx are on one side and Market Participants are on the other. These recordings may be kept by ForecastEx in a manner and for a duration determined to be appropriate by ForecastEx Rules and CFTC Regulations.

Rule 311 – Public Information

(a) ForecastEx will maintain an accurate, current, and complete version of its Rulebook on its website. The Rulebook will be updated on the date of implementation of any new or amended rule.

(b) If ForecastEx decides to make an alteration to its Rulebook, it will publish a notice describing the changes to ForecastEx Rules prior to the effective date of the rule change. In order to enable Members to become aware of the rule change, at minimum, ForecastEx will post the notice on ForecastEx website when it is published.

(c) The Exchange will publish to its website the following pairing information each ForecastEx Business Day at 16:00 CT:

(1) For each currently listed Forecast Contract: the previous day's volume, open interest, highest, lowest, volume weighted average, last prices, and, if applicable, Settlement prices; and

(2) A list of Executions including the Forecast Contract symbol, price, quantity, and time.

(d) Contract Specifications for every listed Forecast Contract will be posted by the Exchange to the ForecastEx website.

(e) To the extent that they are not contained in the Rulebook, ForecastEx will publish to its website the ForecastEx rules and regulations pertaining to the trading mechanism and the ForecastEx rules and regulations pertaining to the ForecastEx System.

(f) If ForecastEx creates an emergency rule in accordance with Rule 409, ForecastEx will publish a notice of the action on its website and notify Members via email.

(g) ForecastEx will publish any filings, such as those under Part 40 concurrent with filing of such information or submissions with the Secretary of the Commission. If ForecastEx requests confidential treatment of any information filed with the Secretary of the Commission; it will post on its website the public version of such filing or submission.

(h) ForecastEx will publish any and all fees in a fee schedule on the ForecastEx website.

(i) ForecastEx will publish a list of all current FCM Members on the ForecastEx website.

Chapter 4 – Participation at ForecastEx

Chapter 4 pertains to both the Clearinghouse and Exchange.

Rule 401 – Forecast Contracts

(a) General. The Contracts listed at the Exchange are Forecast Contracts. Each Forecast Market lists a "Yes" Forecast Contract and a "No" Forecast Contract on the same Event Question.

(b) Event Questions. The Settlement of a Forecast Contract is based on the Outcome of an Event Question. Event Questions can be based on economic, business, environmental, legislative, or social events, or any other event that the Exchange chooses subject to the exclusion listed in this Rule 401(b). The Exchange will not list Forecast Markets deemed prohibited by the CFTC pursuant to Section 5c(5)(C) of the CEA.

(c) Entering Positions. Market Participants enter into Forecast Contracts by Bidding for either a "Yes" Position or a "No" Position in a Forecast Market and then being paired with a Market Participant who has Bid on the other contract in the Forecast Market. For a Market Participant to enter into a "Yes" Position, their Bid must be paired with another Market Participant who has Bid on the paired "No" Position, and vice versa.

(d) Inverse Pricing. The "Yes" and "No" Positions of a Forecast Market are entered into via inverse pricing. Market Participants Bid prices between $0.01 and $0.99. When the combined Bids for the "Yes" Position and "No" Position equal $1.00, the Exchange executes the Forecast Contracts by pairing the Bids. The Market Participant who Bid for the "Yes" Position executes a Contract with ForecastEx and the Market Participant who Bid for the "No" position executes a Contract with ForecastEx. The Contracts are then reported to the Clearinghouse. As part of the Contracts, each Member will have entered into a Forecast Contract, subject to all of the terms and conditions laid out in the Contract Specifications and ForecastEx will have the Obligation to pay all monies required at such time as the Forecast Contract settles. The Clearinghouse confirms the completeness of all created contracts and the sufficiency of each Member's funds to settle the created contract. Each party is required to post collateral equal to the price they enter their Forecast Contract at (e.g., If a $0.20 Bid for a "Yes" Position and a $0.80 Bid for a "No" Position are paired, the "Yes" participant is required to post $0.20 per Forecast Contract and the "No" participant is required to post $0.80 per Forecast Contract).

(e) Resolution. At the Resolution Time, the Outcome of an Event Question will be either "Yes" or "No". Resolved Forecast Contracts will be settled in accordance with Rule 603.

(1) Conditional contracts may have an Outcome of "Yes", "No", or "False".

(f) Credit Check.

(1) Prior to an Authorized Trading User submitting a Bid, the Member will conduct a review of its Collateral Account to ensure the Member can fully collateralize the Bids prior to entering into any Forecast Contracts. A Member cannot submit a Bid if they do not have the necessary funds and/or collateral.

(2) Prior to an Authorized Trading User submitting a Bid, the FCM Member or Sponsored FCM will conduct a review of the Customer Account on its books to ensure that the Customer has sufficient cash to fully-collateralize any Forecast Contracts that could result from that Bid.

(3) Prior to accepting a Bid, ForecastEx will conduct a review of the Member's Collateral Account to ensure that the Member can fully collateralize the Bids prior to entering into any Forecast Contracts.

(f) The minimum unit of trading is one Forecast Contract.

(h) The minimum Bid increment for each Forecast Contract is $0.01.

(i) Forecast Contracts are non-marginable and have no loan value.

Rule 402 – Hours of Operation

Authorized Trading Users may place Bids and enter into Forecast Contracts at the times specified by ForecastEx. ForecastEx will provide a detailed trading schedule in advance on its website.

Rule 403 – Bid Entry

(a) All Bids must be entered into the Exchange Platform via electronic transmission by an Authorized Trading User. Market Participants who are not Authorized Trading Users cannot submit Bids directly to the Exchange Platform. Members and Sponsored FCMs must direct an Authorized Trading User to submit their Bids. Customers of FCM Members and Customers of Sponsored FCMs must direct their FCM Member or Sponsored FCM as applicable, to have an Authorized Trading User submit the Bids on their behalf. Each Member shall be responsible for any and all Bids entered by it, the Member's Sponsored FCMs, or its employees, and for compliance by its Related Parties with this Rule 403. Prior to entering a Bid, the relevant ForecastEx Participant shall access the Exchange Platform by inputting the User ID assigned by the Exchange to that ForecastEx Participant. Each Bid must contain the following:

(i) Bid type;

(ii) Forecast Contract identifiers including symbol and Resolution Time;

(iii) Whether the Bid is for the "Yes" Position or "No" Position;

(iv) Quantity;

(v) Price;

(vi) Account type;

(vii) Account number; and

(viii) Any other information required from time to time by the Exchange.

(b) Audit Trail Requirements

(1) Members that provide connectivity to the Exchange are responsible for maintaining, or causing to be maintained, a Bid routing or front-end audit trail for all electronic Bids, including Bid entry, modification, cancellation and responses to such messages, entered on the Exchange through any gateway to the Exchange Platform. The audit trail must contain all Bid receipt, Bid entry, Bid modification or cancellation, and response or receipt times to the highest level of precision achievable by the operating system, in accordance with CFTC requirements for electronic Bids. The times captured must not be able to be modified by the Person entering the Bid.

(2) Members, including Authorized Trading Users, must maintain audit trail information as required by the CEA and CFTC Regulations, including, but not limited to, CFTC Regulations 1.31 and 1.35 if applicable, and must be able to produce this data in a standard format upon request from the Regulatory Oversight Committee, Compliance Department or other relevant department of ForecastEx. ForecastEx will conduct regular audit trail reviews in accordance with CFTC Regulation 38.553.

(3) FCM Members must maintain a complete record of all of Customer Bids to enter into Forecast Contracts received by the Member, and any other transaction records, communications or data received by the FCM Member regarding its Customer Accounts.

(4) The audit trail must capture required fields, which include but are not limited to the following: all fields relating to Bid entry, including the ID of a Forecast Contract, quantity, Bid type, User ID(s), Customer Type Indicator Code, timestamps, and, where applicable, stop/trigger price, type of action and action status code, and applicable information contained in this Rule 403(b).

(5) For Bids that are filled, the audit trail must record the fill time of the Forecast Contract and all fill information.

(c) If a Bid is entered at a price that would cause the combined price of the “Yes” and “No” Bids in a Forecast Market to exceed $1.01, the Bid is first executed against the resting Bid on the book with the highest Bid price and the aggressing Bid will have its price improved to so that the pair price is equal to $1.00. If the quantity of the aggressing Bid exceeds the quantity resting on the book at the best price, the aggressing Bid will sweep the book, up to the limit price.

Rule 404 – Placing Bids

(a) Bid Types. Authorized Trading Users may input the following Bid types into the Exchange: Limit. A Limit Bid is a Bid to enter into a stated number of “Yes” Positions or “No” Positions at a specified price or at a lower price.

(b) Bid Modification. Any Bid may be modified or cancelled until it has been filled. The Exchange will attempt to cancel an existing Bid as soon as possible after a Member enters a cancellation instruction. The Bid may be filled before the Exchange is able to cancel it.

Rule 405 – Filling Bids

(a) Subject to Rule 405(b), Bids are prioritized by price-time priority by the Exchange. The Bids for the highest price will be filled first. If there are multiple Bids at the same price, the Bid that was entered first will be filled first.

(b) If an Affiliated Participant enters a Bid at the same price level as a Bid of a non-Affiliated Participant, the Bid for the non-Affiliated Participant will always be filled first by the Exchange, regardless of the time that the Affiliated Participant entered their Bid. Affiliated Participant Bids are always filled last by the Exchange at every price level.

Rule 406 – Entering Forecast Contracts on Behalf of Customers

All Customer Bids must be transmitted to the Exchange by each Customer's FCM Member. Each Member shall maintain a secure connection to the Exchange and comply with all technical and other requirements established by the Exchange for this purpose.

Rule 407 - Error Trades

(a) Bust/Adjust Policy

(1) Title. This Rule 407(a) will be referred to as the "ForecastEx Bust/Adjust Policy".

(2) Reviewing Executions.

(i)The Compliance Department may conduct a bust/adjust review of any Forecast Contracts entered into on the Exchange Platform on the same ForecastEx Business Day that the Forecast Contract was entered into.

(ii) ForecastEx Participants may request a bust/adjust review of any Forecast Contract entered into on the Exchange Platform to which they or, if the ForecastEx Participant is a FCM Member, their Customer, were a party within 15 minutes of the Forecast Contract being entered into. If a ForecastEx Participant requests a review, it must provide the Exchange with the reason it believes the execution should be busted or adjusted.

(iii) If an execution is placed under review, the Exchange will notify the market that the execution is under review.

(3) Reviewing Executions.

(i) The Exchange will not bust or adjust an execution if the only reason for busting or adjusting the execution is that the Bid was entered into with the wrong price by a Market Participant. As such, the Exchange does not construct a "no bust range" for a given execution.

(ii) The Exchange will only consider busting or adjusting a pairing if one of the following circumstances is true:

A. The Exchange has determined that the execution was part of a manipulative scheme.

B. The Exchange has determined that the execution did not result in a change in beneficial ownership or was conducted to affect a "money pass".

C. Letting the execution stand would result in inaccurate information about the Forecast Market being displayed to Market Participants or the public.

D. The execution was disruptive or was otherwise unconducive to fair and orderly markets.

(b) Errors in handling of Customer Bids. If a Market Participant discovers that there was an error in the handling of a Customer Bid after the fill has been completed and the Bid cannot be filled at a price that is better than or equal to the price that the Bid should have been filled, such Market Participant shall fill the Bid in the market and make an appropriate cash adjustment so that the Customer receives a price equal to or better than what they should have originally received.

(c) Errors by a Member may be transferred to an error trade account in accordance with Rule 410(a).

Rule 408 – Position Accountability and Position Limits

(a) All Forecast Contracts on ForecastEx are subject to either position accountability or position limits. Whether a specific Contract is subject to position accountability or position limits as well as the accountability/limit amount will be indicated in the Contract Terms and Conditions.

(b) Position Accountability

(1) A Market Participant who increases their position above the position accountability limit agrees to provide in a timely fashion, upon request by the Exchange, information regarding the nature of the Forecast Contracts, trading strategy, or any other aspect of the Forecast Contract ForecastEx determines is necessary.

(2) If requested by the Exchange, a Market Participant whose position exceeds the position accountability level must: (i) refrain from increasing the size of their position; or (ii) reduce the size of their position, in a timely fashion, by the amount directed by the Exchange. If a Market Participant refuses to comply with these requests, the Clearinghouse may forcibly liquidate the Market Participant's position.

(3) A Market Participant is in violation of this position accountability rule if:

(i) The Market Participant does not provide the requested information concerning the position to ForecastEx; or

(ii) The Market Participant does not honor a request by ForecastEx in accordance with this Rule 408(b)(2).

