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Chapter 1. Offices

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BYLAW 101. REGISTERED OFFICE.

The registered office of National Futures Association (hereinafter "NFA") shall be in the City of Wilmington, County of New Castle, State of Delaware.

BYLAW 102. OTHER OFFICES.

NFA's principal office shall be in Chicago, Illinois. NFA shall maintain a regional office in New York, New York, and offices at such other locations as NFA's Board of Directors (hereinafter "Board of Directors" or "Board") designates.

Chapter 2. Purposes

BYLAW 201. PURPOSES.

[Effective date of amendments: August 1, 2016.]

NFA's purposes are as stated in Article III of NFA's Certificate of Incorporation (as it may be amended from time to time, the "Articles").

Chapter 3. Membership and Association with a Member

BYLAW 301. REQUIREMENTS AND RESTRICTIONS.

[Effective dates of amendments: April 11, 1983; July 28, 1983; September 16, 1983; June 4, 1985; August 1, 1985; January 28, 1986; December 30, 1986; July 29, 1988; January 1, 1990; October 29, 1991; August 16, 1993; September 21, 1993; April 1, 1997; March 10, 1998; March 18, 2003; July 21, 2003; September 15, 2003; December 15, 2004; November 18, 2009; September 30, 2010; October 1, 2011; July 18, 2012; January 1, 2013; February 20, 2014; August 1, 2016 and September 15, 2017.]

(a) Eligibility for Membership.

(i) No person, unless eligible for membership in the contract market category, shall be eligible to become or remain an NFA Member or associated with a Member unless such person is registered, provisionally registered, temporarily licensed or exempt from registration under the Act or the rules of the Commission.

(ii) Except as provided in paragraph (e) below, no person shall be eligible to become or remain a Member or associated with a Member who:

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(A) Has been and is suspended or expelled from a registered futures association or contract market for violating any rule of the association or contract market that:

(1) prohibits any act or transaction constituting conduct inconsistent with just and equitable principles of trade; or

(2) requires any act which, if omitted, constitutes conduct inconsistent with such principles;

(B) Has been and is barred or suspended from being associated with all members of a registered futures association or contract market for violating a rule described in paragraph (A) above;

(C) Is subject to an order of the Commission denying, suspending or revoking the person's registration under Section 6(b) of the Act; expelling or suspending the person from membership in a registered futures association or contract market; or barring or suspending the person from being associated with an FCM;

(D) Whether before or after becoming a Member or associated with a Member, was, by the person's conduct while associated with a Member, a cause of any suspension, expulsion or order described in paragraphs (a)(ii)(A)-(C) above that is in effect with respect to the person; or

(E) Has associated with the person any other person who is known to, or in the exercise of reasonable care should be known to, the person to be ineligible to become or remain a Member or associated with a Member under paragraphs (a)(ii)(A)-(D) above.

(iii) No person, unless eligible for membership in the contract market category or solely in the Swap Dealer ("SD") or Major Swap Participant ("MSP") category, shall be eligible to become or remain a Member unless at least one of its principals is registered as an "associated person" under the Act and Commission Rules.

(iv) If any Member fails to have at least one principal that is registered as an "associated person" NFA shall deem that Member's failure to be a request to withdraw from NFA membership and shall notify that Member accordingly.

(b) Registration of Associates.

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No person may be associated with a Member of NFA unless the person is registered with NFA as an Associate or is an NFA Member. As used in these Bylaws, the term "associated with a Member" means any person who is associated with a Member of NFA within the meaning of the term "associated person" as used in the Act or Commission Rules and who is required to be registered as such with the Commission. Registration with NFA as an Associate is not registration as an associated person under the Act.

(c) Restrictions on Becoming or Remaining a Member or Associated with a Member.

A person may be deemed disqualified to become or remain a Member or associated with a Member-

- (i) If a prior registration under the Act of such person in any capacity has been suspended (and the period of such suspension has not expired) or has been revoked;
- (ii) If registration of such person in any capacity has been refused within five years preceding the filing of the application for membership or at any time thereafter;
- (iii) If such person is permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction, including an order entered pursuant to an agreement of settlement to which the Commission or any Federal or State agency or other governmental body is a party, from:
 - (A) acting as a futures commission merchant, introducing broker, floor broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, associated person of any registrant under the Act, securities broker, securities dealer, municipal securities broker, municipal securities dealer, transfer agent, clearing agency, securities information processor, investment adviser, investment company or affiliated person or employee of any of the foregoing; or
 - (B) engaging in or continuing any activity involving any transaction in or advice concerning contracts of sale of a commodity for future delivery, concerning matters subject to Commission regulation under Section 4c or 19 of the Act, or concerning securities;
- (iv) If such person has been convicted of any felony or if such person has been convicted within 10 years preceding the filing of the application for membership or at any time thereafter of any misdemeanor that:

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- (A) involves any transactions or advice concerning any contract of sale of a commodity for future delivery, or any activity subject to Commission regulation under Section 4c or 19 of the Act, or concerning a security;
- (B) arises out of the conduct of the business of a futures commission merchant, introducing broker, floor broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, associated person of any registrant under the Act, securities broker, securities dealer, municipal securities broker, municipal securities dealer, transfer agent, clearing agency, securities information processor, investment adviser, investment company, or an affiliated person or employee of any of the foregoing;
- (C) involves embezzlement, theft, extortion, fraud, fraudulent conversion, misappropriation of funds, securities of property, forgery, counterfeiting, false pretenses, bribery, or gambling; or
- (D) involves the violation of Section 152, 1341, 1342, or 1343, or Chapter 25, 47, 95, or 96 of Title 18, United States Code;
- (v) If such person has been found by any court of competent jurisdiction, by the Commission or any Federal or State agency or other governmental body, or by settlement agreement to which the Commission or any Federal or State agency or other governmental body is a party:
- (A) to have violated any provision of the Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Securities Investors Protection Act of 1970, the Foreign Corrupt Practices Act of 1977, or any similar statute of a State or foreign jurisdiction, or any rule, regulation, or order under any such statutes, or the rules of the Municipal Securities Rulemaking Board; or
 - (B) to have willfully aided, abetted, counseled, commanded, induced, or procured such violation by any other person;
- (vi) If such person is subject to an outstanding order denying trading privileges on any contract market to such person, denying, suspending, expelling or revoking such person's membership in any contract market, registered futures association or any other self-regulatory organization, or barring or suspending such person from being associated with a registrant under the Act or with a member of a contract market, registered futures association or other self-regulatory association;

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(vii) If such person is a futures commission merchant or introducing broker and shall knowingly accept any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market from any person denied trading privileges on a contract market by order of the Commission under Section 6(b) of the Act and the period of denial specified in such order shall not have expired;

(viii) Such person failed reasonably to supervise another person, who is subject to such person's supervision, with a view to preventing violations of the Act, or of any of the statutes set forth in paragraph (c)(v) of this Bylaw or of any of the rules, regulations, or orders thereunder, and the person subject to supervision committed such a violation: *Provided, however,* that no person shall be deemed to have failed reasonably to supervise another person, within the meaning of this paragraph if:

(A) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

(B) such person has reasonably discharged the duties and obligations incumbent upon that person, as supervisor, by reason of such procedures and system, without reasonable cause to believe that such procedures and system were not being complied with;

(ix) Such person was debarred by any agency of the United States from contracting with the United States;

(x) Such person willfully made any material false or misleading statement or willfully omitted to state any material fact in any application of such person for registration under the Act or for membership in NFA, in any report required to be filed with the Commission by the Act or the regulations thereunder, in any proceeding before the Commission, in any report required to be filed with NFA or in any proceeding before any Committee of NFA;

(xi) Such person has pleaded nolo contendere to criminal charges of felonious conduct, or has been convicted in a State court or in a foreign court of conduct which would constitute a felony under Federal law if the offense has been committed under Federal jurisdiction;

(xii) In the case of an applicant for membership in any capacity to which NFA's Financial Requirements apply, such person has not established that such person meets NFA's Financial Requirements;

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(xiii) Such person has been found by any court of competent jurisdiction or by any Federal or State agency or other governmental body, or by agreement of settlement to which any Federal or State agency or other governmental body is a party:

(A) to have violated any statute or any rule, regulation, or order thereunder which involves embezzlement, theft, extortion, fraud, fraudulent conversion, misappropriation of funds, securities or property, forgery, counterfeiting, false pretenses, bribery, or gambling; or

(B) to have willfully aided, abetted, counseled, commanded, induced or procured such violation by any other person;

(xiv) Such person has associated with any other person and knows, or in the exercise of reasonable care should know, of facts regarding such other person that are set forth as statutory disqualifications in Section 8a(2) of the Act, unless such person has notified the Commission or NFA, if NFA has been authorized or required to make the determination described in Section 4k(5) of the Act with respect to such other person, of such facts and the Commission or NFA, as the case may be, has determined that such other person should be registered or temporarily licensed;

(xv) There is other good cause; or

(xvi) Any principal has been or could be refused membership: *Provided, however,* that for the purposes of this Bylaw, "principal" shall mean any entity or individual defined as "principal" in NFA Registration Rule 101.

(d) Qualification.

Except as provided in paragraph (e) below, no person may become or remain an FCM, RFED, SD, MSP, CTA, CPO, IB or LTM Member or associated with such a Member unless qualified to do so in conformity with such standards of training and experience and proficiency testing requirements as NFA shall establish and such other qualification standards as NFA finds necessary or desirable.

(e) Exceptions from Ineligibility, Restrictions and Qualifications.

