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## NFX Position Limit Exemption Application

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Submit completed applications to  
[FuturesReg@nasdaq.com](mailto:FuturesReg@nasdaq.com)

Please refer to NFX Rulebook Chapter V, Section 13, Position Limits and Position Accountability, for NFX requirements related to position limits.

Applicant Account (Name): \_\_\_\_\_

Clearing Futures Participant (Name): \_\_\_\_\_

Contract(s): \_\_\_\_\_

Type of Exemption Requested:    Bona Fide Hedge    Risk Management    Arbitrage    Spread

Desired Duration of Time to Exceed Speculative Position Limit Level(s): \_\_\_\_\_

Account Information				Futures Position	
Tax I.D. Number	Name	Address	Applicant Account Number	Maximum Number of Long Contracts Market Participant Intends to Enter	Maximum Number of Short Contracts Market Participant Intends to Enter
			<b>TOTAL</b>		

Provide a description of the current size and nature of the positions: \_\_\_\_\_

\_\_\_\_\_

Provide a description of the nature of the underlying exposure related to these positions: \_\_\_\_\_

\_\_\_\_\_

Provide a description of the trading strategy employed with respect these positions: \_\_\_\_\_

\_\_\_\_\_

Provide a description of the bona fide hedging or risk management activities with respect to these positions: \_\_\_\_\_

\_\_\_\_\_

Provide a detailed description of how the proposed transaction or position qualifies as a bona fide hedge transaction as defined in CFTC Rule 1.3(z), a risk management position that is consistent with CFTC guidelines, or an arbitrage or a spread transaction that is consistent with CFTC guidelines: \_

\_\_\_\_\_

\_\_\_\_\_

Provide a description of whether the positions are subject to common ownership or control. An account is considered to be under common ownership or control if the person has a 10 percent or greater financial interest (i.e., ownership or profit interest) in the account or the person directs the trading in the account via a power of attorney or otherwise: \_\_\_\_\_

\_\_\_\_\_

Applicant covenants and represents to NFX as follows:

1. Each transaction or position described above constitutes a bona fide hedge transaction as defined in CFTC Rule 1.3(z), a risk management position consistent with CFTC guidelines, or an arbitrage or a spread transaction, and such transaction or position is not used to attempt to violate or avoid any NFX Rule.
2. Each transaction or position described above is necessary or advisable as an integral part of the business of Applicant. A description of the Applicant's business is as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. The current and planned activity in the market underlying the Contract for which such exemption is requested is as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The positions involved will be moved in an orderly manner based upon the characteristics of the market for which the exemption is sought and not initiated or liquidated in a manner calculated to cause unwarranted price changes or unreasonable price fluctuations.
5. Applicant has complied and will comply with all applicable CFTC requirements relating to hedging, risk management, arbitrage or spread transactions, as applicable.
6. Each bona fide hedge, risk management, arbitrage or spread transaction is accurately described in detail as follows:
  - a. Type of position(s) hedged, risk managed, arbitrated, or spread (include the dollar value of each position): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - b. Calculation(s) utilized in determining the number and type of hedge, risk management, arbitrage, or spread requested: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - c. Strategies which will be employed to manage the requested position(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - d. Applicant's guidelines or policies regarding position management prior to or upon contract expiration: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - e. Method of monitoring positions to ensure that all positions are executed pursuant to strategies described above and that the maximum limit is not exceeded: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - f. Pre-determined levels of price movements, if any, that would cause a significant adjustment to the Applicant position: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Upon request of NFX, Applicant will promptly provide information or documentation regarding the Applicant's financial condition.
8. In its sole discretion NFX may require the Applicant (a) not to further increase any positions that are above the applicable position limits, (b) to reduce any positions above the applicable speculative position limits, or (c) to comply with any prospective limits established by NFX which exceed the size of the positions controlled by the Applicant.
9. Applicant will initiate and liquidate positions in an orderly manner.

10. Applicant will comply with any terms, conditions, or limitations imposed by the Exchange with respect to the exemption.
11. At any time, NFX may limit, condition or rescind any exemption.
12. Applicant will promptly submit a detailed supplemental statement explaining any material change in circumstances that may affect the nature of its positions and any material change to the information provided herein.
13. Applicant will comply with all NFX rules and not use the positions involved to avoid or violate any NFX rule.
14. Applicant has notified the Clearing Futures Participant identified on page 1 that this NFX Position Limit Exemption Application has been filed with NFX.
15. All information set forth in this form by Applicant is accurate and complete.

\_\_\_\_\_

Application Date

Prepared by: \_\_\_\_\_

Signature \_\_\_\_\_

Attach additional sheets as needed to complete the above questions.