(c) Position Limits

(1) Market Participants are in violation of this position limit rule if they increase their position above the position limit without a position limit exemption.

(2) Market Participants may apply to the ForecastEx Compliance Department for a position limit exemption. Exemptions may be granted for either an individual Forecast Contract, or for multiple expiries of Forecast Contracts with the same underlying.

(3) In order to apply for a position limit exemption, a Market Participant must complete the position limit exemption form published on the ForecastEx website and send the completed form via email to the ForecastEx Compliance Department at compliance@4castex.com.

(4) The ForecastEx Compliance Department may impose whatever conditions on granting a position limit exemption, that are deemed appropriate in the sole discretion of the ForecastEx Compliance Department.

Rule 409 - Emergencies

(a) General. If the CEO, or an individual designated by the CEO and approved by the Board, determines that an emergency exists, the CEO or their designee may create a temporary emergency rule. The emergency rule can remain in effect for up to 30 ForecastEx Business Days. ForecastEx will document its decision-making process and reasons for taking emergency action including how any conflicts of interest have been managed and minimized.

(b) Emergency Powers. ForecastEx's emergency powers include:

(1) Preventing Market Participants from opening new Forecast Contracts that do not offset existing Forecast Contracts;

(2) Changing the Resolution Time of any Forecast Market;

(3) Imposing or modifying price and/or position limits for any Forecast Market;

(4) Ordering the liquidation of existing Forecast Contracts;

(5) Ordering the transfer of Forecast Contracts held by any Member to one or more other Members obligated to assume such Forecast Contracts;

(6) Limiting or changing the hours of operation;

(7) Suspending or curtailing Bidding in any or all Forecast Markets; and

(8) Modifying or suspending any provision of this ForecastEx Rulebook.

(c) Emergency Event. Emergency conditions include the following:

(1) Any circumstance that severely and adversely affects, or threatens to severely and adversely affect, the physical functions of ForecastEx, or threatens to severely and adversely affect the physical functions of ForecastEx. This includes but is not limited to the following: fire, casualty, bomb threats, terrorism, computer system breakdowns, trading system breakdowns, or transportation breakdowns;

(2) Any activity that manipulates or attempts to manipulate a Forecast Market entered at the Exchange;

(3) Circumstances or actions that may materially affect the performance of Forecast Contracts entered into on the Exchange;

(4) Circumstances or actions that may materially affect the ability of ForecastEx to perform its normal functions;

(5) Actions taken by a governmental body, a Self-Regulatory Organization, a contract market, or any other exchange, market, facility, or trade association that may directly impact trading on the Exchange;

(6) Circumstances where a Market Participant cannot continue conducting business with ForecastEx without jeopardizing the safety of ForecastEx or Market Participants;

(7) Bankruptcy or insolvency of ForecastEx or the imposition of any injunction or other restraint by any government agency, clearing house, court or arbitrator on ForecastEx which may affect the ability of ForecastEx to perform on a Forecast Contract;

(8) Any circumstance which may have a material impact on the reliability or transparency of the Underlying Event related to a Forecast Market;

(9) Any circumstance where the CFTC directs ForecastEx to use its emergency authority; and

(10) Any other circumstance which the CEO determines threatens or may threaten fair and orderly markets.

(d) Notification. In accordance with CFTC Regulation 40.6, ForecastEx will notify the CFTC or any emergency rule or emergency action taken.

(e) Conflicts of interest. The CEO, or their designee, is bound by the Conflicts of Interest provisions set forth in Rule 206. If a conflict of interest is found to exist involving the CEO or their designee, the Board shall be responsible for taking the Emergency action.

Rule 410 – Transfers

(a) Existing Forecast Contracts may be transferred from one Member to another Member or on the books of a Member provided:

(i) The Member or Members notifies ForecastEx prior to the transfer; and

(ii) An error was made in the reporting or clearing of a Forecast Contract, the transfer moves the Forecast Contract to an error account of the Member, and the transfer is completed within two ForecastEx Business Days after the Forecast Contract is opened.

(b) Forecast Contracts and funds belonging to a Customer of a FCM Member ("carrying Member") may be transferred to another FCM Member ("receiving Member") without requiring close-out and re-booking of the positions prior to transfer provided that:

(i) The Customer instructed their FCM Member to make the transfer;

(ii) The receiving FCM Member has consented to the transfer;

(iii) The Customer is not currently in default to the carrying FCM Member; and

(iv) The carrying FCM Member notifies ForecastEx prior to the transfer.

(c) Forecast Contracts may also be transferred for reasons other than those listed in Rule 410(a) provided that the Member receives approval for the transfer from ForecastEx prior to transferring the Forecast Contracts.

(d) Transfers will be reported to the Clearinghouse in a form determined acceptable by ForecastEx. Members will maintain a record of all transfers.

Rule 411 – Market Data Available to Market Participants

(a) The Exchange will make information regarding filled Forecast Contracts, Bids, and other matters it may deem appropriate available to Market Participants at such times and in such manner as the Exchange may consider necessary or appropriate. Each Market Participant receiving any such information through the ForecastEx system may redistribute such information only to such extent and in such manner as may be permitted by the Board from time to time.

(b) An acknowledgement of each filled Bid will be forwarded to the party who opened the Forecast Contract resulting from such Bid.

Rule 412 – Precedence of Federal Law

Any change in instructions, order, ruling, directive, or law issued or enacted by any court or agency of the Federal Government of the United States that conflicts with the Rules contained in this Rulebook shall take precedence, immediately become a part of these Rules, and be effective for all currently active and newly listed Forecast Markets.

Rule 413 – Contract Modifications

(a) Source Agency. If any event or circumstance which may have a material impact on the reliability or transparency of a Forecast Market's Source Agency or the underlying data related to the Forecast Market arises, including but not limited to if a Forecast Market's Source Agency is unavailable or undergoes significant modifications, the Exchange retains the authority to designate a new Source Agency and Underlying for that Forecast Market and to change any associated Contract Specifications after the first day of trading. The new Source Agency and Underlying are required to be objective and verifiable. Any such change will be posted to the ForecastEx website.

(b) Resolution Time. If the Event Question that determines the Outcome of a Forecast Market is based on an Event occurring, or occurring multiple times, within a stated timeframe, the Exchange may accelerate the Resolution Time of the Forecast Market if the Outcome of the Event Question has been determined prior to the initial Resolution Time.

Rule 414 – Accelerated Settlement

(a) If any circumstance arises which would prevent the Event Question from being answered accurately at the Resolution Time, including but not limited to the cancellation of the event that determines the Outcome of the Event Question, ForecastEx shall have the power to accelerate or delay the Settlement of the Forecast Market.

(b) If ForecastEx determines to accelerate the Settlement of a Forecast Market, ForecastEx will determine the payouts to the Market Participants who hold "Yes" Positions and "No" Positions based on the affected Event Question.

(1) Upon determining to accelerate the Settlement of a Forecast Market, the Exchange will post a public notice on its website and send emails to affected Members. At this time, the Exchange will also suspend Trading in the affected Forecast Market.

(2) If available, ForecastEx will use the most recent last prices of the Forecast Contracts affected to determine to the payout.

(3) If the most recent last price is not available, or if ForecastEx determines in its sole discretion that the most recent last price does not represent a fair allocation, the Event Review Committee will be responsible for making a binding determination of fair allocation. In no event shall the combined payout for a single "Yes" Position and a single "No" Position exceed $1.00. Determinations by the Event Review Committee are final and not subject to review.

(4) ForecastEx will settle the Forecast Market as soon as is practical after initiating the accelerated Settlement process.

Rule 415 – Event Review Process

(a) Before Settlement, the Exchange may initiate the Event Review Process, at its sole discretion and by taking into account several factors including any circumstances that may have a material impact on the reliability or transparency of the Underlying related to the Forecast Market. If the Event Review Process is initiated, the Exchange will post on the ForecastEx website that the Forecast Market's Outcome is under review.

(b) Once the Event Review Process is initiated, Settlement will not proceed until the Event Review Process is concluded, at which point Settlement will occur at the Settlement cycle immediately following the conclusion of the Event Review Process.

(c) If the Event Review Process was initiated due to a potential error in the data retrieved from the Source Agency the Change Control Oversight Board may determine the correct resolution of the Forecast Market by unanimous consent after reviewing the relevant data and evidence.

(d) If there is not unanimous agreement among the Officers, or if the Event Review Process was initiated for reasons other than those outlined in this Rule 415(c), The Event Review Committee will determine the Event Resolution.

(e) The Event Review Committee shall review all relevant evidence and determine a final Outcome as soon as is feasible after the Event Review Process is initiated.

(f) The Event Review Committee has full discretion in resolving the Event Review Process. The determinations by the Event Review Committee are final.

Rule 416 – Market Maker Program

(a) ForecastEx may institute a Market Maker program at its discretion. There may be more than one market maker program in place at any given time.

(b) ForecastEx has sole discretion on whether to allow a given Market Participant to become a Market Maker. There is no limit on the number of Market Makers that ForecastEx may designate.

(c) A Market Maker program may reward Market Maker participants with advantages ("Program Benefits") including financial incentives, higher position limit and/or position accountability levels, and alternative collateral rules as described in Rule 608. All benefits will be described in the Market Maker program.

(d) In order to be eligible for Program Benefits, a designated Market Maker must:

(1) Apply to ForecastEx to be a Market Maker and execute a Market Maker agreement with ForecastEx.

(2) Perform all requirements and obligations detailed in the Market Maker agreement and Market Maker program in place at ForecastEx, including but not limited to maintaining Bids on both the "Yes" and "No" Contracts of a given Event Market for a certain percentage of the time, with Bids of a minimum size, and with a maximum spread between the "Yes" and "No" Bids.

(3) Not be subject to Default or Suspension.

(4) If the Market Maker is a Member, maintain a ForecastEx Membership

(5) If the Market Maker is a Customer of a Member, maintain an account in good standing with the FCM Member intermediating their trades with ForecastEx.

(e) ForecastEx will conduct monthly reviews of any Market Makers to ensure that they are meeting their obligations under the Market Maker program. Failure to meet obligations under the market maker program may result in the forfeiture or incentives and/or termination from the Market Maker program.

(f) A Market Maker's transactions must be reasonably calculated to contribute to the maintenance of a fair and orderly market, and a market maker shall not make Bids or enter into transactions inconsistent with this goal.

Rule 417 – Liquidity Incentive Program

(a) The Exchange may establish one or more liquidity incentive programs under which eligible Market Participants may receive cash or other disclosed rewards for maintaining resting limit orders is designated contracts. Unlike Market Maker Programs described n Rule 416, Market Participants may be eligible for rewards under the Liquidity Incentive Program without executing a Market Maker Agreement.

(b) Before a program becomes effective, the Exchange will publish a notice identifying the eligible contracts, program period, aggregate reward pool, discount factor, target size, payment timing, and any additional eligibility conditions or calculation parameters.

(c) Unless otherwise specified, only displayed limit orders resting on the Exchange at the applicable observation times are eligible. Market orders, and immediately executable orders are not eligible.

(d) The Exchange will calculate order scores using an objective methodology published on the Exchange website. Rewards will be distributed according to each eligible Market Participant's score.

(e) The Exchange will maintain records sufficient to reproduce program calculations and payments and will make such records available to the Commission upon request.

Rule 418 – Block Trades

(a) The Exchange may permit Block Trades and determine the minimum quantity thresholds for such transactions.

(b) A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. The minimum threshold for a specific contract will either be the default threshold level or specified in the Terms and Conditions of the Contract. The default minimum block threshold is 25,000 contracts.

(c) Eligibility

(1) Each party to a Block Trade must be an Eligible Contract Participant ("ECP") as that term is defined in Section 1a(18) of the Commodity Exchange Act.

(2) Market Participants may additionally be eligible to execute Block Trades if they are (i) A commodity trading advisor ("CTA") registered or exempt from registration under the CEA, or (ii) a foreign person subject to foreign regulation performing a similar role or function to a CTA or investment advisor, provided that such person or advisor has total assets under management exceeding $25 million and the Block Trade is suitable for their Customers.

(d) A FCM Member shall not execute any order by means of a Block Trade for a Customer unless such Customer has specified that the order be executed as a Block Trade.

(e) The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the Block Trades.

(f) Block Trades must be reported to the Exchange within (15) minutes from the time that the parties agree to the trade in principle, and in the manner specified by the Exchange. The report must include the Contract, expiration, price and quantity of the transaction, the respective Members and accounts involved, and the time of execution. The Exchange shall promptly publish such information in a manner such that it is distinguishable from the reports of transactions in the regular market. Unless otherwise agreed to by the principal counterparties to

the Block Trade, the Member handling the transaction is responsible for ensuring that the transaction is reported in the time and manner specified by the Exchange.