A person who is ineligible or disqualified to become or remain a Member or associated with a Member under paragraphs (a) or (d) above may nevertheless become or remain a Member or associated with a Member:

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- (i) Subject to the provisions of Section 17(b)(3) of the Act, upon a finding by the Membership Committee (See Chapter 7) that the reason for ineligibility does not cause the person to pose a threat to Members, Associates or customers; or
- (ii) In such other situations as may be approved or directed by the Commission.

(f) Application.

(i) All applications to become a Member or to register as an Associate shall be filed electronically and provide such information as required by the Membership Committee. The Member or applicant for membership shall file all applications for itself and its Associates by accessing NFA's registration and membership database in the manner provided by NFA. Each Member or applicant for membership shall designate the person or persons authorized to file its application and the applications of its Associates. NFA may require any individual applying for registration as an Associate to electronically verify the information contained in the application. Applicants for registration as Associates may not authorize any other person to make such verification on their behalf. Each applicant for membership shall pay such application fee as the Membership Committee may prescribe from time to time.

(ii) The electronic filing of the application or verification of the information contained in the application shall constitute:

(A) a certification that the information supplied in the application is complete and accurate;

(B) a certification that the applicant or Member has authorized the person filing the application to make such filing and all certifications and agreements required by this paragraph; and

(C) an express agreement by the applicant that, whenever admitted to NFA membership or registered as an Associate, the applicant and its employees shall become and remain bound by all NFA requirements, including without limitation all applicable NFA Bylaws, Compliance Rules, Financial Requirements, Registration Rules, Code of Arbitration and Member Arbitration Rules as then and thereafter in effect and that such agreement shall apply each time the applicant becomes a Member or Associate.

(iii) An application may be returned by the Secretary of NFA without action if it is materially incomplete or materially inaccurate.

(iv) Database Security.

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(A) No applicant, Member or Associate may access NFA's electronic registration and membership database until NFA has assigned it a unique identifying code and password;

(B) Each applicant, Member and Associate is responsible for maintaining the security and confidentiality of its identifying code and password and those of the persons whom it authorizes, if permitted, to make electronic registration filings on its behalf. NFA's electronic registration and membership database shall record and store the identifying code of each person accessing NFA's database and shall logically associate in the database such identifying code with any electronic filing made by the person using such identifying code. The person whose identifying code is used to make an electronic filing will be deemed to have made such filing;

(C) Each FCM, SD, MSP, RFED, IB, CPO or CTA applicant or Member shall make available any person it has authorized to make or actually performing duties related to electronic filings, for testimony in court or before the Commission, NFA or any contract market regarding the authentication, integrity or accuracy of any electronic filing; and

(D) The ability to electronically access NFA's registration and membership database is a privilege and not a right. NFA may disable any person's identifying code and password and terminate the person's ability to access the database at any time, without notice or a hearing, in NFA's sole discretion, if NFA believes that the person has not complied with this Bylaw or any procedures that NFA establishes to implement this Bylaw.

(v) Any required application fee shall be sent to the Secretary for processing, in accordance with such procedures as shall be adopted by the Membership Committee.

(vi) As soon as practicable after the application is received and reviewed, the Secretary shall notify the applicant of the action taken (See paragraph (g) below).

(g) Denial and Revocation.

(i) If the President has reason to believe that: (1) an applicant for membership or registration with NFA as an Associate does not meet the qualifications set forth in this Chapter for NFA membership or association with a Member, as the case may be; (2) a Member or registered Associate does not meet the qualifications set forth in this Chapter for continuation as a Member or Associate; or (3) the person has submitted an intentionally incomplete, inaccurate or otherwise false application to NFA for membership or registration as an Associate, the President shall promptly so notify the

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person in writing and furnish a copy of the notice to the Membership Committee, setting forth the specific grounds for the determination. The person shall be given an opportunity to show in writing to the President that the qualifications are met, or that the application is not intentionally incomplete, inaccurate or false. If the person requests, or if the Membership Committee orders, a hearing shall be held before the Membership Committee or its designated Subcommittee, and a record shall be kept. Such designated Subcommittee shall consist of one member of the Membership Committee and two members of NFA's Hearing Committee, unless the applicant or Member is an SD or MSP, in which case at least one of the members of the designated Subcommittee shall also be an employee of an SD or MSP Member. The member of the Membership Committee sitting on each designated Subcommittee shall serve as the Chairman of the Subcommittee. At least one of the members of the designated Subcommittee shall not be an NFA Member or Associate or an employee of an NFA Member. Each member of the designated Subcommittee shall be appointed by a majority of the Membership Committee. The person may be represented at the hearing, and submit evidence in the proceeding, call and examine witnesses, examine the evidence upon which the President's determination was based, and, in the discretion of the Membership Committee or its designated Subcommittee, present written or oral argument. No member of the Membership Committee or a designated Subcommittee shall participate in a membership action if the member, or any person with whom the member is connected, has a financial, personal or other direct interest in the matter under consideration or is disqualified under Bylaw 708(c).

(ii) If a hearing before the Membership Committee is held, the Committee or Subcommittee shall make a final, written determination upon the record before it, setting forth the specific grounds for its determination. Such determination shall include the specific grounds for the denial, bar, expulsion or restriction; the findings made concerning those grounds; and an explanation of the result reached in light of the grounds of ineligibility found and the findings made. A copy of the determination shall promptly be sent to the person

(iii) (A) The Respondent may appeal any adverse decision of the Membership Committee or Subcommittee issued under Bylaw 301(g)(ii) to the Appeals Committee by filing a written notice of appeal with NFA within 15 days after the date of the decision. The notice must describe those aspects of the membership action to which exception is taken, and must contain any request by the Respondent to present written or oral argument.

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(B) The Appeals Committee may also order review of any decision of the Membership Committee or Subcommittee issued under Bylaw 301(g)(ii). If such a review will be conducted, the Appeals Committee will give written notice to the Respondent within 15 days of the date of the decision. Such review may be conducted by the Appeals Committee:

(1) on its own motion, or

(2) pursuant to a petition filed by the Registration and Membership Department, the granting of which shall be discretionary with the Appeals Committee. The petition will state why the Registration and Membership Department is seeking review and must contain any request by the Registration and Membership Department to present written or oral argument.

(C) The Respondent's filing of a notice of appeal under paragraph (A) above or the institution by the Appeals Committee of its own review under paragraph (B) above shall operate as a stay of the effective date of the membership order, until the Appeals Committee renders its decision.

(D) No member of the Appeals Committee shall participate in the proceeding if the member participated in any prior stage of the membership proceeding (other than the review of a settlement offer) or if the member, or any person with which the member is connected, has a financial, personal or other direct interest in the matter under consideration or is disqualified under Bylaw 708(c). Except for good cause shown, the appeal or review shall be conducted solely on the record before the Membership Committee or Subcommittee, the written exceptions described in the notice of appeal under paragraph (A) above, and such written or oral arguments of the parties as the Appeals Committee may authorize.

(E) If the Appeals Committee authorizes written argument, briefs shall be filed as follows unless otherwise ordered by the Appeals Committee:

(1) the party required to submit the initial brief shall file it with NFA's Legal Docketing Department and serve it on the other parties to the appeal within 30 days after the Appeals Committee issues an order authorizing written argument;

(2) the responding party shall file its brief with NFA's Legal Docketing Department and serve it on the other parties to the appeal within 30 days after service of the initial brief;

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(3) the party which filed the initial brief may file an answer to the responding brief with NFA's Legal Docketing Department and serve it on the other parties to the appeal within 10 days after service of the responding party's brief;

(4) the initial brief or responding brief of any party shall not exceed 35 pages and the answer to the responding brief shall not exceed 10 pages, exclusive of any table of contents, table of cases, index and appendix containing transcripts of testimony, exhibits, rules and regulations; and

(5) no other written argument on substantive issues raised on appeal will be accepted from the parties or considered by the Appeals Committee.

(F) Promptly after reviewing the matter, the Appeals Committee shall issue a written and dated decision, based on the weight of the evidence. The decision shall include:

(1) the specific grounds for the denial, bar, expulsion or restriction and its effective date;

(2) the finding made by the Appeals Committee concerning those grounds;

(3) an explanation for the results reached in light of the grounds for ineligibility found;

(4) a statement that any person aggrieved by the membership action may appeal the action pursuant to Commission Regulations, Part 171, within 30 days of service; and

(5) a statement that any person aggrieved by the membership action may petition the Commission for a stay of the effective date pursuant to Commission Regulations, Part 171, within 10 days of service.

(G) The decision of the Appeals Committee shall be final 30 days after the date of service.

(h) Suspension and Termination of Membership and Associate Membership.

The membership or Associate membership of any person may be terminated or withdrawn as set forth below. Termination or withdrawal of a person's membership or associate membership shall not relieve the Member or Associate of any responsibility under the NFA Code of Arbitration, Member Arbitration Rules, Bylaws, Compliance Rules, Financial Requirements, Registration Rules, Interpretive Notices or Orders issued by the Executive Committee, Membership Committee, Appeals Committee, Hearing Committee or any

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designated Subcommittee or Panel of such Committees for activities prior to termination, or of the obligation to pay any dues, assessments, fines, penalties or other charges theretofore accrued and unpaid.

(i) Termination of Temporary License.

The termination of the temporary license of any Member or Associate shall also terminate such person's membership or associate membership unless such person remains otherwise eligible for membership under Bylaw 301(a).

(ii) Withdrawal of Registration.

The membership of any Member that withdraws all registrations under the Act shall be withdrawn without further prior notice.

(iii) Termination of Employment as Associate.

