

NEX SEF Limited Governance Policy

Governance Policy

The policies set out below will apply to NEX SEF Limited (the "**Company**"). The Governance Policy is not intended to supersede or interpret any Applicable Law. It does not purport to be a comprehensive governance framework for the Company and should be read in conjunction with the Company's Articles of Association and Company's Facility Rulebook (the "Facility Rulebook").

1 Glossary

Defined terms unless otherwise defined in this Governance Policy have the meaning given to them in the Facility Rulebook.

Applicable Law	means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person (as defined in the Facility Rulebook), including but not limited to the FCA's rules, the Act and Commission Regulations
Articles of Association	means the Company's Articles of Association
The Board	means the Company's board of directors
Chief Compliance Officer	means the Company's Chief Compliance Officer
Commission	means the US Commodity Futures Trading Commission
Commission Regulations	means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended
Emergency	has the meaning set out in the Facility Rulebook at clause 104
Facility	means the venue provided by the Company for the execution of Contracts, as set out in the Facility Rulebook
FCA	means the UK Financial Conduct Authority
Hearing Panel	means the disciplinary panel described in Section 10.14 of this Governance Policy
Nomination Committee	means the committee of the Board described in Section 10.1 of this Governance Policy
Participation Committee	means the committee of the Board described in Section 10.2 of this Governance Policy
Public Directors	means any person who qualifies as a "public director" within the meaning set forth in the Commission Regulations.
Public Panelist	has the meaning set out in Section 10.12 of this Governance Policy
Respondent	means any person who is charged with a Rule violation, set out in the Facility Rulebook
Regulatory Oversight Committee	means the committee of the Board described in Section 10.5 of this Governance Policy
Review Panel	means the disciplinary panel described in Section 10.12 of this Governance Policy
Trading Privilege Holders	means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 of the Facility Rulebook (including an Intermediary), but does not include an

1. **OVERVIEW**

The Board has the power by itself or through agents, and is authorized and empowered on behalf and in the name of the Company, to perform all acts and enter into other undertakings that it may in its discretion deem necessary or advisable in order to promote the sound and efficient operation of the Facility (except such as otherwise required by Applicable Law), including, but not limited to, the following:

- (a) ensuring that the Company complies with all statutory, regulatory and self-regulatory responsibilities under Applicable Law;
- (b) reviewing, approving and monitoring major strategic, financial and business activities, the Company's budget and the Company's financial performance;
- (c) evaluating risks and opportunities facing the Company and proposing options for addressing such issues;
- (d) overseeing and reviewing recommendations from the Company's committees and the Chief Compliance Officer; and
- (e) having the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders.

1.2 The Board, (or committee thereof or other delegated body) acting in accordance with the Articles of Association, may from time to time cause the Company to enter into such agreements with domestic or foreign self-regulatory associations, other associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as the Board may consider necessary or appropriate or as Applicable Law may require.

1.3 Each director is expected to comply with all Applicable Law and Company policies, and promote compliance by the Company and all of its employees. The Board will discharge its responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory requirements that promotes the sound and efficient operation of the Company and its swap execution activities. The Board must, to the extent consistent with such responsibilities and as long as the Company remains an indirect subsidiary of NEX Group plc, operate within the restraints and delegated authorities set by the NEX Group plc group.

2. **COMPOSITION**

2.1 The Board will consist of no less than two, and up to twelve, directors from time to time as designated by the Board or the Company's shareholder. The Board shall include a diversity of membership interests consistent with CFTC Regulation 1.64(b)(3).

2.2 The initial directors were appointed in accordance with the Articles of Association, and any new or additional directors will be proposed by the Nomination Committee, if then

established, and must be approved by the Company's existing directors in order to assume office. Any vacancies caused by death, resignation or any other reason may be immediately filled by the Company's existing directors without a proposal from the Nomination Committee with any qualified person, who shall hold office until his or her successor shall be duly chosen. Any director may be removed either for or without cause at any time by the affirmative vote of a majority of the directors or by the affirmative vote of a majority interest of the shareholders entitled to vote, at the annual meeting or at a special meeting called for that purpose. Director appointments may be terminated as soon as:

- (a) That person ceases to be a director by virtue of any provision of the UK Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (g) the shareholder removes the director in accordance with the Company's articles of association.