(g) Members involved in the execution of Block Trades must maintain a record of the transaction. At the time of execution, every order received from a customer for execution must be in the form of a written or electronic record and include an electronic timestamp reflecting the date and time such order was received, and must identify the specific account(s) for which the order was placed. Such record shall also include an electronic timestamp reflecting the date and time such order was modified, returned, confirmed, or cancelled.

(h) Negotiations related to Block Trades by parties eligible to execute Block Trades shall not be considered a violation of Rule 509(g)(1). Market Participants will maintain all records of Block Trade negotiations in accordance with Rule 501.

Rule 419 – Request for Quotes

(a) Members may use ForecastEx's RFQ system to create a quote request message to express interest in a Forecast Market. FCM Members and Sponsored FCMs may allow some or all of their customers to use ForecastEx's RFQ system at their discretion and in accordance with the requirements in (f) of this rule below. A Market Participant using the RFQ system to request a quote ("Quote Requester") must send a quote request message containing the following information, which is public to all other users of the RFQ system:

(1) The Forecast Market in which a quote is requested;

(2) The quantity of the quote, measured in the number of contracts;

(3) The expiration time of the RFQ; and

(4) Any other information that ForecastEx may from time to time require.

(b) Any other Market Participant with access to ForecastEx's RFQ system may choose to respond to the quote request with a structured response. No Market Participant is obligated to respond to any RFQ. The Market Participant responding to the RFQ quest ("Quoter") will send a quote through the RFQ system. Quote requests cannot be responded to after the expiration time of the quote request. A quote is private and only visible to the Market Participant who requested the quote. The quote message must:

(1) Include the price at which the responding Market Participant is willing to buy a specified quantity of "Yes" Contracts as well as the price at which the Market Participant is willing to buy a specified quantity of "No" Contracts;

(2) Contain an expiration time for the quote; and

(3) If executed in its entirety, not cause the Quoter to exceed the collateral available to them at the Clearinghouse in the Customer or Non-customer Collateral Account as applicable.

(c) The Quote Requester may choose to accept a quote. The Quote Requester may choose to accept the quote for the full quantity or for a smaller quantity than they requested. The Quote Requester cannot accept a quote if the quote's expiration time has passed. The Quote Requester can only accept a quote if doing so would not cause them to exceed the collateral available to them at the Clearinghouse in the Customer or Non-customer Collateral Account as applicable.

(d) Once a quote is accepted, neither the Quote Requester nor the Quoter can opt-out of the process. No public indication is given of the incoming Bids prior to their entry into the ForecastEx System. The Quote Requester's Bid will be entered immediately into the ForecastEx System. The Quoter's Bid will be entered into the ForecastEx System one (1) second after the Quote Requester's Bid.

(e) The Quote Requester's Bid will be evaluated against the best prices in the ForecastEx System. Executions resulting from accepted quotes are subject to the same price-time priority and matching rules applicable to all Bids in the ForecastEx System.

(1) If the quote improves the best Bid in the order book or if there is no other Bids, the Quoter's Bid will match in its entirety against the Quote Requester's Bid.

(2) If there is a better or equal Bid or Bids already resting in the order book, the Quote Requester's Bid will first be executed against the better or equal Bid or Bids, and the residual quantity, if any, will be matched against the Quoter's Bids as applicable.

(f) FCM Members and Sponsored FCMs must ensure that any of their customers who submit quotes or accept quotes have sufficient collateral in their customer account on the FCM's books at the FCM in order to support their position. FCM Members and Sponsored FCMs must check the notional value of the Bid against the Customer's available collateral on the FCM's books:

(1) Before allowing a Customer to accept a quote when the Customer Customer is a Quote Requester; and

(2) Before allowing a Customer to send a quote when the Customer is responding to a quote request.

(g) Use of ForecastEx's RFQ system as described above to request or provide quotes shall not constitute a violation of Rule 509(g)(1)'s prohibition on pre-arranged fills. All activity conducted through the RFQ system remains subject to the Exchange's rules prohibiting manipulation, wash trading, fictitious transactions, and other non-competitive trading practices. The RFQ system may not be used to circumvent the Exchange's price-time priority or matching rules.

Chapter 5 – Obligations of Members

Chapter 5 pertains to both the Clearinghouse and Exchange.

Rule 501 – Recordkeeping

(a) Each Member and Sponsored FCM shall prepare and keep current all books, ledgers, and other similar records required to be kept by it pursuant to the CEA, CFTC Regulations, and ForecastEx Rules, as well as any other books and records that ForecastEx may prescribe (collectively, "Records"). Such Records will be made available to ForecastEx upon request.

(b) Each Member and Sponsored FCM shall keep all Records required in Rule 501(a) for a period of five years from the date that they were first prepared, unless otherwise provided in ForecastEx Rules or required by law. The Records shall be readily available during the first two years of the five-year period. During the five-year period, all Records will be made available to ForecastEx or its representatives upon request.

(c) During the term of its Membership and for a period of five years thereafter:

(i) Members and Sponsored FCMs shall provide ForecastEx all such cooperation as ForecastEx reasonably requests to respond to any inquiries, investigations and/or examinations made by any third-party service providers or licensors, exchanges, or other regulatory, law enforcement or other governmental authorities in connection with ForecastEx; and

(ii) Members and Sponsored FCMs shall furnish ForecastEx with any and all information in Member's possession or control that ForecastEx may reasonably request concerning Member and its use of ForecastEx, including any information reasonably necessary to enable ForecastEx to comply with its regulatory responsibilities or other obligations under any applicable laws, rules or regulations or its reporting requirements or other obligations to any third-party service providers or licensors.

Rule 502 – Financial Reporting Requirements

(a) Each Member and Sponsored FCM shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements. This includes:

(i) If an FCM Member or Sponsored FCM: the minimum financial requirements in CFTC Regulation 1.17 as well as the reporting requirements in CFTC Regulations 1.10 and 1.12. FCM Members and Sponsored FCMs shall provide to ForecastEx a copy of any filing required to be filed with the CFTC pursuant to CFTC Regulation 1.12.

(ii) If a Non-FCM Member: file quarterly financial statements presented in accordance with generally accepted accounting principles that include, at a minimum, a statement of financial conditions (or balance sheet), within 45 days of the end of the Member's fiscal quarter.

(b) Members and Sponsored FCMs shall be required to satisfy such minimum financial requirements, and comply with such Obligations that may be established from time to time by ForecastEx.

(c) Members and Sponsored FCMs must immediately notify the CEO or their designee immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it.

(d) If a Member or Sponsored FCM is subject to the early warning requirements set forth in CFTC Regulation 1.12, the CEO or their designee may impose, as they deem necessary or appropriate, any restriction or conditions on the business and operation of such Member.

(e) If a Member or Sponsored FCM cannot demonstrate that it is in compliance with the minimum financial requirements applicable to it, they may not participate on the Exchange except for the purpose of offsetting open Forecast Contracts.

(f) FCM Members and Sponsored FCMs shall be required to submit a true and complete copy of their monthly Form 1-FR (or FOCUS Report if registered as a broker-dealer with the SEC) within the deadlines specific by the CFTC (or the SEC, if registered as a broker-dealer). Additionally, each FCM Member and Sponsored FCM shall file the 1-FR (or FOCUS Report if registered as a broker-dealer with the SEC) as of the close of its fiscal year within the deadlines specified by the CFTC (or the SEC, if registered as a broker-dealer). Such filing must be certified by an independent public accountant.

Rule 503 – Treatment of Customer Funds

Each FCM Member and Sponsored FCM shall comply with the provisions of CFTC Regulations and Applicable Law relating to the treatment of Customer funds and the maintenance of books and records with respect thereto. This includes CFTC Regulations 1.20 - 1.32 and 22.2. Any FCM Member or Sponsored FCM that violates the aforementioned CFTC Regulations will be deemed to have violated this Rule 503.

Rule 504 – Confirmations and Customer Statements

(a) Confirmations. FCM Members and Sponsored FCMs that enter into a Forecast Contract on behalf of a Customer shall provide a confirmation to the Customer no later than the Business Day following the fill date. The confirmation shall be in the form that the Exchange shall from time to time prescribe and at minimum indicate the symbol, whether a “Yes” Position or “No” Position was entered, the price, and quantity.

(b) Customer Statements. FCM Members and Sponsored FCMs that enter into Forecast Contracts on behalf of Customers shall furnish a monthly statement of account to each Customer, in accordance with applicable CFTC Regulations.

Rule 505 – Responsibility for Customer Bids

(a) ForecastEx Participants handling Bids for Customers shall exercise due diligence in the handling and execution of such Bids. Failure to act with due diligence shall be considered negligence.

(b) ForecastEx Participants are prohibited from directly or indirectly guaranteeing a fill of a Bid or any of its terms (such as quantity or price). This Rule 505(b) shall not be construed to prevent a Member or Sponsored FCM from assuming or sharing losses resulting from an error in mishandling a Bid.

(c) ForecastEx Participants shall not adjust the price at which a Bid was filled or be held responsible for executing or failing to fill a Bid unless they were negligent or are settling a dispute regarding negligence.

Rule 506 – System Security

(a) Members must establish and maintain cyber security policies and procedures to protect each Member's systems, including but not limited to any API.

(b) Members must at all times have at least one employee or agent designated as its administrator. The administrator is responsible for overseeing the activity by the Authorized Trading Users of that Member.

(c) Each Authorized Trading User must have a unique User ID.

(d) Each Bid entered by a Member on the Exchange on behalf of a Customer must contain: (1) such Customer's User ID or Customer ID; and (2) the User ID of the Member's Authorized Trading User that entered the Bid.

(e) No Person may use a User ID to place any Bid except as permitted by these Rules, nor may any Person knowingly permit or assist with the unauthorized use of a User ID. Each Member and Authorized Trading User shall ensure that no User ID is used by any Person not authorized by these Rules. Each Member shall establish and maintain policies and procedures to ensure the proper use and protection of User IDs. An Authorized Trading User is prohibited from using another Person's User ID, unless the Authorized Trading User is entering the Bid on behalf of a Customer in accordance with the Rules.

(f) Each Member shall be solely responsible for controlling and monitoring the use of all User IDs issued to its Authorized Trading Users.

(g) Each Member shall notify the Exchange of the need to terminate any User IDs or the status of any of its Authorized Trading Users.

(h) Each Member shall keep confidential and secure all User IDs, except as permitted pursuant to these Rules, and any account numbers and passwords related to the Exchange Platform and shall notify the Exchange promptly upon becoming aware of:

(1) Any unauthorized disclosure or use of any User ID and of any other compromise to a User ID that would reasonably cause the Exchange to deactivate the User ID;

(2) Any loss of any User ID; and

(3) Any unauthorized access to the Exchange by any Person using a User ID assigned to such Member.

(i) Each trading system that automates the generation and routing of Bids to the Exchange must have a User ID.

Rule 507 – Documents Provided to Customers

(a) FCM Members must provide their Customers a copy of the ForecastEx risk disclosure statement and ForecastEx Rulebook prior to accepting any Bids from such Customers for submission to the Exchange.

(b) The ForecastEx risk disclosure statement must contain a section on Affiliate Risk. This section must inform Customers about the requirements of Rule 208(g) as well as providing Customers with links to the ForecastEx website where this information is displayed. The section should additionally disclose that Customers may access ForecastEx from any FCM Member with whom they have an account and provide Customers with a link to the page on ForecastEx's website that shows which firms are FCM Members.

Rule 508 - Fraudulent or Misleading Communications

(a) No Market Participant shall make any fraudulent or misleading communications relating to the entering of Bids or the entering of Forecast Contracts on the Exchange.

(b) No Market Participant shall make any misstatement of a material fact to ForecastEx, including the Board, any committee thereof, or any Director, Officer, or employee of ForecastEx.

Rule 509 – Prohibited Actions and Activities

(a) Fraudulent Acts. No Market Participant shall engage in any fraudulent act or engage in any scheme to defraud, deceive, or trick in connection with any Forecast Market or any other activity related to ForecastEx.

(b) Fictitious Transactions. No Market Participant shall create fictitious Forecast Contracts or fill any Bid for a fictitious Forecast Contract with knowledge of its nature.

(c) Market Manipulation. Any manipulation of a Forecast Market is prohibited. Bids entered into the Exchange for the purpose of generating unnecessary volatility or creating a condition where probabilities do not reflect fair market value is prohibited. Any Market Participant who makes or in any way assists in carrying out or attempting to carry out any plan or scheme for manipulating the market will have engaged in an act detrimental to the Exchange.