Each Member shall promptly file a Form 8-T, completed and filed in accordance with all pertinent instructions, notifying the Secretary of the termination of employment of any registered or pending Associate with the Member. Unless otherwise provided by these Bylaws or NFA Registration Rules, Members and applicants for membership must file their Form 8-Ts electronically by accessing NFA's registration and membership database in the manner provided by NFA. If such person is no longer listed as an Associate of any Member following such termination, the individual's registration with NFA as an Associate shall terminate.

(iv) Withdrawal from Membership or Application for Membership.

A Member may request to withdraw its application for membership at any time before approval or request to withdraw from membership at any time by filing a Form 7-W, completed and filed in accordance with all pertinent instructions. Unless otherwise provided by these Bylaws or NFA Registration Rules, Members and applicants for membership must file their Form 7-Ws electronically by accessing NFA's registration and membership database in the manner provided by NFA. A request to withdraw an application for membership will become effective on the 30th day after the Member files the request, or earlier upon notice from NFA of the granting of such request. A request to withdraw from membership, including a deemed request to withdraw from membership, will become effective on the 30th day after the Member files or is deemed to have made the request, or earlier upon notice from NFA of the granting of such request, unless prior to the effective date NFA notifies the Member in writing that the request is denied because:

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- (1) NFA has instituted a proceeding under Bylaw 301(g) or Part 3 of the Compliance Rules;
 - (2) NFA is imposing or intends to impose terms or conditions upon such withdrawal from membership;
 - (3) The Member is currently the subject of an investigation to determine, among other things, whether the Member has violated, is violating, or is about to violate NFA Bylaws, Compliance Rules, Financial Requirements, Registration Rules, Interpretive Notices or Orders issued by the Executive Committee, Membership Committee, Appeals Committee, Hearing Committee or any designated Subcommittee or Panel of such Committees;
 - (4) NFA has requested, is requesting or intends to request from the Member further information pertaining to its request for withdrawal from membership; or
 - (5) NFA has determined that it would be contrary to NFA's Articles, Bylaws, Compliance Rules, Financial Requirements, Registration Rules, Interpretive Notices or Orders issued by the Executive Committee, Membership Committee, Appeals Committee, Hearing Committee or any designated Subcommittee or Panel of such Committees, or to the public interest to permit such withdrawal from membership.
- (v) Failure to Notify of Address Change (See Bylaw 301(i)).
- (vi) Default in Payment of Dues or Assessment or Audit Fees (See Bylaw 1303).
- (vii) Suspension and Revocation.

The membership of any Member or any person associated with a Member whose registration under the Act is suspended shall be suspended for the term of the registration suspension without further prior notice. The membership of any Member or any person associated with a Member whose registration under the Act is revoked shall terminate without further prior notice.

- (viii) Failure to Submit Annual Questionnaire.

On an annual basis, NFA shall provide each NFA Member FCM for which NFA is the Designated Self-Regulatory Organization, RFED, IB, SD, MSP, CPO, CTA, and LTM with a questionnaire concerning its business activities. The Member shall complete the questionnaire and submit the completed questionnaire on the date specified

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thereon. NFA shall deem the failure to file the completed questionnaire within 30 days following such date a request to withdraw from NFA membership, and shall notify the Member accordingly.

(i) Name and Address.

(i) Each Member shall at all times register and maintain with the Secretary its correct name and principal address, and the correct name and address of each registered Associate employed by the Member. Except as provided in subsection (ii) below, the principal address of each Member and the address of each registered Associate currently on file with NFA shall be deemed by NFA the correct address for delivery to the Member or Associate of any written communication, document or notice from NFA. Delivery of any written communication, document or notice shall be complete upon mailing, delivery to a generally recognized overnight courier service or delivery to a messenger service. The failure of a Member to notify NFA of a change in the Member's principal address shall constitute grounds for summary suspension or termination of the NFA membership of such Member by order of the President on seven days' written notice.

(ii) Each Member may provide to NFA, and if provided, shall maintain, in the manner required by NFA, one or more email addresses for the purpose of receiving communications, documents or notices from NFA. Unless a different method of delivery is specifically required, NFA may deliver any communication, document or notice to the email address or addresses currently on file. The email address or addresses currently on file shall be deemed by NFA the correct address or addresses for delivery to the Member of the communication, document or notice by email. Delivery of any communication, document or notice by email shall be complete upon sending.

(j) Eligibility to Conduct Forex Activities.

(i) Any Member that is registered with the Commission as an FCM, RFED, IB, CPO, or CTA and engages in forex activities must be approved as a forex firm by NFA.

(A) In addition to being approved by NFA as a forex firm, an RFED or an FCM that is a Forex Dealer Member must also be designated by NFA as an approved Forex Dealer Member.

(1) No FCM may be designated as an approved Forex Dealer Member unless such FCM provides NFA with satisfactory evidence that it meets the requirements in NFA Financial Requirements Section 11.

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(ii) Any person associated with a Member that is registered with the Commission as an FCM, RFED, IB, CPO, or CTA and engages in forex activities must be approved as a forex associated person by NFA in order to engage in forex activities on behalf of such Member.

(iii) No Member may be approved as a forex firm unless at least one of its principals is registered as an "associated person" and approved as a forex associated person.

(A) If any Member that has been approved as a forex firm fails to have at least one principal that is registered as an "associated person" and approved as a forex associated person, then NFA shall deem such failure as a request to have the approval of the Member as a forex firm withdrawn and shall notify that Member accordingly.

(iv) Any request for designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person must be filed electronically through NFA's Online Registration System.

(v) Any individual applying for designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person shall not be granted designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person unless:

(A) The applicant has satisfied the proficiency requirements under NFA Registration Rule 401(a) or 401(e) and:

Effective January 31, 2020 the above paragraphs will read as follows:

(v) Any individual applying for designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person shall not be granted designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person unless:

(A) The applicant has satisfied the proficiency requirements under NFA Registration Rule 401(a) or 401(f) and:

(1) NFA has received satisfactory evidence that the applicant has taken and passed the Retail Off-Exchange Forex Examination (Series 34) on a date which is no more than two years prior to the date the application is received by NFA;

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(2) NFA has received satisfactory evidence that the applicant has taken and passed the Retail Off-Exchange Forex Examination (Series 34) and since the date the applicant last passed such examination, there has been no period of two consecutive years during which the applicant has not been either registered as a FB or AP or an FCM, RFED, IB, CTA, CPO, or LTM that is a Member of NFA; or

(3) the applicant was duly registered under the Act as a FB, AP or sole proprietor FCM, RFED, IB, CTA, CPO or LTM on May 22, 2008, and there has been no period of two consecutive years since May 22, 2008, during which the applicant has not been registered as a FB or AP or an FCM, RFED, IB, CTA, CPO or LTM that is a Member of NFA.

(k) Withdrawal of Designation as an Approved Forex Dealer Member or Approval as a Forex Firm.

A Member may request that its designation, or pending application for designation, as an approved Forex Dealer Member or approval, or pending application for approval, as a forex firm be withdrawn by filing such a request through NFA's Online Registration System. Such a request shall become effective on the 30th day after the Member files the request, or earlier upon notice from NFA of the granting of such request.

(i) Withdrawal of the approval of a Member as a forex firm shall also result in the withdrawal of the designation of the Member as an approved Forex Dealer Member.

(l) Eligibility to Conduct Swaps Activities.

(i) Any Member that is registered with the Commission as an FCM, IB, CPO, or CTA and engages in activities involving swaps subject to the jurisdiction of the CFTC must be approved as a swaps firm by NFA.

(ii) Any person associated with a Member that is registered with the Commission as an FCM, IB, CPO, or CTA and engages in activities involving swaps subject to the jurisdiction of the CFTC must be approved as a swaps associated person by NFA in order to engage in swaps activities on behalf of such Member.

(iii) No Member may be approved as a swaps firm unless at least one of its principals is registered as an "associated person" and approved as a swaps associated person.

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(iv) If any Member that has been approved as a swaps firm fails to have at least one principal that is registered as an "associated person" and approved as a swaps associated person, then NFA shall deem such failure as a request to have the approval of the Member as a swaps firm withdrawn and shall notify that Member accordingly.

(v) Any request for approval as a swaps firm or swaps associated person must be filed electronically through NFA's Online Registration System.

Effective January 31, 2020 the above paragraphs will read as follows:

(I) Eligibility to Conduct Swaps Activities.

(i) Any Member that is registered with the Commission as an FCM, IB, CPO, or CTA and engages in activities involving swaps subject to the jurisdiction of the CFTC must be approved as a swap firm by NFA.

(ii) Any person associated with a Member that is registered with the Commission as an FCM, IB, CPO, or CTA and engages in activities involving swaps subject to the jurisdiction of the CFTC must be approved as a swap associated person by NFA in order to engage in swaps activities on behalf of such Member.

(iii) No Member may be approved as a swap firm unless at least one of its principals is registered as an "associated person" and approved as a swap associated person.

(iv) If any Member that has been approved as a swap firm fails to have at least one principal that is registered as an "associated person" and approved as a swap associated person, then NFA shall deem such failure as a request to have the approval of the Member as a swap firm withdrawn and shall notify that Member accordingly.

(v) Any request for approval as a swap firm or swap associated person must be filed electronically through NFA's Online Registration System.

(vi) Any individual applying for approval as an FCM, IB, CPO or CTA Member swap firm or swap associated person of an FCM, IB, CPO or CTA Member shall not be granted approval as a swap firm or swap associated person unless the following requirement is met:

(A) NFA has received satisfactory evidence that the applicant has taken

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and passed NFA's Swaps Proficiency Requirements:

- (1) On a date which is no more than two years prior to the date the application is received by NFA; or
- (2) Since the date that the applicant took and passed NFA's Swaps Proficiency Requirements, there has been no period of two consecutive years during which the applicant has not been approved as a swap associated person of an FCM, IB, CPO or CTA, approved as a swap firm that is a Member of NFA or employed by an SD that is a Member of NFA or its affiliated entity.

