

futures or option contracts entered into by that Local Member after receipt of the notice of cancellation by the Exchange and the Clearing House.

- 4.8 Where the Nominating Member of a Local Member has cancelled its nomination of the Local Member, or there has ceased for any other reason to be a Nominating Member of a Local Member, another Trading Member may elect to become the Nominating Member of that Local Member. The appointment of that other Trading Member as the new Nominating Member shall take effect upon receipt by the Exchange of:
- (i) an undertaking by the new Nominating Member in the form of Undertaking of Nominating Member set out in the Schedule; and
 - (ii) satisfactory evidence that no monies are owing by the Local Member to his previous Nominating Member (if any) in respect of trading on the Exchange.
- 4.9 No Local Member shall be a director, partner or employee of another Member or of a client of another Member.

Introducing Broker Members

- 4.10 Admission as an Introducing Broker Member shall occur in the following manner:
- (a) An applicant for admission as an Introducing Broker Member (in this clause called the 'Applicant') shall lodge, or cause to be lodged, with the Exchange an application in such form, and providing such information, as the Board shall from time to time prescribe. The form shall contain an acknowledgement that the Applicant has perused the Articles of Association and By-Laws of the Exchange and agrees to abide by them. The Applicant shall also pay to the Exchange the non-refundable Introducing Broker Membership application fee prescribed by the Board.
 - (b) An Applicant must be nominated by a Trading Member or an Affiliate Member and seconded by another Trading Member or an Affiliate Member.
 - (c) The Board shall consider the application and may call for such further information as it deems necessary. A resolution by the Board to approve an Introducing Broker Member shall require the affirmative votes of not less than seventy-five per cent of the Board members entitled to receive notice of the meeting at which the application is to be considered. The Board shall not be obliged to hear the Applicant or to furnish any reason for its decision.
 - (d) In determining whether to approve an application the Board shall be entitled to consider not only the character, business integrity, financial probity and trading expertise of the Applicant, but also the effect of admission of the Applicant in terms of balance, support and development of the various classes of contract, the degree of accessibility of the Market through the Applicant for the public at large, as well as such other matters as the Board may regard as relevant from time to time. Prior to election the Board shall