(d) Adherence to Law.

(1) General. No Market Participant shall engage in conduct in violation of Applicable Law or ForecastEx Rules.

(2) Sales Practice Rules. Without limiting the generality of Rule 509(d)(1), each Market Participant shall comply with any and all sales practice rules from time to time promulgated by NFA, including those related to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, Customer complaints, and prohibition against guarantees against loss and profit sharing.

(e) Misuse of Access Privileges. No Market Participant may use its Access Privileges in any way which could bring disrepute upon such Market Participant or ForecastEx.

(f) Acts Detrimental to ForecastEx. No Market Participant shall engage in any act detrimental to ForecastEx or engage in conduct inconsistent with just and equitable principles of trade.

(g) Pre-arranged Fills.

(1) Non-competitive Fills. No Market Participant shall enter into any non-competitive Forecast Contracts on the ForecastEx System including any accommodation fills or any fill that has been directly or indirectly pre-arranged.

(2) Wash Trading. No Market Participant shall enter or attempt to enter into any Forecast Contract on the Exchange that (i) does not result in a change of beneficial ownership; (ii) is designed to unnaturally inflate trading volume; (iii) in any way attempts to circumvent the Exchange's Bid processing, execution systems, or other attempts to circumvent the exposure of the Bid to open and competitive Bidding on the Exchange; or (iv) has some other illegitimate purpose.

(3) Money Pass. No Market Participant shall engage in any activity that is intended to accomplish money pass.

(h) Insider Trading

(1) Access to non-public information. If a Market Participant (i) is an Insider that has access to material non-public information that is the subject of an Event Question for any Forecast Market, or (ii) has the ability to exert any influence of the subject of an Event Question for any Forecast Market, that Market Participant is prohibited from entering or attempting to enter into any Forecast Contract on the Exchange for that Forecast Market.

(2) Employees of Source Agencies. A Market Participant who is an employee or affiliate of a Source Agency for any Event Question is prohibited from entering or attempting to enter into any Forecast Contract on the Exchange for Forecast Markets with such Event Questions regardless of whether the Market Participant possesses material non-public information.

(3) If a Market Participant is a decision maker, who either directly or indirectly, or has any influence, either directly or indirectly, no matter the scale or importance of the influence, on the Outcome of an Event Question for any Forecast Market, that Market Participant is prohibited from entering into or attempting to enter into those Forecast Contracts on the Exchange.

(i) No Market Participant shall engage in any activity that constitutes fraudulent or abusive trading, including but not limited to violating Bids, demonstrating intentional or reckless disregard for the orderly entering of Forecast Contracts, or spoofing.

(j) No Market Participant shall engage in any activity that is intended to accomplish "front running" as is defined by the CFTC.

(k) Integrity of ForecastEx. No Market Participant shall engage in any activity that adversely affects the integrity of the ForecastEx System or its underlying systems.

(l) Insufficient funds.

(1) Market Participants are prohibited from entering Bids on the Exchange if there are insufficient funds in the Market Participant's account to satisfy the Bids if they are filled.

(2) Members are prohibited from depositing funds into their Collateral Account from an account which does not hold sufficient funds at the time of deposit, and at the time the deposit is presented to the Clearinghouse for payment.

(m) Priority of Customer Bids.

(1) No Market Participant shall knowingly enter into a Forecast Contract for a Personal or proprietary account of such Market Participant or an account where the Market Participant has a proprietary interest when the Market Participant has in hand Bids for the same Forecast Contract for any other Person at the same price, a higher price, or at the market price.

(2) No Market Participant shall knowingly enter a discretionary Bid for a Forecast Contract including, without limitation, a Bid allowing such Market Participant discretion as to time and price, for an immediate family member or for a Personal or proprietary account of any other Market Participant when the Market Participant entering the discretionary Bid has in hand a Customer market Bid for the same Forecast Contract. This provision does not apply if the Customer has consented in writing to this activity.

(3) A Market Participant entering Bids into the Exchange must enter all Customer Bids that the Exchange is capable of accepting prior to entering a Bid for a Personal or proprietary account of such Market Participant, an account in which the Market Participant has a proprietary interest, or a Bid for a discretionary account in which the Market Participant has a Personal or proprietary interest.

(4) No Market Participant that consists of more than one individual, shall be deemed to have violated this Rule 509(m) if (i) such Market Participant has in place appropriate "firewall" or

separation of function procedures and (ii) the individual executing the proprietary or discretionary Bid has no direct knowledge of the Customer Bid for the same Forecast Contract.

(n) Trading Against Customers' Bids. No Market Participant shall enter a Bid in a Forecast Market on behalf of a Customer in which the Market Participant intentionally enters an opposing Bid in the same Forecast Market that results in both Bids being filled.

(o) Withholding Bids. No Market Participant shall withhold or withdraw from the Exchange any Bid or part of a Bid, placed by a Customer with the Market Participant.

(p) Disclosing Bids. No Market Participant shall disclose to any Person any Bid placed by a Customer, except to ForecastEx or the CFTC.

(q) Supervision. Each Member and Sponsored FCM is responsible for the supervision of its Related Parties and ensuring that they remain in compliance with the ForecastEx Rulebook. This includes having appropriate written supervisory procedures for activity on ForecastEx as well as reasonable monitoring of Related Parties to ensure compliance with ForecastEx Rules. Members and Sponsored FCMs may be held responsible for the actions of their Related Parties.

Chapter 6: Clearing Rules

Chapter 6 pertains to the Clearinghouse.

Rule 601 – Application of Clearinghouse Rules and Jurisdiction

(a) By accessing the ForecastEx System, a ForecastEx Participant agrees to be bound by the Clearinghouse Rules of ForecastEx, and (i) be subject to the jurisdiction of the Clearinghouse with respect to all matters arising from, related to, or in connection with their activity on the Clearinghouse without any need for any further action, undertaking, or agreement and (ii) agrees to be bound by and comply with the Clearinghouse Rules in relation to such transactions, including but not limited to rules requiring cooperating and participating in investigatory and disciplinary processes.

(b) If a ForecastEx Participant has their Clearing Privileges revoked or terminated, it remains bound by the Clearinghouse Rules. ForecastEx Participants are subject to the Clearinghouse Rules to the extent applicable and remain subject to the jurisdiction of Clearinghouse with respect to any and all matters arising from, related to, or in connection with their former participation in the Clearinghouse.

(c) ForecastEx may provide all information it possesses about any ForecastEx Participant to the CFTC or any other Regulatory Agency, Self-Regulatory Organization, law enforcement authority, or judicial tribunal, including foreign regulatory or self-regulatory bodies without notifying the ForecastEx Participant.

Rule 602 – Clearing

(a) Bank Accounts. Members are required to maintain a Bank Account with the ability to instantaneously and irrevocably transfer funds from the Bank Account to their ForecastEx Collateral Accounts at ForecastEx's Settlement Bank. It is the responsibility of Members to ensure that any Sponsored FCM or other Customer who sends a Bid to the Exchange has the funds required to fully collateralize their position if their Bid is filled. FCM Members must maintain segregation of Customer funds from non-customer funds on their own books and must not deposit Customer funds into a Non-customer Collateral Account at the Clearinghouse.

(b) Clearing Agreement. Upon submission of a Bid by a Sponsored FCM, the Clearinghouse will conduct a review to ensure that a valid Clearing Agreement exists between that Sponsored FCM and the FCM Member designated to clear and settle the Forecast Contract(s). If such Clearing Agreement is in effect the Exchange will accept the Bid and, if the Forecast Contract is entered into, the Clearinghouse shall transfer the Forecast Contract to the designated account of the FCM Member. The Exchange will reject any Bid submitted by a Sponsored FCM where after such review it has determined a valid Clearing Agreement does not exist.

(c) Clearing. Upon recognition by the Exchange that the $1.00 threshold for creating Forecast Contracts has been reached, the Exchange shall notify the Clearinghouse of the Forecast Contracts. At this point, each Member will have entered into a Contract, and ForecastEx has the Obligation to pay all monies required at such time as the Forecast Contract settles. This shall be effective in law for all such purposes. Each Members consents to this process by entering Bids and the Clearinghouse confirms the completeness of all created contracts and the sufficiency of each Member's funds to settle the created contract.

(d) Position Recording. The Clearinghouse will record the position and collateral balances of each account, on an account-by-account basis, at least once every ForecastEx Business Day.

(e) All terms of a cleared Forecast Contract must conform to the Contract Specifications.

(f) If the Clearinghouse rejects a potential Forecast Contract for clearing for any reason, the Forecast Contract is *void ab initio*.

Rule 603 – Settlement of Forecast Contracts

(a) At an Event Contract's Resolution Time, if the Outcome of the Event Question is "Yes", then holders of the "Yes" Position will be entitled to receive the Settlement Value of $1.00 per contract and holders of the "No" Position will receive $0.00. If the Outcome of the Event Question is "No", then holders of the "No" Position will be entitled to receive the Settlement Value of $1.00 per contract and holders of the "Yes" Position will receive $0.00.

(1) If at a conditional contract's Resolution Time, the Outcome of the Event Question is "False", then the contract will be terminated, and holders of the "Yes" and "No" Positions will receive as

Settlement value the consideration that each account paid to acquire the contracts, minus transaction fees.

(b) At the Resolution Time, the Exchange will cause and/or instruct the Clearinghouse to:

(1) Notify all Members whether they will receive a Settlement Value pursuant to this Rule 603(a);

(2) Settle the Forecast Contracts as follows:

(i) In the case of the Member holding a Forecast Contract having a Settlement Value of $0.00, the Forecast Contract is extinguished from the Member's account.

(ii) In the case of the Member holding a Forecast Contract having a Settlement Value of $1.00, the Forecast Contract is extinguished from the Member's account and such Member's Collateral Account is credited $1.00 for each extinguished contract;

(iii) In the case of a Member holding a Forecast Contract having a Settlement Value that is neither $0.00 or $1.00, the Forecast Contract is extinguished from the Member's account and Such Member's Collateral Account is credited the Settlement value for each extinguished contract; and

(iv) Any collateral in excess of the Settlement amount credited to Members for each "Yes" Contract and "No" Contract pair shall be considered a fee due ForecastEx in accordance with Rule 308.

(3) Settlement for Resolved Contracts will occur at least daily. ForecastEx will perform Settlement at 13:00 CST each day for any Contracts that have been Resolved both after 12:00 CST the previous day and prior to 12:00 CST the current day, but have not yet been Settled.

(4) ForecastEx may perform additional Settlements for Resolved Contracts at times other than those listed in Rule 603(b)(3) above.

(c) Prior to Settlement, ForecastEx may, at its sole discretion, initiate the Event Review Process as provided in Rule 415.

(d) The Clearinghouse will distribute notification via electronic mail at Settlement to all Members who hold the relevant Forecast Contracts.

(e) Settlement is irrevocable and unconditional.

Rule 604 – Offsetting Positions

(a) A Market Participant may not simultaneously hold both "Yes" Positions and "No" Positions for the same Forecast Market. If a Market Participant enters into an execution which results in such offsetting positions prior to Resolution Time, the responsible Member must notify the

Clearinghouse that the Forecast Contracts should be offset no later than 16:00 CST each day (i.e., the "netting deadline").

(1) Notwithstanding the above, conditional contracts where the conditioning event, as defined in the contract's terms and conditions, has not occurred are not eligible for netting and Market Participants may simultaneously hold both "Yes" Positions and "No" Positions for the same conditional contract.

(b) When Forecast Contracts are offset, the offsetting positions are cancelled and the Member's account is credited $1.00 for each pair of Forecast Contracts offset. If the offset is for a Member's Customer, the Member is obligated to pass the offset payments to the applicable Customer accounts. When Forecast Contracts are offset, open interest in both the "Yes" and "No" Forecast Contracts decrease.

(c) Members must offset Forecast Contracts at the Clearinghouse in a manner consistent with CFTC Regulation 1.46.

(d) Members must post collateral with the Clearinghouse to support Bids which serve to offset existing Forecast Contracts.

(e) Settlement will take place at 9:00 CST each day for any Contracts netted the previous ForecastEx Business Day which have not yet been Settled. ForecastEx may perform additional Settlements for netted Contracts at times other than 9:00 CST.

Rule 605 – Deposit Procedures

(a) Deposits of funds or securities are to be initiated through a Member's Bank Account and such deposits are available for immediate credit upon receipt.