2.3 The identities of all directors will be published on the Company's website and will be available to the public.

3. **QUALIFICATIONS**

3.1 In order to fulfill their responsibilities, directors (including any Public Director) will be selected based on their experience, qualifications, attributes and skills and the understanding that their leadership will play an integral role in fulfilling the Company's business objectives and legal obligations.

3.2 Each director shall be familiar with, and comply with, to the extent applicable, the provisions contained in the Company's Facility Rulebook.

3.3 Each director, including any Public Director, shall be of sufficiently good repute and have sufficient expertise in the Facility's scope or intended scope of financial services (including any ancillary services valuable for the Facility to fulfil its core mission). No director will (a) have a history of disciplinary offenses that would be disqualifying under Applicable law, including Commission Regulation § 1.63(c), (b) any felony conviction in the last 10 years, or (c) be subject o any grounds for refusal to register

under Section 8a(2) of the Commodity Exchange Act. At least twenty percent of the directors must be persons who:

- (i) are knowledgeable of futures trading or financial regulation or are otherwise capable of contributing to governing board deliberations; and,
- (ii) (A) are not members of the Facility, (B) are not currently salaried employees of the Facility, (C) are not primarily performing services for the Facility in a capacity other than as a member of the Facility's governing board, or (D) are not officers, principals or employees of a firm which holds a membership at the Facility either in its own name or through an employee on behalf of the firm.

4. **CONFLICTS OF INTEREST**

- 4.1 Each director is required to act in the best interests of the Company and to refrain from any conduct that would be, or gives the appearance of being, a conflict of interest.
- 4.2 No director, member of any committee or oversight panel, or officer or other person authorized to exercise authority on behalf of the Company, including the Compliance Function, will knowingly participate in such body's deliberations or voting, including in any inquiry, investigation or any disciplinary proceeding, suspension, Emergency or other executive action (each, an "Executive Proceeding") if such person has a conflict of interest between such person's position acting on behalf of the Company and such person's personal interests (each, an "Interested Person"), unless deliberations are permitted by section 4.6. Material conflicts of interest include, but are not limited to, instances where an Interested Person (a) is a named party in interest in an Executive Proceeding, (b) is an employer, employee or fellow employee of a named party in interest or potential named party in interest in an Executive Proceeding, (c) has any other significant, ongoing business relationship with a named party in interest or potential named party in interest in an Executive Proceeding, excluding relationships limited to executing transactions opposite each other or to clearing transactions through the same clearing members, (d) has a family relationship with a named party in interest or potential named party in interest in an Executive Proceeding (each of (a) through (d) being a "Relationship Conflict of Interest") or (e) has a direct and substantial financial interest in the result of the deliberations or vote of any Executive Proceeding based upon either Facility or non-Facility positions (a "Financial Conflict of Interest"). For purposes of this subparagraph, a "family relationship" exists between a named party in interest or potential named party in interest in an Executive Proceeding and a potential Interested Person if one person is the other's spouse (including a domestic partner or partner in a civil union), co-habitator, former spouse, parent, stepparent, child or other legal dependent, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
- 4.3 Prior to the consideration of any matter or significant action that will be considered by the Board or a committee of the Board in an Executive Proceeding, each potential Interested Person must disclose the existence of any potential conflict of interest, including any potential Relationship Conflict of Interest and/or Financial Conflict of Interest, to the Chairman of the Board or the chairman of the relevant committee and may choose to abstain and recuse himself or herself from the deliberations and voting. The potential Interested Person is encouraged to consult with the Company's