(m) Withdrawal of Approval as a Swaps Firm.

A Member may request that its approval, or pending application for approval, as a swaps firm be withdrawn by filing such a request through NFA's Online Registration System. Such a request shall become effective on the 30th day after the Member files the request, or earlier upon notice from NFA of the granting of such request.

(n) Notice.

NFA may provide any notice required by Bylaw 301 electronically unless written notice is specifically required. Notices provided electronically shall be complete upon display in NFA's Online Registration System. Notices provided in writing shall be complete upon mailing.

BYLAW 302. ADMISSION TO MEMBERSHIP, OR REGISTRATION AS AN ASSOCIATE, ON A CONDITIONAL BASIS.

The Membership Committee may admit an applicant to membership, or grant an applicant registration as an Associate, subject to such terms and conditions as the Committee deems appropriate.

BYLAW 303. RIGHTS AND LIABILITIES OF MEMBERS.

The private property of the Members shall not be subject to the payment of NFA's debts or liabilities to any extent whatsoever, except that Members shall be liable to NFA for dues, assessments, fees, and similar charges imposed on them by NFA. With the Board's approval, a Member may receive compensation for services rendered to NFA and reimbursement for expenses, including overhead, reasonably incurred on behalf of NFA, and may be repaid for loans or other credit extended by the Member to NFA.

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BYLAW 304. TRANSFER OF MEMBERSHIP.

Membership in NFA shall not be transferable or assignable.

BYLAW 305. REGISTRATION RULES.

[Adopted effective July 28, 1983. Effective dates of amendments: November 29, 1983; May 4, 1984; November 5, 1984; December 3, 1984; December 16, 1984; March 1, 1985; September 30, 1985; January 28, 1986; June 13, 1986; September 23, 1986; January 2, 1987; March 26, 1987; July 1, 1987; April 4, 1988 and August 1, 1994.]

Subject to Articles III and XI and Bylaw 1506, the Board shall adopt Registration Rules in accordance with which NFA shall perform the portion of the registration functions under the Act which it is required or authorized by the Commission to perform pursuant to Section 8a(10) or Section 17(o) of the Act and in accordance with which NFA shall determine proficiency for purposes of determining fitness to be registered under the Act (except with respect to floor brokers and floor traders) and for purposes of determining membership qualification under Bylaw 301(d), which rules shall be deemed a part of these Bylaws.

BYLAW 306. FOREX DEALER MEMBERS.

[Adopted effective June 28, 2002. Effective dates of amendments: December 1, 2003; June 13, 2005; February 13, 2007; October 18, 2010; and October 1, 2011]

Members of NFA are Forex Dealer Members if they are the counterparty or offer to be the counterparty to forex transactions (as defined in Bylaw 1507(b)).

Chapter 4. Member Meetings and Elections

BYLAW 401. PLACE OF MEETING.

[Effective date of amendments: August 1, 2016.]

Meetings of NFA Members may be held at such place, either in Delaware or elsewhere, as may be designated by the Board or the officers calling the meeting. If no designation is made, the place of meeting shall be NFA's principal office in Chicago.

BYLAW 402. ANNUAL MEETINGS.

[Effective date of amendments: August 1, 2016.]

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The annual meeting of the Members shall be held on the first Tuesday in February of each year or at such other date and time as determined by the Board, for the election of Directors elected by Members and the transaction of such business as may come before the meeting. The Board or Executive Committee may postpone, reschedule or cancel any meeting of Members previously scheduled by the Board.

BYLAW 403. SPECIAL MEETINGS.

[Effective date of amendments: August 1, 2016.]

Special meetings of the Members may be called for any purpose or purposes by the Chairman, the President or the Board. Special meetings shall also be called by the President when requested in writing by at least 10 percent of the Members. This request must state the purpose or purposes for which the special meeting is to be called. The business transacted at the meeting shall be limited to the purpose stated in the notice. The Board or Executive Committee may postpone, reschedule or cancel any meeting of Members previously scheduled by the Chairman, the President or the Board.

BYLAW 404. NOTICE OF MEETINGS.

[Effective date of amendments: August 1, 2016.]

A notice stating the place, day and hour of any meeting of Members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 40 days before the date of the meeting, either personally, by U.S. mail or, subject to the requirements of applicable law, by electronic transmission by or at the direction of the Secretary, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed delivered when deposited in the U.S. mail, addressed to the Member at his or her address as it appears on NFA records, with postage prepaid. Attendance at a meeting by a Member shall constitute waiver of notice of such meeting, except when the Member attends a meeting for express purposes of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

BYLAW 405. VOTING; QUORUM.

[Effective date of amendments: August 1, 2016.]

(a) A quorum at any meeting of the Members shall be constituted as described in (b) below. If a quorum is not present at a meeting, the Members in attendance may act to adjourn the meeting. Each Member entitled to vote at a meeting of Members may vote in person at the

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meeting by ballot or may authorize another person or persons to act for such Member by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(b)(i) For any matter that requires a separate vote by membership category or categories, but not all membership categories voting together as a single class, at any meeting of the Members, the lesser of fifty (50) Members in such membership category or categories or five percent (5%) of the total number of Members in such membership category or categories shall constitute a quorum for that membership category.

(ii) For all other matters, 51% of the total number of Members shall constitute a quorum.

BYLAW 406. ELECTIONS.

[Effective dates of amendments: February 7, 1986; January 1, 1990; August 3, 1990; October 16, 1992; October 15, 2001; October 9, 2007; February 20, 2014; December 15, 2014 and August 1, 2016.]

The Annual Election shall be held at the annual meeting of Members, at which the contested vacancies on the Board and Nominating Committee shall be filled. Before the October 15 preceding the election, the Secretary shall:

- (a) notify all Members in the FCM and LTM; SD, MSP and RFED; IB; CPO and CTA categories of the elected Directors and the members of the Nominating Committee whose terms will expire at the Annual Election, and
- (b) request the submission to the Nominating Committee of the names of eligible persons to fill those positions.

Before the November 20 preceding the election, the Nominating Committee shall submit its list of nominees for the positions to the Secretary, who shall promptly notify the Members of the nominations. Other nominations may be made by petition, as prescribed in the Articles. Each petition must identify the position to which the nomination pertains. Petitions must be received by the Secretary within 21 days of the issuance of the Secretary's notification of the candidates proposed by the Nominating Committee. Promptly after the expiration of the period within which petitions may be submitted, the Secretary shall notify the Members of all of the candidates for Director and members of the Nominating Committee. In the event of a contested election in any of the FCM and LTM; SD, MSP and RFED; IB; or CPO and CTA categories, the Secretary shall cause notice of the meeting wherein such election shall be considered to be sent to all Members in that category by December 31. Promptly after December 31 of the year immediately preceding the election,

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the Secretary shall notify the contract market Members that shall have representatives on the Board during the current calendar year. Provided, however, that if an election is held pursuant to Article VII, Section 2(a)(ii)(b) or Section 2A(a)(ii)(b), then the Secretary shall request the contract market Members eligible to have a representative in accordance with Article VII, Section 2(a)(ii)(b) or Section 2A(a)(ii)(b), respectively, to nominate eligible persons to represent such contract market Members. In the event of a contested election in the contract market category, the Secretary shall cause notice of the meeting wherein such election shall be considered to be sent to all contract market Members eligible to vote in accordance with Article VII, Section 2(a)(ii)(b) or Section 2A(a)(ii)(b), respectively, by January 10.

BYLAW 407. RESERVED.

[Effective dates of amendments: October 15, 2001; and February 20, 2014.]

BYLAW 408. RECORD DATE.

[Adopted effective August 1, 2016]

(a) Member Meetings.

In order that NFA may determine the Members entitled to notice of any meeting of Members or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the Members entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the day prior to the day on which notice is given, or, if notice is waived, at the close of business on the day prior to the day on which the meeting is held. A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of Members entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for Members entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of Members entitled to vote in accordance herewith at the adjourned meeting.

(b) Written Consent.

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Unless otherwise restricted by the Articles, in order that NFA may determine the Members entitled to express consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date for determining Members entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (i) when no prior action of the Board is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to NFA in accordance with applicable law, and (ii) if prior action by the Board is required by law, the record date for such purpose shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

BYLAW 409 EXECUTIVE REPRESENTATIVE.

[Adopted effective August 1, 2016]

(a) Each Member shall designate, in a form and manner required by NFA, one (1) individual as the Member's Executive Representative. The Executive Representative shall have the sole authority on behalf of the Member to sign petitions to nominate candidates for Director or Nominating Committee positions in accordance with Article VII, Section 3(b)(1) and to vote or authorize another person or persons to act for such Member by proxy at any meeting of Members. All notices of meetings of Members shall be delivered to the Executive Representative.

(b) In the event that a Member fails to designate an Executive Representative, the Member's Membership Contact listed on the Member's Form 7-R or any amendment thereto shall be deemed to be the Member's Executive Representative.

Chapter 5. Board of Directors

BYLAW 501. GENERAL POWERS AND DUTIES.

[Effective date of amendments: August 1, 2016.]

NFA's property, business and affairs shall be managed by or under the direction of the Board, and the Board may exercise all such powers of NFA as are directed, required or permitted by law, the Articles or these Bylaws to be exercised by the Board.

BYLAW 502. TERM OF OFFICE.

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Each Director shall hold office for the term prescribed in the Articles and until his successor shall have been duly elected and qualified, or until the Director's death, resignation or removal. Directors need not be Delaware residents.