(b) FCM Members are responsible for all transfers of funds from their Bank Account to the Collateral Accounts of the Clearinghouse for credit to the relevant Customer Forecast Contracts. FCM Members must maintain separate Collateral Accounts for non-customer and Customer positions.

Rule 606 – Member Withdrawal Requests

(a) Only an Authorized Representative may submit a withdrawal notification through the Member before the Clearinghouse transfers funds to a Member's Bank Account. Upon receipt of a withdrawal notification, the Clearinghouse no longer permits funds in the amount listed in the withdrawal notification to be used for Access Privileges and Clearing Privileges.

(1) The Clearinghouse will reject any withdrawal request if the effect of that request, if processed, were to result in a deficiency in the Member's Collateral Account.

(2) The Clearinghouse may take into account whether a Market Participant has positions in different Forecast Markets that will resolve to mutually exclusive outcomes when determining whether a withdrawal request from a Member will result in a deficiency.

(b) Members are responsible for providing accurate account numbers to allow the Clearinghouse to effect transfers to the Members.

(c) The Clearinghouse will make a good faith effort to process all excess collateral withdrawal requests received prior to 13:00 CST that same Settlement Bank Business Day. Requests not processed on that same Settlement Bank Business Day will be processed the following Settlement Bank Business Day assuming the Member maintains sufficient collateral after giving effect to the withdrawal.

Rule 607 – Reconciliation

The Clearinghouse shall reconcile the positions and cash and collateral balances of each Member on a regular schedule to be published by the Clearinghouse, but in every case at least once each ForecastEx Business Day. The Clearinghouse shall make available to each Member the position, cash, and collateral balances of each Member for their Customer and Non-customer Collateral Accounts. All Members shall be responsible for reconciling their records with the records that the Clearinghouse makes available to Members.

Rule 608 – Full Collateralization Required

(a) Each Member on behalf of itself and its Customers, shall deposit and maintain with the Clearinghouse funds to fully collateralize any Forecast Contracts held by the Member. A Member, or any other ForecastEx Participant sponsored by the Member will not be permitted to enter a Bid for a Forecast Contract unless the Member deposits and maintains sufficient collateral to fully collateralize any potential Forecast Contract that could result from the Bid. Collateral transfers made by a Member to the Clearinghouse or by the Clearinghouse to a Member are irrevocable and unconditional when effected except in the case of funds transferred to a Member in the event of fraud or error.

(b) Notwithstanding the foregoing, under the terms of an approved Market Maker program, ForecastEx may permit a Market Maker to enter Bids that, in the aggregate, exceed the Market Maker's posted collateral, provided that:

(1) the Market Maker and ForecastEx maintain controls designed to ensure that, at the time of execution of any Forecast Contract, sufficient collateral is on deposit in the Market Maker's collateral account to fully collateralize the resulting position, and

(2) such alternative collateral arrangements are expressly set forth in the Market Maker agreement and comply with all applicable Clearinghouse risk management requirements.

(c) The Clearinghouse may take into account a Market Participant's positions in different Forecast markets that will resolve to mutually exclusive outcomes when determining a participant's maximum exposure.

Rule 609 – Collateral

(a) Subject to the terms and conditions of the Clearinghouse, the Clearinghouse will accept from Members the following as collateral: cash, and any other form of collateral deemed acceptable by the Clearing Committee. Upon the Clearing Committee's approval of a form of collateral, the approval will be communicated through notices to Members and listed on the ForecastEx website. The Clearinghouse will value non-cash collateral as it deems appropriate.

(b) Except as otherwise provided herein, collateral must be and remain unencumbered. Each Member posting collateral hereby grants to the Clearinghouse a continuing first priority security interest in, lien on, right of setoff against, and collateral assignment of all such Member's right, title, and interest in and to any property and collateral deposited with the Clearinghouse by the Member, whether now owned or existing or hereafter acquired or arising, including without limitation such FCM Member's Customer Account and all securities entitlements held therein and all funds held in a Collateral Account, and all proceeds of the foregoing. A Member shall execute any documents required by the Clearinghouse to create, perfect, and enforce such lien. Collateral is protected from claw back by creditors of a defaulting Member.

(c) A Member must transfer the collateral to the Clearinghouse or to a Collateral Account and the Clearinghouse will hold collateral transferred to the Clearinghouse on behalf of the Member. The Clearinghouse will credit to the Member the collateral such Member deposits. Collateral shall be held by the Clearinghouse until a Member submits a withdrawal notification unless otherwise stipulated by ForecastEx Rules.

(d) The Clearinghouse will not be responsible for any diminution in value of collateral that a Member deposits with the Clearinghouse. Any fluctuation in markets is the risk of each Member. Any interest earned by the Clearinghouse through reinvestment of collateral maintained by a Member in its Collateral Account may be retained by the Clearinghouse.

(e) The Clearinghouse has the right to liquidate or pledge for loan purposes a Member's Forecast Contracts or non-cash collateral to the extent necessary to close or transfer Forecast Contracts, fulfill Obligations to the Clearinghouse or other Members, and to return collateral in the event that (1) the Member ceases to be a Member, (2) ForecastEx suspends or terminates the Member's Access Privileges or Clearing Privileges, (3) the Member's open position in any Forecast Contract becomes less than fully collateralized, or (4) the Clearinghouse determines in its sole discretion that it is necessary to take such measures.

(f) The Clearinghouse will at least once each Settlement Bank Business Day rebalance the funds held in the Customer and Non-customer Collateral Accounts based on the last executed Bid prices. Rebalancing will occur at 16:00 CST and immediately prior to any other Settlement If an account's position rises in value, ForecastEx will add funds to the Customer or Non-customer Collateral Account in the amount that corresponds with the rise in value. If an account's position

falls in value, ForecastEx will subtract funds from the Customer or Non-customer Collateral Account in the amount that corresponds with the drop in value. Funds will be moved via book entry at ForecastEx's Settlement Bank. Rebalancing of open Forecast Contracts under this Rule 609(f) will never result in a Customer or Non-customer Collateral Account realizing a gain or loss.

(g) The collateral collected from Members to collateralize Forecast Contracts will be considered as belonging to the Member, and if the collateral is in the Customer Collateral Account, the Customer of the FCM Member. Collateral assigned to a Member or Customer of a FCM Member cannot be used to margin, guarantee, or secure any other contracts other than the Forecast Contracts to which the funds are assigned. Nothing in this Rule 609(g) shall be construed to diminish the irrevocable lien required by Rule 609(b).

Rule 610 - Segregation of Funds

The Clearinghouse shall separately account for and segregate from the Clearinghouse's proprietary funds all Member funds used to enter into Forecast Contracts and all money accruing to such Members as the result of Forecast Contracts so carried in a Collateral Account. The Clearinghouse shall maintain a proprietary account that will be credited with fees or other payments owed to the Clearinghouse that are debited from the Collateral Account as a result of Member Forecast Contracts and Settlements. The Clearinghouse shall maintain a record of each Member's account balances and Forecast Contracts. The Clearinghouse shall not hold, use, or dispose of Member funds except as belonging to Members. In accordance with Part 22 of CFTC Regulations, the Clearinghouse shall segregate Member Customer funds, and shall maintain such funds separate from Member non-Customer funds and the Clearinghouse's proprietary funds.

Rule 611 – Concentration limits

The Clearinghouse may apply appropriate limitations or charges on the concentration of assets posted as collateral, as necessary, in order to ensure its ability to liquidate such assets quickly with minimal adverse price effects, and may evaluate the appropriateness of any such concentration limits or charges, on a periodic basis. In the event that the Clearinghouse determines in its sole discretion that the Member's deposit in their Collateral Account is too concentrated in non-cash assets, the Clearinghouse shall have the right to (1) transfer non-cash collateral back to a Member, and Member agrees to accept the transfer, or (2) take any other action the Clearinghouse deems necessary to safeguard the collateral. The Clearinghouse is entitled to charge fees related to holding non-cash collateral in material excess of the amount necessary to collateralize a Member's Forecast Contracts.

Rule 612 – Investment of Member Funds

(a) Member funds on deposit with the Clearinghouse will be held in Collateral Accounts segregated as Member property in accordance with Part 22 of CFTC Regulations.

(b) The Clearinghouse may invest such funds subject to the limitations and conditions set forth in CFTC Regulations 39.15(e), 22.3(d), and 1.25.

(c) The Clearinghouse will pass all interest that it earns on monies in Collateral Accounts less any fees, belonging to Members or their Customers, to Members in the form of a monthly coupon payment made to each Customer Collateral Account and Non-Customer Collateral Account, as applicable. An FCM Member may pass on some or all of the coupon payment to their Customers.

(d) The Clearinghouse will retain all profits from investment of Member funds not paid to Members.

Rule 613 – Default of a Member

(a) A Member that is unable to meet its Obligations, is insolvent, or becomes the subject of a bankruptcy petitions, receivership proceeding, or the equivalent shall immediately notify ForecastEx by telephone and email of such event. Such notice shall be confirmed in writing promptly by the Member. The occurrence of any of the events described in this Rule 613(a) shall constitute an event of "default" with respect to a Member.

(b) Each Member must immediately notify ForecastEx in writing upon becoming aware:

(1) That the Member, any of the Member's Officers or any of the Member's Authorized Trading Users or Sponsored FCMs has had Access Privileges or Clearing Privileges suspended, or access to, or membership in any Self-Regulatory Organization denied;

(2) That the Member, any of the Member's Officers or any of the Member's Authorized Trading Users or Sponsored FCMs has been convicted of, pled guilty or no contest to, or entered a plea agreement to any felony in any domestic, foreign or military court, or with the CFTC, as applicable;

(3) That the Member, any of the Member's Officers or any of the Member's Authorized Trading Users or Sponsored FCMs has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court, or with the CFTC, as applicable, which involves:

(i) Embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretenses, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or

(ii) Any transaction in or advice concerning swaps, futures, options on futures or securities;

(4) That the Member, any of the Member's Officers or any of the Member's Authorized Trading Users or Sponsored FCMs has been subject to, or associated with a firm that was subject to, regulatory proceedings before any Regulatory Agency or Self-Regulatory Organization;

(5) Of information that concerns any financial or business developments that may materially affect the Member's ability to continue to comply with applicable participation requirements;

(6) Of becoming subject to early warning reporting under CFTC Regulation 1.12; or

(7) Of any failure to segregate or maintain adequate Customer funds as required by the CFTC and CFTC Regulations.

(c) If a Member becomes subject to the conditions listed in this Rule 613(a) or 613(b), ForecastEx will review the Member's continuing eligibility for Membership and may summarily suspend the Member according to the procedures in Rule 709.

Rule 614 - Clearinghouse Recordkeeping

(a) The Clearinghouse will provide to the CFTC the information required to be reported by CFTC Regulation 39.19.

(b) The Clearinghouse will publish a list of active FCM Members on the ForecastEx website.

Rule 615 - KYC and AML.

(a) Members must provide the Clearinghouse with information related to know your Customer or anti-money laundering as the Clearinghouse may from time-to-time require, consistent with Applicable Law and consistent with the implementing regulations of the Bank Secrecy Act.

(b) Members consent to the Clearinghouse providing information related to know your Customer or anti-money laundering to Settlement Banks or potential Settlement Banks, consistent with Applicable Law and consistent with the implementing regulations of the Bank Secrecy Act.

Rule 616 – Clearing Fund Contributions

(a) The Clearinghouse shall maintain a Clearing Fund to which each Member shall contribute to make good certain losses suffered by the Clearinghouse. The size of the Clearing Fund shall at all times be subject to minimum size of at least $250,000 per FCM Member and $25,000 per Non-FCM Member.

(b) The Clearinghouse shall have the authority to increase the size of the Clearing Fund at any time for the protection of the Clearinghouse, Members or the general public. Any such determination to implement an increase in Clearing Fund size, temporary or otherwise, would (i) be based upon then-existing facts and circumstances, (ii) be in furtherance of the integrity of the Clearinghouse and the stability of the financial system, and (iii) take into consideration the legitimate interests of Members and Market Participants. Any temporary increase in the Clearing Fund shall be determined by the Clearing Committee.

(c) Contributions to the Clearing Fund shall be in cash or in U.S. government securities. For purposes of valuing U.S. government securities for calculating contributions to the Clearing Fund, U.S. government securities shall be valued at 99% of current market value. For the purposes of this Rule 616, the current market value of U.S. government securities shall be determined by the Clearinghouse at such intervals as the Clearing Committee shall from time to time prescribe, but not less often than monthly, on the basis of the quoted Bid price therefor supplied by a source designated by the Clearinghouse.

