**Exhibit A to SR-NFX-2017-07**

New language is underlined.

**Chapter II Membership Rules**

Section 1 Qualification and Participation of Futures Participants

(a) \*\*\*\*\*

(b) Notwithstanding the provisions of Section 3 of this Chapter, the Exchange requires compliance with the following:

(i) – (ii) \*\*\*\*\*

(iii) Participation in the Exchange as a Futures Participant requires a permit. The issuance by the Exchange of such permit shall be conditioned upon the Futures Participant's initial and continuing compliance with the following requirements:

(1) \*\*\*\*\*

(2) maintenance of a clearing account with a Clearing Futures Participant, or maintenance of a clearing account directly with ~~The Options~~ the Clearing Corporation ~~("OCC")~~; notwithstanding the foregoing, futures commission merchants, as defined in Commission Regulation §1.3(p), must maintain a clearing account directly with ~~OCC~~ the Clearing Corporation.

In addition the following requirements apply:

(a) – (d) \*\*\*\*\*

(e) A Clearing Futures Participant must provide the Exchange with a copy of each written agreement guaranteeing the performance of the Non-Clearing Futures Participant with respect to a Contract or Contracts (referred to as a "Guarantee"). For purposes of this Rule, a Guarantee (1) guarantees and indemnifies the performance of all Contracts executed on the Exchange or transactions reported to ~~OCC~~ the Clearing Corporation by the Non-Clearing Futures Participant; (2) remains in effect until terminated pursuant to paragraph (f) notwithstanding any change to the Rules, the terms of any Contract, or the composition of any partnership (including, but not limited to, the death, retirement, admission or withdrawal of a partner); (3) applies to any default~~s~~ by the Non-Clearing Futures Participant on any obligation related to a Contract or other claims governed by the Guarantee; and (4) supplements, but does not substitute, any other agreement whereby the Clearing Futures Participant guarantees or indemnifies the Non-Clearing Futures Participant.

(f) To terminate a Guarantee, either party to the Guarantee (the Clearing Futures Participant or Non-Clearing Futures Participant) must immediately notify the Exchange of the proposed termination of the Guarantee ~~using the form, providing the information, and~~by following the procedures established by the Exchange. A Guarantee remains in effect until the Exchange authorizes its termination and notifies both parties. The Clearing Futures Participant remains bound by the Guarantee for all Contracts executed on the Exchange or transactions reported to ~~OCC~~ the Clearing Corporation by the Non-Clearing Futures Participant before termination of the Guarantee, but is not bound for any Contract made by, or transferred to, the Non-Clearing Futures Participant after termination of the Guarantee.

\*\*\*\*\*

(3) compliance with the Certificate, By-Laws and Rules of the Exchange as well as any operating procedures of the Exchange and the Commission in the use of the Trading System;

(4) maintenance of the physical security of the equipment located on the premises of the Futures Participant to prevent the improper use of, or access to, the Exchange's Trading System, including unauthorized entry of information into the Exchange's Trading System;

\*\*\*\*\*

(iv) Futures Participants are required to maintain a current list of Authorized Risk Officers with the Exchange's Membership Department. The Exchange's Membership Department must be immediately notified of the addition, termination or resignation of an Authorized Risk Officer. Futures Participants are required to maintain a list of Authorized Traders in accordance with the procedure adopted by the Exchange, as may be amended from time to time, to utilize the Trading System. Futures Participants are required to maintain a current list of Authorized Traders, which is readily available. Futures Participants must immediately provide such list to ~~upon request by~~ the Exchange upon request.

(v) A Futures Participant shall be issued a permit by the Exchange upon notice of approval of its application as a Futures Participant ~~by the Exchange~~.

(vi) \*\*\*\*\*

(vii) If a Futures Participant has actual or constructive notice of a violation of Exchange By-Laws, Rules, or the ~~Commodity Exchange Act ("~~Act~~")~~ in connection with the use of the Exchange's markets by a non-Futures Participant Customer of the Futures Participant and the Futures Participant fails to take appropriate action, the Futures Participant may be found to have committed an act detrimental to the interest or welfare of the Exchange.

\*\*\*\*\*

Section 3 Denials of Membership

(a) If the Exchange determines that the applicant not be admitted as a Futures Participant, the applicant shall be notified in writing of the reasons therefor and may, within fifteen (15) days of ~~the~~ receipt thereof, file a request with the Executive Committee for its consideration of the applicant's application, together with a written statement in such form as the Executive Committee may prescribe setting forth the applicant's opinion as to why the Exchange's decision is in error or insufficient to preclude the applicant's admission.