BYLAW 503. RESERVED.

BYLAW 504. RESERVED.

BYLAW 505. RESIGNATIONS.

[Effective date of amendments: August 1, 2016.]

Any Director may resign at any time by giving written notice, or notice by electronic transmission, to the Chairman, President or Secretary. The resignation shall take effect at the time set forth therein, and, unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

BYLAW 506. REGULAR MEETINGS.

The Board's regular annual meeting shall be held in February, for the election of Officers and the appointment of Committee members. The date, time and place of the meeting shall be fixed by the Board. The Board may by resolution specify the time and place, either in Delaware or elsewhere, for the holding of additional regular meetings without notice other than such resolution.

BYLAW 507. SPECIAL MEETINGS.

[Effective dates of amendments: August 16, 1993; October 15, 2001; November 16, 2009, February 20, 2014 and August 1, 2016.]

(a) General.

Special meetings of the Board shall be held at the request of the Chairman, the President, or any 10 Directors. The date and place of the meeting shall be determined by the Chairman and specified in the notice of the meeting.

(b) Notice of Emergencies.

Except in the event of an emergency (as defined below), the Chairman shall cause notice of any special meeting of the Board to be given at least 48 hours before the time at which the meeting is to be held.

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Notices to Directors may be given in writing and delivered personally or mailed to the Directors at their addresses appearing on the books of NFA or may be given by telecopier, telephone or other means of electronic transmission.

Attendance of a Director at the meeting shall constitute a waiver of notice of the meeting, except where a Director attends a meeting exclusively for the limited purpose of objecting, at the beginning of the meeting, to the transaction of any business thereat on the ground that the meeting is not lawfully called or convened.

In the event of an emergency (as defined herein), the Chairman or President may call a meeting on one-hour notice to all Directors. Such notice may be given by telephone, electronic transmission or other lawful means. The business of the meeting shall be limited to the emergency. A quorum shall consist of 1/3 of the Directors, provided there is present at least one contract market Director, one FCM, LTM or IB Director; one SD, MSP or RFED Director; one CPO or CTA Director; and one Public Representative Director. For purposes of this Bylaw, an emergency shall exist when the Chairman or President determines that, because of an unusual, unforeseeable and adverse circumstance, it is necessary to hold a meeting on one hour notice.

BYLAW 508. ADJOURNMENT; LACK OF QUORUM.

[Effective date of amendments: August 1, 2016.]

In the absence of the quorum, a majority of the Directors present and voting may adjourn the meeting to a day certain and, except in emergencies, the Secretary shall give all absent Directors 48 hours notice of such adjourned date.

BYLAW 509. MANNER OF VOTING BY DIRECTORS.

[Effective date of amendments: August 1, 2016.]

Any Director (or any member of a committee designated by the Board) may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Bylaw 509 shall constitute presence in person at such meeting.

BYLAW 510. INFORMAL ACTION BY DIRECTORS.

[Effective date of amendments: August 1, 2016.]

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Any action that must or may be taken at a Board meeting may be taken without a meeting if a consent in writing or by electronic submission, setting forth the action so taken, shall be signed or given by all Directors then in office. This consent shall constitute a waiver of notice and meeting and shall have the same effect as a unanimous vote of all Directors at a meeting.

BYLAW 511. INTERPRETATION OF NFA REQUIREMENTS.

[Effective dates of amendments: February 20, 2014.]

The Board shall have authority to interpret any NFA Requirement. Any such interpretation of the Board shall be final and conclusive.

BYLAW 512. VOTING ON FLOOR BROKER OR FLOOR TRADER REGISTRATION RESPONSIBILITIES.

[Adopted effective September 23, 1986. Effective dates of amendments: April 26, 1993.]

NFA will not seek or accept any authority in connection with the registration of floor brokers or floor traders that exceeds the authority granted to NFA in the initial Commission orders authorizing NFA to perform certain floor broker and floor trader registration functions or any other authority sought or accepted by NFA under the terms of this Bylaw, without the consent of contract market directors representing two-thirds of contract market Members.

BYLAW 513. DIRECTORS ACTING AS COUNSEL IN NFA PROCEEDINGS.

[Adopted effective July 1, 1987.]

No Director shall represent or appear as counsel on behalf of any person involved in an NFA investigation or a registration, membership or disciplinary proceeding undertaken by NFA.

BYLAW 514. PROHIBITION AGAINST USE OF NON-PUBLIC INFORMATION.

[Adopted effective June 15, 1988. Effective dates of amendments: December 4, 2000.]

No Director or functional equivalent thereof shall use or disclose material, non-public information, obtained as a result of participation on the Board of Directors or any subcommittee of the Board of Directors, for any purpose other than the performance of official duties as a Director or subcommittee member.

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BYLAW 515. QUALIFICATIONS OF DIRECTORS.

[Adopted effective June 2, 1990. Effective dates of amendments: December 10, 1993.]

(a) No individual shall be eligible to serve as a Director if such person:

- (i) is subject to any of the disqualifications set forth in CFTC Regulation 1.63(b);
- (ii) has been convicted of a felony within the prior 10 years; or
- (iii) is subject to a Member Responsibility Action or Associate Responsibility Action which is currently in effect.

(b) In the event that a Director becomes disqualified after election to the Board, the vacancy shall be filled as prescribed by Article VII, Section 8. If the sanction is stayed or overturned on appeal before the vacancy is filled, the Director shall be entitled to resume his seat on the Board.

(c) NFA shall publish a list of those Rules which, if violated, would constitute a disciplinary offense as defined in CFTC Regulation 1.63(a)(6)(i).

BYLAW 516. VOTING BY INTERESTED DIRECTORS

[Adopted effective March 12, 1999.]

No Director may deliberate or vote on any matter that the Director is prohibited from voting on by CFTC Regulation 1.69(b)(1)(i). A director who is prohibited from deliberating or voting on a matter must disclose to NFA staff both the prohibition and the reason for the prohibition before the Board considers the matter.

Chapter 6. Officers

BYLAW 601. OFFICERS.

The officers of NFA shall consist of a Chairman of the Board, a Vice Chairman of the Board, a President, a Secretary, and a Treasurer. The Chairman and Vice Chairman shall be elected by the Board at its regular annual meeting in each year, to hold office until the next regular annual meeting of the Board or until their respective successors are elected and qualified. The Board shall appoint a President, a Secretary, and a Treasurer. Vacancies occurring in any office by death, resignation, removal or otherwise shall be filled by the Board, and such replacement officers shall serve, in the case of the Chairman and Vice Chairman, until their successors are elected, or, in the case of other officers, until their successors are appointed. No single individual may hold any two of the following positions concurrently: Chairman,

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Vice Chairman, President and Secretary. The Board may provide for such other offices and may appoint incumbents thereto, and assign their respective duties to them, from time to time, as the Board may deem advisable. In its discretion, the Board may execute, on behalf of NFA, contracts of employment with appointed officers.

BYLAW 602. CHAIRMAN AND VICE CHAIRMAN.

[Effective date of amendments: August 1, 2016.]

The Chairman, and in the Chairman's absence the Vice Chairman, shall preside at all meetings of the Members and of the Board. In the absence of both, the Board shall elect a presiding officer for the meeting and, in the absence of such election, the Members shall elect a presiding officer for the meeting.

BYLAW 603. PRESIDENT.

The President shall be Chief Executive Officer. As Chief Executive Officer, the President shall have general and active management of NFA business. The President shall see that all orders and resolutions of the Board are carried into effect and may execute bonds, mortgages, and other contracts. The President shall have general superintendence of all other appointed NFA officers and all employees, and shall see that their duties are properly performed. The President shall submit a report of the operations of NFA for the preceding fiscal year to the Members at the annual meeting, and from time to time shall report to the Board all matters which the interests of NFA may require to be brought to its notice.

BYLAW 604. SECRETARY.

The Secretary shall keep or cause to be kept full minutes of all meetings of the Members, the Board and Committees and shall attend the sessions of the Board and act as clerk thereof and record all the acts and votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall see that all notices are duly given in accordance with these Bylaws or law, and shall perform such other duties as may be from time to time assigned. The Secretary shall have custody of the corporate seal and shall affix the same to all papers and documents whenever the seal shall be required to be so affixed. The Secretary shall have custody of and properly keep or cause to be kept all the records and books of NFA.

BYLAW 605. TREASURER.

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The Treasurer shall keep full and correct account of receipts and disbursements in the books belonging to NFA, and shall deposit all moneys and equivalents to the credit of NFA, in such financial institutions as may be designated by the Board. The Treasurer shall dispose of NFA funds as may be ordered by the Board by general resolution or in specific instances, taking proper vouchers for such disbursements, and shall render to the President and the Board, whenever they may require it, an account of all transactions as Treasurer and of NFA's financial condition.

BYLAW 606. RESIGNATIONS.

Any officer may resign at any time by giving written notice to the Board or the Secretary. Any such resignation shall take effect at the time set forth therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

BYLAW 607. REMOVAL.

The Chairman, Vice Chairman, President, Secretary and Treasurer may be removed by the Board whenever in its judgment the best interests of NFA will be served thereby. Removal of the Chairman and Vice Chairman shall be by the vote of a majority of the total number of Directors then in office. Removal of the President shall be by the vote of not less than two-thirds of the total number of Directors then in office. Removal of the Secretary and Treasurer shall be by a majority vote of the Directors present and voting at any meeting where a quorum is present. Other officers may be removed in the same manner as the Secretary or Treasurer, or by any superior officer upon whom such removal power has been conferred by Board resolution.

Chapter 7. Committees

BYLAW 701. MEMBERSHIP COMMITTEE.

