

8. LOCAL MEMBERS – CONDUCT

- 8.1 A Local Member shall at all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange and its Members and in particular shall:
- (a) ensure that all his trades are registered with the Clearing House in the name of his Nominating Member;
 - (b) observe, comply with and act consistently with these Articles and the By-Laws and the decisions of the Board and its committees, and settle any dispute in a manner consistent with upholding the goodwill and public image of the Exchange and its Members;
 - (c) maintain such accounting records as correctly record and explain the financial position of the Local Member, and in addition as will enable compliance with these Articles and the By-Laws to be conveniently ascertained by the Investigations Committee and otherwise conveniently and properly audited;
 - (d) notify the Exchange immediately upon the bankruptcy of the Local Member or where the Local Member is convicted of an indictable offence;
 - (e) co-operate with the Investigations Committee in the performance by that Committee of its duties and in particular make available to the Committee his accounting and other records;
 - (f) not act in any way which would adversely affect the goodwill or public image of the Exchange and its Members;
 - (g) not sell, purchase or otherwise deal in futures or option contracts for any person other than the Local Member himself;
 - (h) not access the automated trading system of the Exchange by any means other than through the terminal device maintained by the Nominating Member on its premises for use by that Local Member;

provided that the Board may upon written application by a Local Member dispense with, or temporarily postpone, observance by the Local Member of any of the above obligations, upon such conditions (if any) as the Board may think fit.

- 8.2 Failure by a Local Member to comply with the provisions of clause 8.1, or otherwise to observe, comply with and act consistently with these Articles or the By-Laws, or a decision of the Board or any of its committees, or failure to pay his debts as they fall due, or the occurrence of either of the events referred to in clause 8.1(d) shall prima facie be deemed to be misconduct.
- 8.3 Notwithstanding clause 8.2, and without prejudice to any other action which the Board may resolve to take, where a Local Member fails to comply with clause 8.2 within seven days of the due date for compliance the trading rights of the Local Member shall immediately be suspended without the necessity for a decision of the Board AND the Local Member shall be liable to pay a fine of such amount as may be prescribed by the Board from time to time as the appropriate fine for such a failure.