

CHAPTER TWELVE DISPUTE RESOLUTION

1200.00.

Cases may be resolved by means of a conciliation process or, where relevant, arbitration procedures, under the following circumstances:

- I. When disputes arise between two Clearing Members.
- II. When disputes arise between Clients and a Clearing Member.

The conciliation process, or, if such is the case, binding arbitration, will be obligatory for Clearing Members and optional for the Clients.

1201.00.

The launch of a conciliation process or, if such is the case, arbitration procedures, must be requested in writing to the Sub-Committee on Discipline and Arbitration, which will evaluate the possibility of the controversy being aired in the requested manner. Any such request must define the basic issues in dispute.

The role of conciliator is to be assumed by a person designated for that purpose by the Sub-Committee on Discipline and Arbitration; said person's tasks will include making recommendations to the parties involved on ways in which a just and fair solution might be reached.

1202.00.

In the event that the application referred to in Section 1201.00. is filed by a Client, and before undertaking any procedure, said Client should sign a covenant with the Clearing Member that contains the relevant clause committing the Client to conciliation procedures or, if such is the case, of arbitration, as defined in the Regulations of the Exchange. Such a covenant should be delivered to the Clearinghouse along with the application.

1203.00.

In the event that the application referred to in Section 1201.00. is filed by a Clearing Member who seeks to resolve a dispute with a Client, said Client will be notified by the conciliator of such a process and will be allowed to accept or reject such proceedings as the means for resolving the dispute in question.

1204.00.

Once the relevant parties agree to submit to conciliation procedures or, if such is the case, arbitration procedures, they must express that acceptance in writing to the Sub-Committee on Discipline and Arbitration, which will then proceed pursuant to the terms of the Regulations of the Exchange.