Secretary and any necessary internal or external advisors in advance of the topic being discussed or voted upon. If a potential Interested Person fails to disclose the existence of any potential conflict of interest that he or she knows of, or reasonably should know of, such potential Interested Person will be deemed an Interested Person prohibited from participation in an Executive Proceeding by the Board or committee of the Board, as applicable. If the Board or committee of the Board, as applicable, discovers that such a potential Interested Person participated in an Executive Proceeding without having made the disclosure of a potential conflict of interest, the determination of such Executive Proceeding shall be null and void, unless, in the case of an Emergency action, the potential Interested Person makes the disclosures required pursuant to section 4.4 and the Board or committee thereof determines that such potential Interested Person would have been permitted to participate in the Executive Proceeding pursuant to section 4.5 or 4.6.

- 4.4 If disclosure of a potential conflict of interest is required pursuant to section 4.3, a potential Interested Person must disclose all information required under Applicable Law in relation to any conflict of interest, including:
- (a) In the case of any potential Relationship Conflict of Interest, such disclosure must include the specific type of Relationship Conflict of Interest based on the categories (a) through (d) in section 4.2; and/or
 - (b) In the case of any potential Financial Conflict of Interest, such disclosure must include the financial interest and related position information (including information regarding positions held by such person, positions held by individuals of such person's family and positions held by a firm with which such person is affiliated) that is known to such person with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, including but not limited to:
 - (i) gross positions held in such person's personal accounts or "controlled accounts," as defined in Commission Regulation § 1.3(j);
 - (ii) gross positions held in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such person's affiliated firm;
 - (iii) gross positions held in accounts in which such person is a principal, as defined in Commission Regulation § 3.1(a);
 - (iv) net positions held in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such person's affiliated firm; and
 - (v) any other types of positions, held in such person's personal accounts or the proprietary accounts of such person's affiliated firm, that the Company reasonably expects could be affected by the significant action.
 - (c) Notwithstanding subsection (b), in the case of a potential Financial Conflict of Interest, no such disclosure is required by a potential Interested Person if such person chooses to abstain from deliberations and voting on the relevant Executive Proceeding.

- 4.5 If a potential Interested Person who discloses a potential material conflict of interest does not choose to abstain and recuse himself or herself from deliberations and voting in any Executive Proceeding, the directors, or committee or oversight panel, as applicable, will determine whether such person is an Interested Person prohibited from participation in the Executive Proceeding. Such determination will be made by a majority vote made in accordance with the procedures in the Articles of Association governing decision-making by directors and will be based upon a review of:
- (a) the information provided by such potential Interested Person pursuant to section 4.4;
 - (b) any other source of information that is held by or reasonably available to the Company;
 - (c) in the case of a Financial Conflict of Interest, the most recent large trader reports and clearing records available to the Company; and
 - (d) any Applicable Law.
- 4.6 With respect to Financial Conflicts of Interest only, and save for where Applicable Law prohibits it, any person determined to be an Interested Person who would otherwise be required to abstain from deliberations and voting pursuant to this section, may participate in deliberations, but not in voting, if the Board, or committee or oversight panel, as applicable, determines by a majority vote (excluding all relevant Interested Persons) made in accordance with the procedures in the Articles of Association governing decision-making by directors that such participation would be consistent with the public interest after considering the following factors :
- (a) whether such Interested Person's participation in the deliberations is necessary to achieve a quorum;
 - (b) whether the Interested Person has unique or special expertise, knowledge or experience in the matter being considered; and
 - (c) the position information which is the basis for the Interested Person's Financial Conflict of Interest.
- 4.7 Any Public Director will be prohibited from having a "material relationship", as defined from time to time in the Commission Regulations (a "Material Relationship") with the Company which reasonably could affect the independent judgment or decision-making of such director. Material Relationships are currently defined to include the following:
- (a) the director, or an immediate family member of the director, may not be an officer or employee of the Company or its affiliate;
 - (b) the director, or an immediate family member of the director, may not be a Member (as defined in Section 1a(34) of the Commodity Exchange Act and any regulation promulgated thereunder) of the Company, or a director, officer or employee of a Company Member;
 - (c) the director, or an immediate family member of the director, may not be an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of the Company serves; and

(d) the director, or an immediate family member of the director, or an entity with which the director or such immediate family member is a partner, an officer, an employee or a director, may not receive more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Company, any affiliate thereof, any Member of the Company or any affiliate of such Member.