(d) Any interest or gain received or accrued on U.S. government securities included within a Clearing Fund contribution shall belong to the contributing Member. Cash contributions to the Clearing Fund may from time to time be partially or wholly invested by the Clearinghouse for its account in U.S. government securities and any interest earned on such investments will accrue to the benefit of the Clearinghouse.

(e) Contributions of U.S. government securities shall be deposited by the Member in an account of the Clearinghouse in an approved custodian in the name of ForecastEx or by such other method as the Clearinghouse may from time to time approve.

(f) The Clearinghouse may set a minimum cash requirement for the Clearing Fund based on analysis of the Clearinghouse's projected liquidity demands and may require a two-day notification period for any Member requesting to substitute U.S. government securities for cash deposits.

(g) If the contribution to the Clearing Fund to be made by a Member is increased as a result of an amendment to the ForecastEx Rules, the increase shall not become effective until the Member is given two ForecastEx Business Days prior written notice of the amendment. Unless a Member notifies the Clearinghouse in writing that it wishes to terminate its membership and closes out or transfers all of its open positions before the effective date of such amendment, such Member shall be liable to make the increased contribution by 9:00 CST on the second ForecastEx Business Day following the day on which notice is provided by the Clearinghouse.

(h) If the Member's Clearing Fund contribution is less than the amount required due to an increased minimum cash requirement or decline in value of U.S. government securities, the Clearinghouse may instruct the Member to transfer funds to the Clearing Fund to satisfy the deficiency. Members shall be liable to satisfy the deficiency by 9:00 CST on the ForecastEx Business Day following the day on which notice of the deficiency is provided by the Clearinghouse.

Rule 617 - Clearing Fund Purpose and Use

(a) Conditions for Clearing Fund use are as follows:

(1) In the event that a Member is suspended by Clearinghouse pursuant to Rule 709 and the Clearinghouse suffers a loss as a result of Member liquidation such loss will be chargeable against the Clearing Fund in accordance with Rule 617(b).

(2) As the result of the failure of any Member to make any other required payment or render any other required performance, including those specified in Rule 308.

(3) As a result of the failure of any bank or investment counterparty to perform its obligations to the Clearinghouse when due because of its bankruptcy, insolvency, receivership, suspension of operations or any similar event, and the Clearinghouse sustains a loss, the Clearinghouse may, in its discretion, reimburse itself for such loss out of the Clearing Fund and charge the loss to the Clearing Fund. The amount of any such loss shall be charged proportionately against all Members' required contributions to the Clearing Fund as calculated at the time.

(4) At the discretion of the Chairman or CEO, the Clearing Fund may be used for borrowings or pledged as security for loans to meet obligations, losses or liquidity needs, or to make good losses or expenses suffered by the Clearinghouse resulting from borrowings if:

(i) The Clearinghouse deems it necessary or advisable to borrow or otherwise obtain funds in order to meet Obligations arising out of the default or suspension, or in anticipation of the potential default or suspension, of a Member or any action taken by the Clearinghouse to address such an actual or potential default or suspension;

(ii) The Clearinghouse sustains a loss reimbursable out of the Clearing Fund pursuant to bank or investment counterparty failure but elects to borrow or otherwise obtain funds in lieu of immediately charging such loss to the Clearing Fund; or

(iii) The Clearinghouse reasonably believes it necessary to borrow to meet its liquidity needs for daily Settlement as a result of the failure of any bank or investment counterparty to perform any Obligation to the Clearinghouse when due.

Funds obtained by such borrowing shall not be deemed to be charges against the Clearing Fund for a period not to exceed 60 days and shall not affect the amount or timing of any charges otherwise required to be made against the fund. Any borrowings outstanding on the first Business Day after the initial 60-day borrowing period, shall be charged proportionately against all Members' required contributions to the Clearing Fund as calculated at the time. In the event the Clearinghouse suffers a loss or expenses as a result of such borrowing, The Clearinghouse may, at its option, elect to charge the loss proportionately against all Members' required contributions to the Clearing Fund as calculated at the time.

(b) If a Member fails to pay any Settlement amount to the Clearinghouse when due, the Clearinghouse shall liquidate all non-cash deposits in the Collateral Account as needed and shall apply the proceeds thereof to reduce the deficit. If any portion of the Settlement amount remains unsatisfied after application of Collateral Account deposits, the Clearinghouse shall seek to satisfy the remaining deficit as follows: (i) first, apply the defaulting Member's Clearing Fund contribution; and (ii) second, in the event the Clearinghouse decides not to satisfy the remaining deficit with its own assets, make a pro rata charge against the Clearing Fund contributions of other Members in accordance with the Rules. Such pro rata charge shall be determined without reference to the possibility of any subsequent recovery in respect thereof, through insolvency proceedings or otherwise.

(c) If a loss charged proportionately against the contributions of Members is afterward recovered by the Clearinghouse, in whole or in part, the net amount of such recovery shall be paid to the Members against whose contributions the loss was charged in proportion to the amounts charged against their respective contributions, whether or not they are still Members.

(d) Any unused portion of a defaulting Member's Clearing Fund contribution shall be returned to that Member or held for distribution to the persons entitled thereto under Applicable Law, as appropriate, at such time as the Clearinghouse has determined that it has been fully reimbursed for losses and expenses.

(e) Whenever an amount is paid out of the Clearing Fund contribution of a Member, whether by proportionate charge or otherwise, such Member shall be liable to promptly make good the deficiency in its required contribution resulting from such payment by replenishment of the Clearing Fund by 9:00 CST on the first ForecastEx Business Day following the day on which the Clearinghouse notifies the Member of such deficiency.

(f) Clearing Fund contributions shall be returned to a non-defaulting Member upon termination of its membership, but not until all confirmed trades and open positions have been closed or transferred and any amounts chargeable its Clearing Fund contribution pursuant to this Rule 617 and unpaid fees fulfilled.

Chapter 7 – Discipline and Enforcement

Chapter 7 pertains to both the Clearinghouse and Exchange.

Rule 701 – Monitoring the Market

(a) Data Retention. ForecastEx will record and store for a period of not less than five years in a searchable, read-only database a record of all data entered into ForecastEx, including the Market Participant identities, any Bids entered or Forecast Contracts entered into, and position reports eports created by ForecastEx. These records will be maintained in a manner so that they can be readily accessed during the first two years.

(b) Compliance Responsibilities. The Compliance Department will:

(1) Conduct market surveillance using the data collected per this Rule 701(a) with programs and procedures designed to alert the Exchange when potentially unusual market activity occurs.

(2) Initiate reviews and when appropriate, commence investigations of unusual market activity or other activity that the Compliance Department has cause to believe could constitute a violation of ForecastEx Rules.

(c) No Director, Officer, or Employee of ForecastEx will interfere or attempt to interfere with the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a

disciplinary proceeding, summary imposition of fines, summary suspension, or other summary action.

(d) Market Participants have the right to be represented by counsel during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension, or other summary actions.

(1) The Market Participant's counsel may not be a Director, Officer, or employee of ForecastEx or an Affiliate, a member of a ForecastEx or Affiliate's disciplinary panel, or any Person substantially related to the underlying investigation, such as a material witness or respondent.

(2) The restrictions in this Rule 701(d) should not be construed to prevent an Affiliate who is a respondent from using internal legal counsel to represent itself in a proceeding.

(3) Legal counsel may not be provided, or paid for, by a ForecastEx Affiliate. However, an Affiliate who is a respondent may use legal counsel from another Affiliate provided that there is a shared services agreement between the two Affiliates which dictates that the respondent Affiliate compensate the second Affiliate for at least the full cost of the use of their legal services.

Rule 702 – Investigations

(a) The Compliance Department will investigate any matter within ForecastEx's jurisdiction that it has reasonable cause to believe could constitute a violation of ForecastEx Rules. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of ForecastEx. The Compliance Department will also open investigations at the request of the CFTC.

(b) The Compliance Department will maintain a log of all investigations commenced and their disposition. The Compliance Department will prepare a written report of each investigation regardless of their disposition. Each written report will include the reason for initiating the investigation and the recommendation of the Compliance Department which can include:

(1) Closing the investigation without further action;

(2) Resolving the investigation through an informal disposition, including the issuing of a warning letter;

(3) Summary action; or

(4) Initiating disciplinary proceedings.

(c) The Compliance Department will endeavor to complete any investigations within 12 months from the time they were initiated unless there are extenuating circumstances.

(d) Upon the completion of an investigation, the CRO will promptly review the completed investigation report to determine whether a reasonable basis exists to believe that a violation of ForecastEx Rules has occurred or is about to occur. The CRO will determine if any further action is necessary.

(e) Each Market Participant is obligated to appear, testify, or respond in writing to any inquiries sent by the Compliance Department. Each Market Participant is obligated to produce books, records, papers, documents, or other tangible evidence in their possession, custody, or control. Market participants shall respond to the Compliance Department within the time period and in the manner required by the Compliance Department.

(f) If the Compliance Department initiates an investigation in which any Affiliate of ForecastEx is a subject, the CRO shall notify the CFTC Division of Market Oversight of that fact. At the conclusion of any such investigation, the CRO shall provide the CFTC Division of Market Oversight with a copy of the documentation specified in paragraph (b) of this Rule.

(g) ForecastEx and/or any of its third-party service providers or licensors may, during a Member or Sponsored FCMs regular business hours, observe the Member or Sponsored FCMs use of the Exchange Platform and inspect and audit the record and other information, documentation and technology in the Member or Sponsored FCM's possession or control relevant to ascertaining the Member or Sponsored FCM's compliance with ForecastEx Rules and any other agreement in place between the Member or Sponsored FCM and ForeastEx, ForecastEx's fulfillment of its obligations under any applicable laws, rules or regulations, and/or ascertaining or facilitating ForecastEx's compliance with its obligations to any third-party service provider or licensor. The Member or Sponsored FCM will obtain and provide any consents ForecastEx may reasonably request in connection with the provision of information to ForecastEx or any third-party service providers or licensors by or on behalf of the Member or Sponsored FCM may be disclosed to ForecastEx, ForecastEx's service providers and/or licensors, and regulatory, law enforcement or governmental authorities. The Member or Sponsored FCM shall cooperate in good faith in respect of any such information request, inspection and/or audit.

Rule 703 – Notice of Charges

(a) If the CRO authorizes initiating disciplinary proceedings at the conclusion of an investigation, the Compliance Department will prepare and serve a notice of charges to the Market Participant(s) that the Compliance Department believes has violated ForecastEx Rules (the "Respondent").

(b) A notice of charges will include:

(1) The reason the investigation was initiated;

(2) The charges or a summary of the charges, including the rule or rules alleged to have been violated;

(3) The proposed sanctions;

(4) An advisement that the Respondent has a right to a hearing;

(5) The period of time within which the Respondent can request a hearing on the notice of charges, which will not be less than 15 Business Days after the notice of charges is served;

(6) An advisement that the failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and

(7) An advisement that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

(c) If the Respondent determines to answer a notice of charges, the Respondent must file an answer within 15 Business Days of being served the notice of charges or such other time period as the Compliance Department listed in the notice of charges.

(d) To answer a notice of charges, the Respondent must in writing:

(1) Specify the allegations that the Respondent denies or admits;

(2) Specify the allegations that the Respondent does not have sufficient information to deny or admit;

(3) Specify any facts that contradict the notice of charges;

(4) Specify any affirmative defenses to the notice of charges; and

(5) Sign and serve the answer to the Compliance Department.

(e) Any failure by the Respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in the notice and will constitute a waiver of the right to a hearing or appeal. Any failure to answer one or more allegations will be deemed an admission to those allegations.

(f) Service. Any notice of charges will be considered served when delivered by electronic mail to the Respondent at the email address that appears on the books and records of ForecastEx. Any answer to a notice of charges will be considered served when delivered by electronic mail to the Compliance Department in the form and manner described in the notice of charges.

Rule 704 – Offers of Settlement

(a) A Respondent may at any time propose in writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement shall include proposed findings and sanctions and be submitted to the Compliance Department. The Respondent may propose settlement that does not deny or admit the charges against it, but must accept ForecastEx's jurisdiction.

(b) The CRO will review the offer of settlement and make a recommendation to the ROC whether to accept or reject the offer of settlement. The ROC will make a final determination whether to accept or reject the offer.

(c) If the offer of settlement is accepted, the Compliance Department will serve an order of the disciplinary proceedings consistent with the offer of settlement to the Respondent. This order will become final after 15 Business Days. The finalization of a settlement is deemed to constitute a waiver of the right to notice, opportunity for a hearing, review and appeal.