(b) If the applicant files a request with the Executive Committee the Executive Committee shall review ~~and act upon~~ such request and the application. If the Executive Committee votes in favor~~ably upon~~ of the ~~applicant~~ applicant’s admission, the applicant shall be sent written notice thereof and the applicant's admission shall become effective upon the issuance of a permit in accordance with the By-Laws and Rules of the Exchange, subject to all other requirements as set forth in the By-Laws and Rules of the Exchange.

(c) If the Executive Committee votes ~~unfavorably upon~~ against the applicant’s admission, the applicant shall be notified in writing of the specific grounds for the denial, and shall have ~~a~~the right to a hearing before the Executive Committee ~~thereon by filing with~~ by making such written request to the Exchange's designated department ~~a written request therefor~~ within ten (10) days after the serving of such denial notice. The applicant shall be entitled to appear personally at such hearing. The Exchange shall also be represented at the hearing. The Exchange staff shall identify the specific facts put into issue by the application, and with respect to those facts only, both the applicant and the Exchange staff may produce witnesses and other evidence relevant to the grounds for disapproval of the application and they may examine and cross-examine any witnesses so produced. The applicant shall have the right to be represented by legal counsel or any other representative of applicant's choosing before the Executive Committee.

(d) - (e) \*\*\*\*\*

(f) In the event of a favorable vote by the Executive Committee following a hearing, the applicant shall be sent written notice thereof and applicant's admission as a Futures Participant shall become effective.

(g) In the event of a second unfavorable vote by the Executive Committee following a hearing, the applicant shall be sent written notice of such determination which notice shall specify the grounds therefor. This decision of the Executive Committee shall become the final decision of the Exchange ten (10) days after notice is served on the applicant unless within that time the applicant petitions the Board of Directors for review of the Executive Committee's decision.

(h) If the applicant petitions the Board of Directors for review of the Executive Committee's decision, such petition shall consist of a copy of the record of the hearing before the Executive Committee and a written statement setting forth applicant's opinion as to why the Executive Committee's decision is in error or insufficient to preclude applicant's admission as a Futures Participant. After service upon it of such petition, the Board may, on its own motion, decide to review the matter. Should the Board decide to review the matter, such review shall be conducted solely on the record of the hearing before the Executive Committee and the Board shall thereafter issue a decision by vote of a majority of its members either affirming or reversing the decision of the Executive Committee which shall be a final decision of the Exchange. If the Board takes no action on a petition for review of a decision of the Executive Committee for ninety (90) days after service upon it of such a petition, the decision of the Executive Committee shall become ~~a~~ the final decision of the Exchange.

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Section 5 Approval and Termination of Permits

(a) No applicant shall be approved as a Futures Participant unless the application is approved by the Exchange or the Executive Committee pursuant to the procedures set forth in Chapter II, Sections 2 and 3.

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Section 6 Executive Representative

Each Futures Participant shall appoint and certify to the Membership Department one Executive Representative who shall represent and act for the Futures Participant in all the affairs of the Exchange; provided, however, that other representatives of the Futures Participant may also serve on the Exchange Board or Exchange committees or otherwise take part in the affairs of the Exchange. A Futures Participant may change its Executive Representative or appoint a substitute for its Executive Representative upon giving notice thereof to the Membership Department via electronic process or such other process as the Exchange may prescribe. An Executive Representative of the Exchange shall be authorized to act on behalf of the Futures Participant. Each Executive Representative shall maintain an ~~Internet~~ electronic mail account for communication with the Exchange and shall update contact information as prescribed by the Exchange. Each Futures Participant shall review and, if necessary, update its Executive Representative designation and contact information in the manner prescribed by the Exchange.

Adopted by CFTC Order dated Nov. 21, 2014.

**Chapter III Obligations of Futures Participants and Authorized Traders**

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Section 13 Risk Disclosure Statement

Prior to opening an account for any Customer, a Futures Participant or Clearing Futures Participant that is registered with the Commission as a futures commission merchant or introducing broker must provide such Customer with a written disclosure statement as set forth in Commission Regulation §1.55(c), and receive an acknowledgment from the Customer, which is signed and dated, that he/she received and understood the disclosure statement, unless otherwise exempt from these requirements pursuant to Commission Regulation §1.55. Also, a Futures Participant or Clearing Futures Participant that is registered with the Commission as a futures commission merchant or introducing broker must provide the Customer with a Uniform Electronic Trading and Order Routing System Disclosure Statement required by NFA (or similar disclosure statement required by a foreign Governmental Authority to which such member is subject), and any other disclosure statement from time to time required by the Exchange.

