



**Cleared-Only Wheat Swaps  
Futures Commission Merchant Participation Agreement**

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This Agreement must be completed by any Futures Commission Merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC") that carries the account of a customer desiring to enter into Kansas City Board of Trade ("KCBT") / Kansas City Board of Trade Clearing Corporation ("KCC") Cleared-Only Wheat Swaps ("COWS") transactions, regardless of whether such FCM is a member of KCBT or KCC. In executing this Agreement, FCM herein agrees to the following requirements established by KCBT/KCC as a condition to such FCM's customer's participation in COWS transactions:

1. FCM acknowledges that COWS are individually-negotiated, off-exchange transactions between Eligible Swap Participants in compliance with CFTC Regulation 35.2.
2. FCM understands that each customer desiring to participate in COWS must be an Eligible Swap Participant ("ESP") as defined by CFTC Regulation 35.1(b)(2) (a copy of which is attached hereto). Accordingly, FCM agrees (a) to verify each customer's qualification as an ESP prior to allowing such customer to enter into a COWS transaction and (b) upon request by KCBT, to provide documentary evidence of a customer's qualification as an ESP;
3. FCM agrees that upon discovery or notification that a customer no longer meets the qualifications of an ESP, FCM shall not accept any additional COWS transactions for the customer's account unless such transactions are in liquidation of open COWS positions in the customer's account at the time of discovery or notification.
4. FCM understands that it is exposed to off-exchange position liquidation risk in the event of a customer default involving COWS positions. FCM has contemplated the COWS customer default risk and has sufficient procedures and relationships in place to mitigate (in the case of the use of exchange-traded contracts) or offset (in the case of off-exchange traded swaps contracts) such risks in the event of a customer default;
5. FCM understands that COWS transactions are subject to KCBT minimum margin requirements as well as daily variation (marked-to-market) margin;
6. FCM understands that COWS are subject to KCBT customer position limits and reportable position reporting requirements in the same manner as customer exchange-traded contracts;

7. As it relates to customer accounts participating in COWS transactions, FCM agrees to be bound by all KCBT rules pertaining to COWS and to cooperate with, promptly respond to any inquiries or requests for information from, and make available its books and records for inspection to KCBT personnel.
8. FCM agrees to act in compliance with the CFTC order dated June 15, 2010 and attached hereto.

Acknowledged by:

Futures Commission Merchant

\_\_\_\_\_  
(Printed name of FCM)

\_\_\_\_\_  
(Authorized FCM Signature)

\_\_\_\_\_  
(Print name & title of authorized FCM signatory)

\_\_\_\_\_  
(Date)

For KCBT use only:

\_\_\_\_\_  
(Date Received)

\_\_\_\_\_  
(Approved by)