(d) If the offer of settlement is rejected, or withdrawn prior to becoming final, the disciplinary proceeding will continue as if the offer was not made. An offer of settlement cannot be used as evidence or as an admission of guilt in a disciplinary hearing or an appeal.

Rule 705 – Disciplinary Hearings

(a) A Disciplinary Panel will conduct hearings in connection with any disciplinary proceedings.

(1) A separate Disciplinary Panel will be established for each disciplinary proceeding requiring a hearing.

(2) Disciplinary Panels must meet the composition requirements of CFTC Regulation 38.702 and must not include any members of the Compliance Department or any person involved in adjudicating any other stage of the same proceedings.

(3) A Respondent may seek to disqualify any individual named to a Disciplinary Panel by serving written notice of the Compliance Department within 10 Business Days of being notified of the appointment of the Disciplinary Panel. The CRO will in their sole discretion decides the merits of any such request. The CRO's decision is not subject to appeal.

(b) The Respondent has a right to examine all relevant books, documents, or other evidence in the possession of the Compliance Department, except that ForecastEx may withhold from inspection any documents that:

(1) Are privileged or that constitute attorney work product;

(2) Were prepared by any employee of ForecastEx but will not be offered in evidence in the disciplinary proceedings;

(3) May disclose a technique or guideline used in examinations, investigations, or enforcement proceedings; or

(4) Disclose the identity of a confidential source.

(c) All disciplinary proceedings will be conducted at a hearing before the Disciplinary Panel. Hearings will be held privately and confidentially.

(1) The Disciplinary Panel may appoint an expert to attend hearings and assist in deliberations if the expert is subject to appropriate confidentiality.

(2) The Disciplinary Panel will convene a hearing after reasonable notice to each Respondent.

(3) The Chairman of the Disciplinary Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. The Disciplinary Panel is not bound by evidentiary or procedural rules of law.

(4) Except for procedural and evidentiary matters, the entire Disciplinary Panel must be present, either in Person or via electronic means, for the entire hearing and related deliberations.

(d) At a hearing conducted by a Disciplinary Panel, the Compliance Department will present its case supporting the proposed allegations and sanctions. The Respondent is entitled to attend and participate in the hearing.

(1) The Compliance Department and each Respondent may: present evidence and facts determined relevant by the Chairman of the Disciplinary Panel, call and examine witnesses, and cross-examine witnesses called by other parties.

(2) Any Person entitled, required, or called upon to attend a hearing before a Disciplinary Panel will be given reasonable notice, confirmed in writing, specifying the date, time, and place of the hearing, and the caption of the Disciplinary Proceedings. Any Market Participant called as a witness is required to appear and produce evidence.

(3) If during a hearing, the Disciplinary Panel determines that the Respondent violated, or may have violated a ForecastEx Rule not contained in the notice of charges, the Disciplinary Panel may consider those violations after providing the Respondent with an opportunity to answer the additional allegations in accordance with Rule 703.

(4) The Disciplinary Panel may summarily impose sanctions on any Market Participant which impedes or delays the progress of a hearing.

(5) ForecastEx will arrange for the proceedings of a hearing to be recorded verbatim, or substantively verbatim. The Respondent may request a transcript of the proceedings if they agree to pay the costs for transcribing the recording.

(e) The Disciplinary Panel will issue an order rendering its decisions as promptly as reasonable following a hearing. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel. The Compliance Department will serve a copy of the order to the Respondent, which will include:

(1) The notice of charges and the Respondent’s answer;

(2) Summary of the evidence introduced at the hearing;

(3) Findings of fact and conclusions with respect to each charge;

(4) The imposition of any sanctions, and effective date of each sanction; and

(5) Notice of the Respondent's right to appeal within 15 Business Days.

(f) If the Respondent does not appeal within 15 Business Days of being served the order of the Disciplinary Panel, the order will become final.

Rule 706 – Sanctions

After notice and opportunity for hearing in accordance with ForecastEx Rules, ForecastEx will impose sanctions on any Market Participant found to have violated ForecastEx Rules or Applicable Law for which ForecastEx possesses disciplinary jurisdiction. Any sanctions will take into account the Market Participant's disciplinary history, including their disciplinary history at ForecastEx, other self-regulatory organizations, the NFA, and the CFTC. ForecastEx may impose any of the following sanctions:

(a) Issue a warning letter. No more than one warning letter may be issued to the same Market Participant for the same rule violation within a rolling-12 month period;

(b) Monetary Fines. Any fine imposed by ForecastEx must be for an amount that is necessary to deter recidivism. If a fine is not paid within 30 days, then interest will accrue on the sum of the fine from the date it is payable at the quoted prime rate plus three percentage points;

(c) Disgorgement of profits that resulted from the rule violation and/or restitution of damages to any unoffending counterparties;

(d) Limitation, temporary suspension, or permanent termination of Access Privileges for any Market Participants; or

(e) Any other sanction or remedy deemed to be appropriate.

Rule 707 – Appeal

(a) If a Respondent exercises their right to appeal, they must file a notice of appeal which states the grounds for appeal, including the finding of fact, conclusion, or sanction to which the Respondent objects. Any restriction of Access Privileges or Clearing Privileges imposed by the Disciplinary Panel will remain in effect during the appeal process. Other penalties will be delayed until the Appeals Panel makes its formal decision.

(b) Upon notice of appeal, the ROC will appoint an Appeals Panel formed from among the Board of Directors, including at least one Public Director who will act as Chairman.

(c) Within 15 Business Days of filing a notice of appeal, the Respondent must file a brief supporting the notice of appeal. 15 Business Days after the Respondent's supporting brief, the Compliance Department will serve its brief in opposition. 10 Business Days after the brief in opposition, the Respondent may file a brief in reply. These timelines may be extended at the request of the Respondent or the Compliance Department and with the consent of the Appeals Committee.

(d) The Appeals Panel will consider the submitted briefs, and if necessary, hold a hearing where the parties may present oral arguments. Any hearing will be conducted privately and confidentially. The Appeals Panel is not bound by evidentiary or procedural rules of law.

(e) The Appeals Panel may affirm, modify, or reverse any order of the Disciplinary Panel or any summary action under appeal, in whole or in part. The Appeals Panel may also order a new hearing if the Appeals Panel determines it appropriate.

(f) The Appeals Panel will issue a written order rendering its decision for the matter on appeal. The written order will be the final action of ForecastEx and not subject to further appeal.

(g) The filing of an appeal pursuant to this Rule 707 shall not impair the validity or stay the effect of a suspension or other restriction on access to ForecastEx. The reversal of a suspension shall not invalidate any acts of ForecastEx taken prior to such reversal, and the rights of any Person which may arise out of any such acts shall not be affected by the reversal of such suspension.

Rule 708 – Summary Fines

(a) The CRO may summarily impose a fine against a Market Participant for failing:

(1) To keep books and records required by Rule 501;

(2) To provide notification or receive the appropriate approval related to transferring a position under Rule 410;

(3) To make timely submissions of ownership and control information;

(4) To keep accurate audit trail data;

(5) To respond to an inquiry sent in accordance with Rule 702 in a timely manner;

(6) To satisfy Settlement or other payment due to the Clearinghouse in a timely manner;

(7) To respond in a timely fashion to a Compliance Department inquiry;

(8) To provide requested information about a position subject to position accountability; or

(9) To comply with a ForecastEx request in accordance with Rule 408(b)(2).

(b) The Compliance Department will serve a notice of the summary fine to the Market Participant. The Market Participant has 15 Business Days in which to either pay the fine or file notice of an appeal. Appeals to a summary fine will be held in accordance with Rule 707.

(c) If the Compliance Department issues more than 1 summary fine to the same Market Participant for the same offense within a 12-month rolling period, the second fine will be no less than twice the penalty of the first offense. If the Market Participant commits a third offense of the same type within a rolling 12-month period, the Compliance Department will initiate disciplinary proceedings.

(d) The first violation of a ForecastEx rule that may trigger a summary fine within a 12-month rolling period may be a warning letter in accordance with Rule 706.

(d) The ability to issue a summary fine for a rule violation does not preclude the CRO from instead choosing to initiate disciplinary proceedings.

Rule 709 – Summary Suspension

(a) The CRO, or the CRO's designee, may summarily suspend a Market Participant, after consultation with the ROC. If the Market Participant is a Member, and the suspension is based on Rule 709(b)(5) or Rule 709(b)(6), the CRO will consult with the Clearing Committee prior to issuing the suspension.

(b) Suspension may be made based on the following conditions.

(1) The Market Participant has been expelled or suspended from any Self-Regulatory Organization or has become statutorily disqualified from registration;

(2) The Member has failed to make any delivery of cash, collateral, or other property to the Clearinghouse in a timely manner as required by the Rules;

(3) The Market Participant has failed to pay fees, costs, charges, fines, or arbitration award in a timely manner;

(4) The Market Participant is in such financial or operating difficulty that ForecastEx determines that suspension is necessary to protect the market, ForecastEx, the public, or other Market Participants;

(5) The CRO determines that the Market Participant is engaging in, or is about to engage in manipulative activity that would disrupt the ForecastEx market;

(6) The Member has notified ForecastEx of a circumstance listed in Rule 613(a); or

(7) The Member has notified ForecastEx of a circumstance listed in Rule 613(b) and in the determination of the Clearinghouse and the Clearing Committee that circumstance materially impedes the ability of the Market Participant to fulfill its Obligations or the Market Participant presents undue risk to ForecastEx.

(c) In the Event that a Member is suspended, ForecastEx shall cease to act for it except as is specified in this Rule 709(c). ForecastEx will as soon as possible notify all Market Participants of the suspension. Such notice shall state in general terms, how pending transactions, open positions, and other pending matters will be affected and what steps are to be taken in connection therewith.

(d) The Compliance Department shall provide a written notice to the Market Participant whose Access Privileges are to be summarily suspended. This notice will state the actions to be taken, the reasons for the action, the time the action becomes effective, the duration of the action, and notify the Market Participant of their right to appeal within 15 days after the notice has been served. If possible, the notice shall be served prior to the suspension becoming effective.

(e) An appeal of a summary suspension will not be considered if the Respondent who is subject to summary suspension owes any fines, fees, charges, or costs to ForecastEx, or who is impeding the progress of disciplinary proceedings.

(f) Appeals to summary suspensions will be held in accordance with Rule 707.

Rule 710 – Reporting Violations

(a) Whenever ForecastEx suspends, expels, fines or otherwise disciplines or denies any Person access to the ForecastEx System, ForecastEx will make the disclosures required by CFTC Regulations.

(b) The Exchange will submit to the Commission a schedule listing all those Company Rule violations which constitute disciplinary offenses as defined in paragraph (a)(6)(i) of CFTC Regulation 1.63 and, to the extent necessary to reflect revisions, will submit an amended schedule within thirty days of the end of each calendar year. The Exchange will maintain the schedule required by this section and post the schedule on the ForecastEx website.

(c) Whenever the Exchange finds by final decision that a Market Participant has violated a Rule or otherwise committed a disciplinary offense and such finding makes such Person ineligible to serve on Forecast's Disciplinary Panels, ForecastEx committees, or the Board, the Exchange shall inform the Commission of such finding and the length of the ineligibility in a notice it is required to provide to the Commission pursuant to either CEA Section 17(h)(1) or CFTC Regulation 9.11.

Chapter 8 - Arbitration

Chapter 8 pertains to both the Clearinghouse and Exchange.

Rule 801 – Matters Subject to Arbitration

(a) Any dispute, controversy, or claim (including related counterclaims) brought against ForecastEx by any Market Participant shall be settled by arbitration.

(b) If so elected by a Member, any claim by the Member against another Member (including any related counterclaims) that relate to or arise out of any transactions on or subject to ForecastEx's jurisdiction, shall be settled by arbitration.

(c) If so elected by a Customer, any claim by the Customer against a Market Participant (including any related counterclaims) that relate to or arise out of any transactions on or subject to ForecastEx's jurisdiction, shall be settled by arbitration.

(d) If a party to a dispute to be settled by arbitration challenges the appropriateness of submitting a matter arbitration, the Regulatory Oversight Committee shall make a determination of whether the matter is appropriate for arbitration. The ROC's decision is final.

(e) The use of arbitration procedures shall be voluntary for Market Participants other than eligible contract participants as defined in section 1(a)(18) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and may permit counterclaims as provided in CFTC Regulation 166.5.

Rule 802 – Rules of Arbitration

ForecastEx will conduct arbitration in accordance with NFA rules.

(a) If all parties to a dispute are NFA Members, the arbitration will be conducted in accordance with and subject to NFA's Member Arbitration Rules as in effect from time to time. These rules are incorporated by reference into this Chapter 8.