\*\*\*\*\*

Business Conduct

Section 21 Disciplinary Action By Other Organizations

A Futures Participant shall immediately notify the Exchange in writing of any disciplinary action, including the basis therefor, taken against the Futures Participant, or any person affiliated with such Futures Participant, by the Commission or by another self-regulatory organization. For purposes of this rule, the term "person affiliated with" when applied to any person shall mean, as applicable, any general partner, officer, or director of such person, any holder or beneficial owner of ten percent or more of the outstanding shares of any class of stock of such person, any person who has contributed ten percent or more of the capital of such person or any person directly or indirectly controlling such person.

A Futures Participant shall immediately notify the Exchange in writing in the event any of the circumstances contained in Sections 8a(2), (3), (4) and (11) of the Act exist with respect to such Futures Participant or any person associated with such Futures Participant. The failure to inform the Exchange of such circumstances will constitute a violation of the NFX rulebook and subject the Futures Participant to further disciplinary proceedings. The Exchange is authorized to immediately suspend the Futures Participants trading privileges and access to the Trading System in the event a Futures Participant fails to disclose such information in accordance with this paragraph.

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**Chapter V Trading Procedures and Standards**

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Section 2 Clearing

(a) The rights and obligations of purchasers and sellers of Futures, Options on Futures and security Futures cleared by The Options Clearing Corporation (the Clearing Corporation or OCC), including but not limited to rights and obligations in respect of clearing and settlement, variation payments and performance at maturity, shall be as set forth in the By-Laws and Rules of ~~The Options Clearing Corporation~~ the Clearing Corporation.

(b) All transactions executed on or subject to the Rules of the Exchange must be cleared through ~~The Options Clearing Corporation~~ the Clearing Corporation, including Block Trades and exchange for related positions ("EFRPs").

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 Section 4 Direct Access

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(b)

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(i) The Exchange may deny Direct Access to any Authorized Customer if the Exchange determines that any of the circumstances contained in Sections 8a(2), (3), (4) and (11) of the Act exists with respect to such applicant or Futures Participant or any person associated with such applicant or Futures Participant ~~must not be presently enjoined by order, judgment or decree of any court of competent jurisdiction or of the Commission or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any commodity, security, Option or similar instrument~~. The Authorized Customer must immediately inform the Exchange in the event any of the circumstances found in §8a(2), (3), (4) and (11) of the CEA exist with respect to the Authorized Customer. The failure to inform the Exchange of such circumstances will constitute a violation of the NFX rulebook and subject the Authorized Customer to further disciplinary proceedings. The Exchange is authorized to immediately suspend the Authorized Customer’s trading privileges and access to the Trading System in the event an Authorized Customer fails to disclose such information in accordance with this paragraph.

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(m)

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(i)  A Clearing Futures Participant that approves an Off-Exchange Reporting Broker to submit either Block Trades or Exchange for Related Positions shall:

(1) -(5)

\*\*\*\*\*

(6) be responsible for the financial obligations of each Authorized Customer ~~for which~~ it has authorized ~~s~~ to enter into transactions for reporting and clearing as well as for compliance by the Authorized Customer with the Rules of the Exchange and ~~compliance with~~ Exchange procedures;

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(8) take any and all actions requested or required by the Exchange with respect to such Off-Exchange Reporting Broker, including, but not limited to, assisting the Exchange in any investigation into potential violations of Exchange Rules or of the Act, and requiring such Authorized Customer to produce documents, provide information, answer questions and/or ~~to~~ appear in connection with any investigation;

\*\*\*\*\*

(12) inform the Exchange in the event any of the circumstances contained in Sections 8a(2), (3), (4) and (11) of the Act exists with respect to such Off-Exchange Reporting Broker or any person associated with such Off-Exchange Reporting Broker. The failure to inform the Exchange of such circumstances will constitute a violation of the NFX rulebook and subject the Clearing Futures Participant to further disciplinary proceedings. The Exchange is authorized to immediately suspend the Off-Exchange Reporting Broker’s trading privileges and access to the Trading System in the event a Clearing Futures Participant fails to disclose such information about an Off-Exchange Reporting Broker in accordance with this paragraph.

(ii) An Authorized Customer granted access as an Off-Exchange Reporting Broker by a Clearing Futures Participant shall:

(1) – (5)

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~~(6) not be presently enjoined by order, judgment or decree of any court of competent jurisdiction or of the Commission or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any commodity, security, Option or similar instrument;~~

(6~~7~~) maintain or cause to be maintained the audit trail for all transactions submitted to the Exchange;

(7~~8~~) maintain a current list of all Authorized Traders (including Trader ID's assigned to an Automated Trading System) of the Futures Participant as well as Authorized Risk Officers, and provide such information upon request; and

(8~~9~~) is prohibited from entering transactions into the Trading System or other Exchange system using a Trader ID that was not assigned to that Authorized Trader.