[Effective dates of amendments: July 1, 1987; October 15, 2001; February 15, 2005; November 18, 2009, February 20, 2014, and August 1, 2016.]

There shall be a Membership Committee, consisting of five Directors, and at least one shall be a Public Representative (See Article XVIII). A majority of the Committee members shall constitute a quorum, except that in the case of a Subcommittee, a quorum shall consist of a majority of such Subcommittee members. The Committee members shall be nominated by

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the President and appointed by the Board. The President and the Board shall endeavor to nominate and appoint Directors and persons who reflect the various categories of Members described in the Articles.

The Committee or its designated Subcommittee shall review actions taken by the President pursuant to the President's authority under Chapter 3 to make the initial determination regarding: (a) applicants for membership in NFA or registration as Associates, and (b) continued eligibility for such membership or registration and shall conduct adverse registration actions as provided in Part 500 of the Registration Rules.

Each Committee member shall serve for two years or until the member's successor is appointed and qualified, or until the member's death, resignation, ineligibility or removal. A Committee vacancy shall be filled by the Board. A Committee member may be removed by the Board whenever, in its judgment, the best interests of NFA will be served thereby.

BYLAW 702. APPEALS COMMITTEE.

[Effective dates of amendments: July 1, 1987; March 15, 1994; October 15, 2001; January 1, 2005; November 16, 2009; February 20, 2014; and August 1, 2016.]

There shall be an Appeals Committee, consisting of five Directors as follows: one Contract Market Director; one FCM, LTM, or IB Director; one CPO/CTA Director; one SD, RFED or MSP Director; and one Public Representative Director (See Article XVIII). A majority of the Committee members shall constitute a quorum. The Committee members shall be nominated by the President and appointed by the Board. The President and the Board shall endeavor to nominate and appoint Directors who reflect the various categories of Members described in the Articles.

The Committee shall hear and decide appeals from and reviews of decisions in disciplinary cases by the Business Conduct Committee or the Hearing Committee under the Compliance Rules and decisions by the Membership Committee or its designated Subcommittee in membership cases under Bylaw 301(g).

Each Committee member shall serve for two years, or until the member's successor is appointed and qualified, or until the member's death, resignation, ineligibility or removal. A Committee vacancy shall be filled by the Board. A Committee member may be removed by the Board whenever, in its judgment, the best interests of NFA will be served thereby.

BYLAW 703. ADVISORY COMMITTEES.

[Effective dates of amendments: January 28, 1986; November 9, 1988; and August 1,

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2016.]

The Board shall appoint Advisory Committees, not having or exercising the authority of the Board, including a Committee to advise the Board on FCM matters, a Committee to advise the Board on matters relating to CPOs and CTAs, a Committee to advise the Board on the matters relating to IBs, and a Swap Participant Committee to advise the Board on matters relating to SDs and MSPs. No person then serving as a member of the Board shall simultaneously serve as a member of any NFA Advisory Committee.

Each member of an Advisory Committee shall be nominated by the President and serve for three years, except that the terms initially established shall be staggered, or until the member's successor is appointed and qualified, or until the member's death, resignation, ineligibility or removal. A vacancy in an Advisory Committee shall be filled by the Board. A Committee member may be removed by the Board whenever in its judgment the best interests of NFA will be served thereby.

BYLAW 704. BUSINESS CONDUCT COMMITTEE.

[Effective dates of amendments: July 1, 1987; June 15, 1988; March 15, 1994; January 1, 2005; February 20, 2014; and August 1, 2016.]

There shall be a Business Conduct Committee, consisting of nine individuals who shall be Members, persons connected therewith or members of the public, as follows: four persons affiliated with FCMs, IBs, LTMs, CTAs or CPOs; two persons affiliated with SDs, RFEDs or MSPs; and three persons who are not NFA Members or Associates or employees of NFA Members. A majority of the Business Conduct Committee members eligible to participate shall constitute a quorum, except that in the case of a Panel (See Compliance Rule 3-11) a quorum shall consist of a majority of such Panel members. The members of the Business Conduct Committee shall be nominated by the President and appointed by the Board. The President and the Board shall endeavor to nominate and appoint individuals who reflect the various categories of NFA Members and members of the public.

Each member of the Business Conduct Committee shall serve for three years, or until the member's death, resignation, ineligibility or removal. A vacancy in the Business Conduct Committee shall be filled by the Board. A Business Conduct Committee member may be removed by the Board whenever, in its judgment, the best interests of NFA will be served thereby.

BYLAW 705. FINANCE COMMITTEE.

[Adopted effective March 12, 1984. Effective dates of amendments: June 13, 1986; January

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1, 1990; November 16, 2009; February 20, 2014; and August 1, 2016.]

There shall be a Finance Committee not having or exercising any authority of the Board, to advise the Executive Committee and Board on matters of NFA financial policy including the establishment of major plans and priorities regarding the commitment and expenditure of NFA funds and the establishment of dues, assessments, fees and other charges upon Members and others. The Finance Committee shall consist of eight members as follows:

- (a) NFA's President;
- (b) NFA's Vice Chairman (who shall act as Chairman of the Finance Committee); and
- (c) Six (6) other Directors as follows who shall not also be members of the Executive Committee and who shall be nominated by the Executive Committee and appointed by the Board at the first Board meeting in each fiscal year:
 - (i) One (1) Director representing contract markets;
 - (ii) One (1) Director representing FCMs, LTMs or IBs;
 - (iii) One (1) Director representing SDs, RFEDs or MSPs;
 - (iv) One (1) Director representing CPOs or CTAs; and
 - (v) Two (2) Directors who are Public Representatives (See Article XVIII).

The members of the Finance Committee described in paragraph (c) above shall serve for one year, or until the member's death, resignation, ineligibility or removal. A vacancy in the Finance Committee shall be filled by the Board. A Finance Committee member may be removed by the Board whenever, in its judgment, the best interests of NFA will be served thereby.

BYLAW 706. RESERVED.

BYLAW 707. HEARING COMMITTEE.

[Adopted effective March 15, 1994. Effective dates of amendments: January 1, 2005 and August 1, 2016.]

There shall be a Hearing Committee, consisting of at least 15 individuals who shall be Members, persons connected therewith or members of the public. A majority of the Hearing Committee members shall constitute a quorum, except in the case of a Panel (See Compliance Rule 3-7) a quorum shall consist of a majority of such Panel members. The

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members of the Hearing Committee shall be nominated by the President and approved by the Board. The President and the Board shall endeavor to nominate and appoint individuals who reflect the various categories of NFA Members and members of the public. At least one-third of the members of the Hearing Committee shall not be NFA Members or Associates or employees of NFA Members.

Each member of the Hearing Committee shall serve for three years, or until the member's death, resignation, ineligibility or removal. A vacancy in the Hearing Committee shall be filled by the Board. A Hearing Committee member may be removed by the Board whenever, in its judgment, the best interests of NFA will be served thereby.

BYLAW 708. QUALIFICATIONS AND OBLIGATIONS OF MEMBERS OF NFA COMMITTEES.

[Adopted effective June 2, 1990. Effective dates of amendments: December 10, 1993; March 21, 1994; March 12, 1999 and December 4, 2000.]

(a) No individual shall be eligible to serve as a member of any NFA Committee or any subcommittee thereof if such person:

- (i) is subject to any of the disqualifications set forth in CFTC Regulation 1.63(b);
- (ii) has been convicted of a felony within the prior 10 years; or
- (iii) is subject to a Member Responsibility Action or Associate Responsibility Action which is currently in effect

(b) No member or functional equivalent thereof of any NFA Committee or subcommittee shall use or disclose material, non-public information, obtained as a result of participation on the Committee or subcommittee, for any purpose other than the performance of official duties as a member of the Committee or subcommittee thereof.

(c) No member of any NFA Committee or subcommittee may deliberate or vote on any matter that the member is prohibited from voting on by CFTC Regulation 1.69(b)(1)(i). A member who is prohibited from deliberating or voting on a matter must disclose to NFA staff both the prohibition and the reason for the prohibition before the Committee or subcommittee considers the matter.

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Chapter 8. Arbitration

BYLAW 801. CODE OF ARBITRATION.

Subject to Articles III and XI and Bylaw 1506, the Board shall adopt rules constituting a Code of Arbitration which rules shall be deemed a part of these Bylaws.

BYLAW 802. QUALIFICATIONS OF MEMBERS OF ARBITRATION PANELS.

[Adopted effective June 2, 1990.]

- (a) No individual shall be eligible to serve as a Panel member if such person:
- (i) is subject to any of the disqualifications set forth in CFTC Regulation 1.63(b);
 - (ii) has been convicted of a felony within the prior 10 years; or
 - (iii) is subject to a Member Responsibility Action or Associate Responsibility Action which is currently in effect.
- (b) The Secretary may disqualify an individual from serving on a Panel for conditions other than those set forth in paragraph (a) of this Bylaw and may adopt eligibility standards in addition to those set forth in paragraph (a) of this Bylaw.
- (c) Service on a Panel by an individual who is ineligible for service pursuant to this Bylaw shall not constitute grounds to challenge an award rendered by the Panel.
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Chapter 9. Enforcement and Discipline

BYLAW 901. COMPLIANCE RULES.

Subject to Articles III and XI and Bylaw 1506, the Board shall adopt compliance rules for the enforcement of NFA requirements and the disciplining of Members and Associates for violating those requirements, which rules shall be deemed a part of these Bylaws.

Chapter 10. Financial Requirements

BYLAW 1001. FINANCIAL REQUIREMENTS.

[Effective dates of amendments: July 27, 1983.]