(b) If all parties to a dispute are not NFA Members, the arbitration will be conducted in accordance with and subject to NFA's Code of Arbitration as in effect from time to time. This code is incorporated by reference into this Chapter 8.

Rule 803 – Failure to Honor Arbitration

Any Market Participant who fails to honor an arbitral award or settlement rendered under this Chapter 8 will be subject to disciplinary proceedings in accordance with Chapter 7.

Chapter 9 – General

Chapter 9 pertains to both the Clearinghouse and Exchange.

Rule 901 – Property Rights

(a) Each Market Participant hereby acknowledges and agrees that ForecastEx owns and shall retain all right, title and interest in and to ForecastEx, all components thereof, including, without limitation, all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation, all registered or unregistered, as applicable, copyright, trademark, service mark, trade secret, trade name, data or database rights, design rights, moral rights, inventions, whether or not capable of protection by patent or registration, rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, patent, and other intellectual property and ownership rights, including applications for the grant of any of the same, in or to ForecastEx and all other related proprietary rights of ForecastEx and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind, other than proprietary data and personal information, transmitted by means of any of the foregoing, including, without limitation, market data, the "Proprietary Information"). Each Market Participant further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of ForecastEx. Each Market Participant acknowledges and agrees that it shall not reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of ForecastEx or the Proprietary Information. Each Market Participant further agrees to keep the Proprietary Information confidential and not to transfer, rent, lease, copy, loan, sell or distribute, directly or indirectly, all or any portion of ForecastEx or any Proprietary Information.

(b) Subject to the provisions of this Rule 901, each Market Participant hereby acknowledges and agrees that ForecastEx is the owner of all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, patent, trademark or trade secret rights) in market data, and all derivative works based thereon, and further agree not to distribute, create derivative works based on, or otherwise use or commercially exploit market data and any such derivative works, provided that Market Participants may use market data for their own internal business purposes. Without limiting the generality of the foregoing, Market Participants may not distribute, sell or retransmit market data exchange to any third party.

(c) Notwithstanding any other provision of this Rule 901, each Market Participant retains such rights as it may enjoy under Applicable Law with respect to market data solely in the form such market data was submitted to ForecastEx by such Market Participant.

(d) Transaction data shall not be disclosed publicly other than on an aggregated or anonymous basis, or in a manner that does not directly or indirectly identify any Market Participant who has submitted such data.

(e) ForecastEx shall not condition access to ForecastEx upon a Market Participant's consent to the use of proprietary data and personal information for business or marketing purposes. proprietary data and personal information may not be used by ForecastEx for business and marketing purposes unless the Market Participant has clearly consented to the use of proprietary

data and personal information in such manner. ForecastEx, where necessary, for regulatory purposes, may share proprietary data and personal information with one or more Designated Contract Markets or Derivative Clearing Organizations. Nothing in this Rule shall preclude ForecastEx from disclosing proprietary data and personal information in accordance with the terms of Rule 906,

Rule 902 – Signatures

Rather than rely on an original signature, ForecastEx may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, photocopying, electronic mail, electronic data interchange, telegram, or telex) as if it were (and the signature shall be considered and have the same effect as) a valid and binding original.

Rule 903 – Governing Law

The Rules, and the rights and Obligations of ForecastEx and Market Participants under the Rules, shall be governed by, and construed in accordance with, the laws of the State of New York without regard to any provisions of New York law that would apply the substantive law of a different jurisdiction. The State of New York is the "securities intermediary's jurisdiction" within the meaning of Section 8-110(e) of the UCC for all purposes of the UCC.

Rule 904 – Legal Proceedings

(a) Any action, suit, or proceeding against ForecastEx, its Officers, Directors, LLC members, employees, agents, or any member of any committee will be handled by arbitration, if arbitration is not barred by CFTC Regulations or Applicable Law.

(b) Any action, suit or proceeding against ForecastEx, its Officers, Directors, limited liability company members, employees, agents, or any member of any committee must be brought within one year from the time that a cause of action has accrued. Any such action, suit or proceeding shall be brought in the State or Federal courts located within New York. Each Market Participant expressly consents to the jurisdiction of any such court, waives any objection to venue therein, and waives any right it may have to a trial by jury.

(c) In the event that a Market Participant or an Affiliate of such Person who fails to prevail in a lawsuit or other legal proceeding instituted by such Market Participant or such Affiliate against (i) ForecastEx or (ii) any Affiliate of ForecastEx or any of its respective Officers, Directors, equity holders, employees, agents, or any member of any committee, and related to the business of ForecastEx, such Market Participant shall pay to ForecastEx all reasonable costs and expenses, including attorneys' fees, incurred by ForecastEx in the defense of such proceeding. This Rule 904 shall not apply to ForecastEx disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

(d) ForecastEx will provide to the CFTC copies of documents pertaining to Exchange-related pending legal proceedings as required under CFTC Regulation 1.60.

Rule 905 – Limitation of Liability

(a) EXCEPT AS PROVIDED BELOW, NONE OF FORECASTEX, IBG, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, VENDORS, OWNERS, AND MEMBERS SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS, OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES), ARISING FROM:

(1) 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 FORECASTEX SYSTEM, OR ANY EXCHANGE OR CLEARINGHOUSE SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES;

(2) WITHOUT LIMITING THE GENERALITY OF CLAUSE (1) ABOVE, ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION OF THE FORECASTEX SYSTEM, ANY EXCHANGE OR CLEARINGHOUSE SERVICE OR FACILITY CAUSED BY ANY THIRD PARTY, INCLUDING INDEPENDENT SOFTWARE VENDORS AND INTERNET OR NETWORK SERVICE PROVIDERS;

(3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY FORECASTEX, THE FORECASTEX SYSTEM, OR ANY EXCHANGE OR CLEARINGHOUSE SERVICE OR FACILITY;

(4) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF THE FORECASTEX SYSTEM, OR ANY EXCHANGE OR CLEARINGHOUSE SERVICE OR FACILITY BY ANY PERSON; OR

(5) ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN RESPECT OF THE BUSINESS OF FORECASTEX.

(6) ANY DELAY IN OR FAILURE OF PERFORMANCE BY FORECASTEX CAUSED BY ANY EVENT BEYOND THE REASONABLY CONTROL OF FORECASTEX, INCLUDING, BUT NOT LIMITED TO, ACTS OF GOD, ACTS OF CIVIL OR MILITARY AUTHORITIES, STRIKES OR OTHER LABOR DISPUTES, FIRES, INTERRUPTION IN TELECOMMUNICATIONS OR INTERNET OR NETWORK PROVIDER SERVICES, ACTS OR OMOSSIONS OF A THIRD-PARTTY HARDWARE OR SOFTWARE SUPPLIER OR A THIRD-PARTY COMMUNICATIONS PROVIDER, POWER OUTAGES AND GOVERNMENAL RESTRICTIONS.

(b) THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY IRRESPECTIVE OF WETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER A CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM. THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE CEA AND CFTC REGULATIONS. NOTWITHSTANDING ANYTHING IN THIS PARAGRAPH (a) TO THE CONTRARY, A PARTY WHO HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT MAY NOT AVAIL ITSELF OF THE PROTECTIONS AFFORDED HEREBY.

(c) FORECASTEX MAY, IN ITS SOLE DISCRETION AT ANY TIME AND FOR ANY REASON WITHOUT NOTICE, MODIFY ANY ASPECT OF THE FORECASTEX SYSTEM OR ANY EXCHANGE OR CLEARINGHOUSE SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT THE FOREGOING, OR LIMIT, SUSPEND OR ELIMINATE THE AVAILABILITY OF THE FORECGOING; PROVIDED, HOWEVER, THAT WITHOUT LIMITING THE FOREGOING RIGHT, FORECASTEX WILL USE COMMERCIALLY REASONABLE EFFORTS TO PROVIDE NOTICE, AS SOON AS REASONABLY PRACTICABLE OF ANY SUCH MODIFICATION OR LIMITATION THAT FORECASTEX REASONABLY BELIEVES WILL AFFECT USE OF THE FOREGOING.

(d) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS BY ANY OF THE FORECASTEX, IBG, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AGENTS, CONSULTANTS, LICENSORS, VENDORS, OWNERS, OR MEMBERS RELATING TO THE FORECASTEX SYSTEM, OR ANY EXCHANGE OR CLEARINGHOUSE SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEM OR SERVICES, INCLUDING WARRANTIES OF MERCHANT ABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE.

(e) ANY DISPUTE ARISING OUT OF THE USE OF THE FORECASTEX SYSTEM, OR ANY EXCHANGE OR CLEARINGHOUSE SERVICES, EQUIPTMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEM OR SERVICES, IN WHICH ANY OF FORECASTEX, IBG, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, VENDORS, OWNERS, OR MEMBERS IS A PARTY SHALL BE ARBITRATED IN ACCORDANCE WITH THE RULES OF CHAPTER 8 OF THIS RULEBOOK. ANY OTHER ACTION, SUIT, OR PROCEEDING AGAINST ANY OF THE AFOREMENTIONED PERSONS SHALL BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION FIRST AROSE. THIS PARAGRAPH (c) SHALL IN NO WAY BE CONSTRUED TO LIMIT ANY PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO PROVE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION, SUIT, OR PROCEEDING THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES OF FORECASTEX. IF FOR ANY REASON A COURT OF COMPENTENT JURISDICTION FINDS THAT ANY SUCH DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY PROVISIONS OF NEW YORK LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION.

(f) NOTWITHSTANDING ANYTHING IN THIS RULE 905 ABOVE TO THE CONTRARY, IF THE NEGLIGENCE OF FORECASTEX PERSONNEL CAUSES A DIRECT, OUT-OF-POCKET LOSS TO ANY PERSON, FORECASTEX MAY, IN ITS SOLE DISCRETION, ASSUME RESPONSIBILITY FOR SUCH DIRECT LOSS, BUT ITS RESULTING OBLIGATIONS SHALL NOT EXCEED, WITH RESPECT TO ALL PERSONS SUFFERING SUCH LOSSES IN THE AGGREGATE: $100,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE DAY; $200,000 FOR ALL LOSSES SUFFERED FROM ALLCAUSES IN A SINGLE CALENDAR MONTTH; AND $1,000,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. IF THE AGGREGATE AMOUNT OF ANY CLAIMS PURSUANT TO THIS PARAGAPH AT ANY TIME EXCEEDS ANY OF THE DOLLAR LIMITATIONS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, THE TOTAL AMOUNT THEN AVAILABLE SHALL BE ALLOCATED TO SUCH CLAIMS PRO RATA, BASED UPON THE RESPECTIVE AMOUNTS OF SUCH CLAIMS. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH SHALL BE ABITRATED IN ACCORDANCE WITH THE RULES INCORPORATED BY REFERENCE INTO RULE 802.

Rule 906 – Confidentiality

(a) All non-public information provided by a Market Participant ("Disclosing Market Participant") to ForecastEx (its "Market Participant Confidential Information") shall be held in confidence and shall not be made known to any other Person except as follows:

(1) With the consent of the Disclosing Market Participant providing such information;

(2) To a Regulatory Agency or other governmental body that has jurisdiction over ForecastEx if ForecastEx is requested or legally required to do so by such Regulatory Agency or governmental body;

(3) Pursuant to a lawful discovery request;

(4) To other Market Participant(s) ("Receiving Market Participant") to the extent necessary for Disclosing Market Participant's trading on the Exchange Platform, provided that in each case such Receiving Market Participant hereby acknowledges and agrees (i) not to disclose the Market Participant Confidential Information to any other party or Person, (ii) shall only use such information to the extent necessary for Disclosing Market Participant's trading on the Exchange Platform, and (iii) Disclosing Market Participant is a beneficiary of this provision;

(5) As required by a registered swap data repository;

(6) To any Person providing regulatory services to ForecastEx;

(7) Pursuant to an information-sharing agreement or other arrangement or procedures in accordance with Rule 210;

(8) To ForecastEx employees, the Board, Board committees, Disciplinary Panels, Appeals Panels, officers, attorneys, auditors, and agents, independent contractors or other Persons that have been engaged by ForecastEx, in each case, who require such information in connection with the discharge of their duties to ForecastEx; and

(9) As otherwise permitted under the Rules.

(b) All information and data obtained or received by ForecastEx from inspections or audits of accounting and other records will be treated as confidential by ForecastEx subject to paragraph (a) above; provided, however, this Rule does not supplant Rule 409 and, to the extent of a conflict of this Rule with the Rules in Chapter 7 or applicable law, the Rules in Chapter 7 and applicable law will govern.