(iii) The Exchange may prohibit an Off-Exchange Reporting Broker from accessing the trading System directly to submit transactions for reporting and clearing if the Exchange determines that any of the circumstances contained in Sections 8a(2), (3), (4) and (11) of the Act exists with respect to such Off-Exchange Reporting Broker or any person associated with such Off-Exchange Reporting Broker.

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Section 6 Market Makers

(a) Exchange staff shall approve the implementation of Market Maker programs, pursuant to which Market Makers would be authorized to maintain markets in those products designated by the Exchange. With the exception of allowable privately negotiated transactions executed in accordance with Chapter IV, Sections 11 (Block Trades) and 12 (Exchange For Related Positions), an individual responsible for performing the duties of a market maker pursuant to this Rule may not accept, hold or in any manner have possession or non-public knowledge of Orders for any other person, including knowledge of customer Orders, in the same or a related market. All contract months in the Contract and any related futures or options Contracts shall be considered to be the same or a related market for purposes of this Rule.

(b) To the extent that the terms of any such Market Maker program may be in conflict with any Rules of the Exchange, such terms shall be superseded by such Rules. Nothing in this Rule shall alter or waive a Future Participant's or Authorized Customer's responsibility to comply with provisions of the Commodity Exchange Act or Rules or Regulations of the Commodity Futures Trading Commission unless exempted by the Commission.

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(f) Each approved Market Maker shall retain such status for a period of up to one year or until it resigns as a Market Maker and the Exchange relieves such Market Maker of its obligations to act as Market Maker, or the Exchange suspends or terminates such Market Maker's status.

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(h) No Market Maker may sell, transfer or assign any of its rights or obligations as a Market Maker (including but not limited to its allocation of any Contracts by virtue of its status as a Market Maker) without the prior written approval of such sale, transfer or assignment (including but not limited to the approval of the Person to which such rights, obligations or allocation are intended to be sold, transferred or assigned) by the Exchange. Any purported sale, transfer or assignment in violation of the foregoing sentence shall be void from the outset. For purposes of this paragraph (h~~f~~), the following transactions shall be deemed to constitute a transfer of a Market Maker's rights or obligations:

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(k) Each applicant for approval as a Market Maker pursuant to the above shall be given an opportunity to present any matter which it wishes the Exchange to consider in conjunction with the application. Prior to taking any remedial action against a Market Maker pursuant to the above, such Market Maker shall be given notice thereof and an opportunity to present any matter which it wishes the Exchange to consider in determining whether to take such action. The Exchange may require that any presentation under this paragraph be made partially or entirely in writing, and may require the submission of additional information from any Person wishing to make a presentation under this paragraph. Formal rules of evidence shall not apply to any proceeding involving such a presentation. Notwithstanding the foregoing, the Exchange shall have the authority to immediately terminate, condition or otherwise limit ~~a~~ the approval to act as a Market Maker in accordance with the above, without prior notice or opportunity to make a presentation under this paragraph, if the financial, operational or personnel change in question warrants such action.

Section 9 Customer Margin

(a) – (b)

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(c) Rates and Requirements:

(1) The Clearing Corporation, ~~pursuant to~~ in compliance with Commission Rule 39.13, shall establish initial margin requirements that are commensurate with the ~~determine the rates to be used to derive customer initial margin requirements for any~~ ~~Contract~~ risks of each product and portfolio.

\*\*\*\*\*

d) Account Administration, Classification, and Aggregation:

(1) Omnibus Accounts: A Futures Participant must calculate margin requirements for an omnibus account (whether domestic or foreign) on a gross basis and in accordance with the rules of the Clearing Corporation. However, a Futures Participant may impose maintenance margin rates for positions in the omnibus account and need not impose the initial margin rates. To use spread or hedge margin rates, a Futures Participant must obtain a written representation from the omnibus account identifying the positions within the account that are spreads or bona fide hedges, and if a Clearing Member, comply with the rules of the Clearing Corporation.

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Section 18 Access to the Trading System

(a) Misuse of the Trading System is strictly prohibited. It shall be deemed an act detrimental to the interest and welfare of the Exchange to either willfully or negligently engage in unauthorized access to the Trading System, to assist any individual in obtaining unauthorized access to the Trading System, to trade on the Trading System without proper authorization as described in these Rules, to alter the equipment associated with the Trading System, to interfere with the operation of the Trading System, to use or configure a component of the Trading System in a manner which does not conform to the Exchange's agreements and procedures to intercept or interfere with information provided on or through the Trading System, or in any way to use the Trading System in a manner contrary to the Rules of the Exchange.

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