Subject to Articles III and XI and Bylaw 1506, the Board shall adopt minimum financial and related reporting requirements, which rules shall be deemed a part of these Bylaws.

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Chapter 11. Doing Business with Non-Members

BYLAW 1101. PROHIBITION.

[Effective dates of amendments: July 27, 1983; January 1, 1990; August 21, 2001; and August 1, 2016.]

(a) No Member may carry an account, accept an order or handle a transaction in commodity futures contracts for or on behalf of any non-Member of NFA, or suspended Member, that is required to be registered with the Commission as an FCM, IB, CPO, CTA or LTM, and that is acting in respect to the account, order or transaction for a customer, a commodity pool or participant therein, a client of a commodity trading advisor, or any other person, unless:

(i) such non-Member of NFA is a member of another futures association registered with the Commission under Section 17 of the Act, or is exempted from this prohibition by Board resolution;

(ii) such non-Member of NFA is registered with the Commission as an FCM or IB under Section 4f(a)(2) of the Act and the account, order, or transaction involves only security futures products; or

(iii) such suspended Member is exempted from this prohibition by the Appeals Committee.

(b) No Member may accept orders in commodity futures contracts to cover leverage transactions, for or on behalf of any non-Member of NFA, or suspended Member, that is required to be registered with the Commission as an LTM, unless:

(i) such non-Member is a member of another futures association registered under Section 17 of the Act, or is exempted from this prohibition by Board resolution; or

(ii) such suspended Member is exempted from this prohibition by the Appeals Committee.

BYLAW 1102. EFFECTIVE DATE OF PROHIBITION.

[Effective date of amendments: August 1, 2016.]

The Board may establish such effective date or dates for Bylaw 1101, as to any category or subcategory of persons or programs, as it deems appropriate in light of NFA resources and the prudent initiation of particular NFA operations and programs.

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Chapter 12. Property and Investments

BYLAW 1201. PROPERTY.

All property, whether real, personal or mixed, received by NFA shall be held by NFA or disposed of by it on such terms and conditions not inconsistent with the Articles as the Board shall determine.

BYLAW 1202. INVESTMENTS.

Unless otherwise specified by the terms of a particular gift, bequest, devise, grant or other instrument, NFA funds may be invested, from time to time, in such manner as the Board may deem advantageous without regard to restrictions applicable to trustees or trust funds.

Chapter 13. Schedule of Dues and Assessments

BYLAW 1301. SCHEDULE OF DUES AND ASSESSMENTS.

[Effective dates of amendments: January 10, 1983; July 27, 1983; November 29, 1983; February 27, 1984; April 1, 1984; June 4, 1985; January 28, 1986; July 1, 1988; May 22, 1989; July 1, 1989; January 1, 1990; July 1, 1991; July 1, 1993; January 1, 1994; July 1, 1994; January 1, 1995; January 1, 1998; July 1, 1999; July 1, 2001; October 15, 2001; January 1, 2002; April 1, 2002; July 1, 2002; September 9, 2002; January 1, 2003; September 15, 2003; December 1, 2003; July 1, 2004; January 1, 2005; April 30, 2006; December 4, 2006; October 1, 2007; January 1, 2008; September 11, 2009; October 18, 2010; November 1, 2010; January 1, 2011; February 1, 2012; June 12, 2012; February 21, 2013; April 1, 2013; October 1, 2014; July 1, 2016; August 1, 2016 and January 1, 2018]

Subject to the provisions of Article XII, dues and assessments of Members shall be as follows:

(a) Contract Markets.

Each contract market Member shall pay to NFA an assessment calculated on the basis of \$.005 for each round-turn transaction in a commodity futures contract (purchase and sale or sale and purchase) executed on the contract market, except that in any NFA fiscal year, the total of such assessments paid by a contract market Member that had transaction volume of more than 20 percent of aggregate contract market transaction volume during that fiscal year shall not be more than \$150,000 and the total of such assessments paid by a contract market Members that had transaction volume of 20 percent or less of aggregate contract market transaction volume during that fiscal year shall not be more than \$100,000. A specific contract market's transaction volume shall be the number of commodity futures

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contracts entered into on the contract market. The aggregate contract market transaction volume shall be the number of such contracts entered into on all U.S. contract markets. The number of contracts entered into on a contract market shall be adjusted where necessary because of differences in sizes of contracts (e.g., one 5,000 oz. contract for a particular commodity would equal five 1,000 oz. contracts for that commodity for purposes of the computation).

(b) FCM Members.

(i) Each FCM Member shall pay to NFA an assessment equal to:

(A) \$.04 for each commodity futures contract traded on or entered into subject to the rules of a contract market (other than an option contract) on a round-turn basis;

(B) \$.02 for each option contract traded on or entered into subject to the rules of a contract market on a per trade basis

carried by it for a customer other than: (1) a person having privileges of membership on a contract market where such contract is entered (except that this exemption does not apply to transactions by commodity pools operated by NFA Member CPOs); (2) a business affiliate of such FCM that directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such FCM provided such FCM has privileges of membership on the contract market where such contract is entered; or (3) an omnibus account carried for another FCM Member for which assessments are payable to NFA by the other FCM;

(C) \$.04 for each commodity futures contract traded on or entered into subject to the rules of a foreign board of trade (other than an option contract) on a round-turn basis;

(D) \$.02 for each option contract traded on or entered into subject to the rules of a foreign board of trade on a per trade basis

carried by it for a customer other than: (1) on an omnibus account basis for another FCM Member for which assessments are payable to NFA by the other FCM; or (2) for the proprietary trades of a person who has privileges of membership on any NFA Member contract market that has annual transaction volume of 1,000,000 calculated in conformance with Article VII, Section 2(a)(iii) or Section 2A(a)(iii), as applicable, of NFA's Articles provided, however, that this exemption shall not be afforded for the foreign proprietary trades of a person's parent, affiliate, or subsidiary unless these entities separately meet the requirements of this subsection;

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(E) \$.02 for each dealer option contract on a per trade basis carried by it for a customer other than a business affiliate of such FCM that directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such FCM Member:

Provided, however, such assessments shall be suspended or adjusted by the Board for a period not to exceed three months when in the judgment of the Board such action is appropriate in light of NFA's overall financial goals. The FCM Member shall invoice these assessments to its customer and shall remit the amount due to NFA; and

(ii) Each FCM for which NFA serves as the DSRO, as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$5,625 and each FCM for which NFA does not serve as the DSRO as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$1,500.

Effective January 1, 2020 the above paragraph will read as follows:

(ii) Each FCM for which NFA serves as the DSRO, as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$5,625 and each FCM for which NFA does not serve as the DSRO as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$1,500.

Provided, however, that any FCM for which NFA serves as the DSRO, as defined in NFA Financial Requirements Section 1, that has been approved as a swaps firm pursuant to NFA Bylaw 301(l) shall pay \$5,625 plus an additional surcharge of \$1,750.

(c) LTM Members.

(i) Each LTM Member shall pay to NFA an assessment equal to \$.09 for each leverage contract purchased from or sold to the LTM by a customer: *Provided, however,* such assessments shall be suspended or adjusted by the Board for a period not to exceed three months when in the judgment of the Board such action is appropriate in light of NFA's overall financial goals. The LTM Member shall invoice these assessments to its customers and shall remit the amount due to NFA; and

(ii) Each LTM Member shall pay to NFA annual dues of \$750.

(d) Other Members.

Annual dues for the other membership categories shall be as follows:

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- (i) Commodity Trading Advisor-\$750
- (ii) Commodity Pool Operator-\$750
- (iii) Introducing Broker-\$750

Provided, however, that any commodity trading advisor, commodity pool operator, or introducing broker that has been approved as a forex firm pursuant to NFA Bylaw 301(j) shall pay \$750 plus an additional surcharge of \$1,750.

Effective January 1, 2020 the above paragraph will read as follows:

Provided, however, that any commodity trading advisor, commodity pool operator, or introducing broker that has been approved as a forex firm pursuant to NFA Bylaw 301(j) and/or as a swaps firm pursuant to Bylaw 301(l) shall pay \$750 plus an additional surcharge of \$1,750.

(e) Forex Dealer Members.

(i) Each Forex Dealer Member shall pay to NFA annual dues in the following amounts based on the FDM's gross annual revenue from its latest certified financial statement:

(a) FDMs with gross annual revenue of \$5,000,000 or less shall pay annual dues of \$125,000;

(b) FDMs with gross annual revenue of more than \$5,000,000 but not more than \$10,000,000 shall pay annual dues of \$250,000;

(c) FDMs with gross annual revenue of more than \$10,000,000 but not more than \$25,000,000 shall pay annual dues of \$500,000;

(d) FDMs with gross annual revenue of more than \$25,000,000 but not more than \$50,000,000 shall pay annual dues of \$750,000; and

(e) FDMs with gross annual revenue exceeding \$50,000,000 shall pay annual dues of \$1,000,000, provided, however, that a Forex Dealer Member for which NFA does not serve as the DSRO, as defined in NFA Financial Requirements Section 1, shall pay annual dues in the amount under section (b)(ii) of this bylaw plus a surcharge of \$23,500 if the Forex Dealer Member's DSRO, or the entity to which the DSRO has delegated such responsibilities, agrees in writing to examine the Forex Dealer Member's forex activities to ensure compliance with

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all applicable NFA requirements as part of the annual examination of the Forex Dealer Member. These dues replace the dues that would otherwise be payable based on the Forex Dealer Member's registration category.

(ii) Each Forex Dealer Member shall pay an assessment of \$.004 on each order segment submitted by the Forex Dealer Member to NFA's Forex Transaction Reporting Execution Surveillance System. For purposes of this requirement, an order segment is a record of any line of data associated with an order, and includes when an order is added, modified, cancelled or filled.

(f) Swap Dealer and Major Swap Participant Members

(i) Each Swap Dealer Member that meets the definition of a Large Financial Institution pursuant to Article XVIII of the Articles shall pay to NFA annual dues in the amount of \$1,000,000;

(ii) Each Swap Dealer Member that does not meet the definition of a Large Financial Institution pursuant to Article XVIII of the Articles shall pay to NFA annual dues in the amount of \$250,000;

(iii) Each Major Swap Participant Member shall pay to NFA annual dues in the amount of \$150,000; and

(iv) Any Swap Dealer Member or Major Swap Participant Member that is an affiliate as defined in Article XVIII of the Articles of a Swap Dealer Member that pays annual dues in the amount described in subsections (i) or (ii) above or a Major Swap Participant Member that pays annual dues in the amount described in subsection (iii) above shall pay annual dues in the amount of \$150,000.

These dues apply when a firm first becomes approved as a Swap Dealer Member or Major Swap Participant Member. Thereafter, dues will be assessed on the firm's membership renewal date. Dues will be invoiced and paid quarterly. If an existing Member becomes approved as a Swap Dealer Member or Major Swap Participant Member, then NFA will send the Member an invoice for the dues amount owed minus any membership dues amount already paid during the firm's current membership year.

Subject to the two-thirds majority voting requirements contained in Article XI, Section 1, the Board may in its discretion waive or establish lower annual dues for particular Members.

BYLAW 1302. PAYMENT OF DUES AND ASSESSMENTS.

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[Effective dates of amendments: April 11, 1983; July 27, 1983; November 29, 1983; December 30, 1986; January 1, 1990; July 1, 1991; October 1, 2007; July 1, 2010; and February 1, 2012.]

Unless otherwise provided, annual dues and fees shall be payable in advance on the first day of January of each year, or at such other time or times as the Board shall determine. Members paying dues or fees after the date they are payable shall be subject to a late payment charge of \$25 per month or portion thereof. Assessments based upon futures transactions or forex order segments (as defined in Bylaw 1301) shall be payable to NFA within 30 days after the end of each month for transactions effected or order segments submitted during that month. In addition to such assessments each FCM, Forex Dealer Member, and LTM shall pay to NFA an amount equal to one month's interest at an annual rate of 10 percent (or such other rate of interest as the President, with the concurrence of the Executive Committee, may determine from time to time) on the amount of any such assessment payable by that Member for every month or fraction thereof such assessment payment is late. If a Member claims overpayment of its assessments based upon futures or forex transactions, the Member may request a refund in writing with supporting documentation at any time prior to the end of the 6th calendar month following the due date for payment of assessments for the month with respect to which such claimed overpayment was made. After that time, no refunds, adjustments or offsets will be made or allowed. Except as the Board may otherwise provide by resolution, each Member shall pay dues and assessments, as applicable, for each category in which the Member — or an affiliate thereof, unless such affiliate is a Member in its own right—is registered with the Commission and conducts business.

BYLAW 1303. DEFAULT AND DEEMED REQUEST TO WITHDRAW MEMBERSHIP.

[Effective dates of amendments: June 4, 1985; January 1, 1990; January 1, 2001; March 18, 2003 October 1, 2007 and October 31, 2018.]

NFA shall deem a Member's failure to pay its annual dues; late fees under NFA Financial Requirements Section 10, NFA Financial Requirements Section 13, NFA Compliance Rule 2-46 and NFA Compliance Rule 2-48; and assessments or audit fees within 30 days of the due date as a request by the Member to withdraw from NFA Membership. NFA will notify the Member accordingly, including by electronic means.

BYLAW 1304. AUDIT FEES FOR LTMS.

[Adopted effective January 1, 1990. Effective date of amendments: August 1, 2016.]

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Each LTM Member shall pay an audit fee to NFA each year within 30 days of the date the invoice is mailed by NFA. The Board shall determine the audit fee each year based on the anticipated cost of such audits. If the fee paid is less than the actual cost of auditing the LTM during the calendar year for which it was paid, NFA will invoice the LTM for the difference, and the LTM Member shall pay the invoiced amount within 30 days. If the fee paid is greater than the actual costs of auditing the LTM, the excess will be applied to the fee of the following year. In addition to such audit fee, each LTM shall pay to NFA an amount equal to one month's interest at an annual rate of 10 percent (or such other rate of interest as the President, with the concurrence of the Executive Committee, may determine from time to time) on the amount of any such audit fee payable by that LTM for every month or fraction thereof such audit payment is late.

Chapter 14. Indemnification and Lawsuits Against NFA

BYLAW 1401. INDEMNIFICATION.

NFA shall, to the fullest extent permitted by law, indemnify any person who is, or is threatened to be, made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, officer, employee or agent of NFA, or member of a committee of NFA, or is or was serving at NFA's request as a Director, officer, employee, agent or committee member of another entity, against all reasonable expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement, actually incurred by the person in connection with such action, suit or proceeding.

BYLAW 1402. LAWSUITS AGAINST NFA.

[Effective date of amendment: November 12, 2004.]

Any current or former Member or Associate who fails to prevail in a lawsuit or any other type of legal proceeding instituted in a court of law or otherwise against NFA or any of its officers, directors, committee members, volunteers, arbitrators, employees or agents shall pay to NFA any and all reasonable expenses and disbursements, including reasonable attorney's fees, incurred by NFA to defend such lawsuit or proceeding.

Chapter 15. Miscellaneous Provisions

BYLAW 1501. CORPORATE SEAL.

[Effective dates of amendments: August 21, 2001.]

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The corporate seal of NFA shall be circular in form bearing the name of the corporation and the word "DELAWARE" in the marginal circle, and the words "Corporate Seal" in the inner circle. This seal may be used by causing it, or a facsimile or equivalent thereof, to be impressed, affixed or reproduced.

BYLAW 1502. DEPOSITORIES.

All NFA moneys and equivalents not otherwise employed shall be deposited from time to time to the credit of NFA in such financial institutions as may be designated by the Board.

BYLAW 1503. CHECKS, DRAFTS, NOTES, ETC.

All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of NFA, shall be signed by such person or persons and in such manner as the Board shall determine from time to time by resolution.

BYLAW 1504. FISCAL YEAR.

The fiscal year of NFA shall begin on the first day of July and end on the last day of June in each year.

BYLAW 1505. EFFECTIVE DATES.

The Board shall determine the effective dates for the Code of Arbitration, Compliance Rules and Financial Requirements.

BYLAW 1506. AMENDMENTS TO BYLAWS.

[Effective dates of amendments: April 11, 1983; January 1, 1990; August 16, 1993; October 15, 2001 and August 1, 2016.]

No Bylaw may be adopted, amended or repealed by the Board except as specified in a notice sent to each Director either in writing or by electronic transmission at least two weeks prior to the meeting at which the Board considers the same: Provided, however, that such prior notice is not required in an emergency as defined by Bylaw 507, or where a two-thirds majority of all Directors present and voting approves.

BYLAW 1507. DEFINITIONS.

[Effective dates of amendments: February 1, 1988; January 1, 1990; February 13, 2007;

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June 13, 2016; August 1, 2016; and September 19, 2016.]

Except as provided in this Bylaw, the terms used in these Bylaws shall have the same meaning as in the Articles.

(a) The term "futures" as used in these Bylaws shall include:

- (i) option contracts granted by a person that has registered with the Commission under Section 4c(d) of the Act as a grantor of such option contracts or has notified the Commission under the Commission's rules that it is qualified to grant such option contracts;
- (ii) foreign futures and foreign options transactions made or to be made on or subject to the rules of a foreign board of trade for or on behalf of foreign futures and foreign options customers as those terms are defined in the Commission's rules;
- (iii) leverage transactions as that term is defined in the Commission's rules; and
- (iv) security futures products, as that term is defined in Section 1a(45) of the Act.

(b) The term "forex" as used in these Bylaws means foreign currency futures and options and any other agreement, contract, or transaction in foreign currency that is:

- (i) offered or entered into on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis;
- (ii) offered to or entered into with persons that are not eligible contract participants as defined in Section 1a(18) of the Act; and
- (iii) not executed on or subject to the rules of a contract market, a derivatives transaction execution facility, a national securities exchange registered pursuant to Section 6(a) of the Securities Exchange Act of 1934, or a foreign board of trade.

Provided, however, that the term does not include any security that is not a security futures product, any contract of sale that results in actual delivery within two days, or any contract of sale that creates an enforceable obligation to deliver between a seller and buyer that have the ability to deliver and accept delivery, respectively, in connection with their line of business, unless the transaction involves a futures contract or an option.

Such contracts are hereby declared to be proper subjects of NFA regulation and oversight (See Article XVIII).

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BYLAW 1508. SECURITY FUTURES AGREEMENTS.

[Effective dates of amendments: September 17, 2004 and August 1, 2016.]

NFA staff may, with the approval of the Executive Committee, enter into one or more agreements with one or more designated contract markets to provide regulatory services to NFA to assist NFA in discharging its obligations under Sections 15A(k) and 19(g) of the Securities Exchange Act of 1934. Any action taken by a designated contract market, or its employees or authorized agents, acting on behalf of NFA pursuant to a regulatory services agreement shall be deemed to be an action taken by NFA; provided, however, that nothing in this provision shall affect the oversight of the designated contract market by the Commission. Notwithstanding the fact that NFA may enter into one or more regulatory services agreements regarding security futures, NFA shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities under the Securities Exchange Act of 1934, and any such regulatory services agreement shall so provide.

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