4.8 Notwithstanding the foregoing, (a) compensation for services as a director of the Company or as a director of an affiliate of the Company shall not count toward the \$100,000 threshold specified in clause (d) of the definition of Material Relationship, nor shall compensation for services rendered by such individual prior to becoming a director of the Company, so long as such compensation is or was in no way contingent, conditioned or revocable; and (b) a Public Director may also serve as a director of an affiliate of the Company if he or she otherwise meets the requirements set forth in clauses (a) through (d) of the definition of Material Relationship.

4.9 Each of the preceding disqualifying circumstances is subject to a one-year look back. Public Directors will have an affirmative duty to investigate from time to time, and promptly disclose, the existence and nature of any such Material Relationships to the Board. The Board must make such findings of any material relationship upon the nomination or appointment of the proposed Public Director and as often as necessary in light of all circumstances relevant to such director, but in no case less than annually.

5. **RESIGNATION**

Any director or member of a committee may resign at any time by written notice to the Chairman or Secretary; provided that each such person shall in good faith provide the Chairman or Secretary such prior notice as may be reasonably necessary for the Board to identify and appoint a qualified person to fill the resulting vacancy. Such resignation shall be made in writing, and, unless specifically contingent upon its acceptance, shall take effect at the date or as of the effective date specified therein, and if no time be specified, at the time of its receipt by the Chairman or Secretary. The acceptance of a resignation shall not be necessary to make it effective. To the extent that any vacancy results in the number of Public Directors falling below the number required by the Articles of Association or Applicable Law the Board shall act as expeditiously as reasonably practicable to appoint one or more Public Directors as may be required.

6. **VACANCIES**

If the office of any director, member of a committee or other officer becomes vacant by reason of death, resignation or for any other reason, a qualified individual will be appointed in accordance with the Articles of Association (without a proposal from the Nomination Committee), who shall hold office until his or her successor shall be duly chosen. Within 30 days after such an appointment, the Chief Compliance Officer shall submit to the Commission a list of the Directors, the membership interests they represent and how the composition of the Board of Directors otherwise meets the requirements of Commission Regulation 1.64(b) and the Company's implementing standards and procedures.

7. **COMPENSATION**

Compensation awarded to any Public Director and other nonexecutive directors shall not be linked to the Company's business performance.

8. **CERTIFICATION AND COMPLIANCE**

8.1 Each prospective director and director shall, before taking office, acknowledge his or her receipt and understanding of this Governance Policy, as well as upon any publication of a revised Governance Policy or amendment thereto. In addition, (a) upon request from the Company, the director shall certify that the qualification information he/she provided to the Company before being elected as a director has not changed materially, and (b) from time to time the director shall provide an updated statement of qualification information that reflects any material changes.

8.2 Directors are required to report suspected violations of the Governance Policy or of any Applicable Law, rule or regulation by any director to the Board, the Regulatory Oversight Committee or the Chief Compliance Officer (who will subsequently relay any such suspected violations to the Board or the Regulatory Oversight Committee, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board or the Regulatory Oversight Committee, as applicable, shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Company's General Counsel if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Policy.

9. **PUBLIC DIRECTOR FINDINGS**

9.1 The Board shall make Public Director findings (including but not limited to determinations as to such Public Directors' Material Relationships) as often as necessary in light of all circumstances relevant to each Public Director, but in no case less than annually.

10. **COMMITTEES**

Nomination Committee

10.1 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Nomination Committee. The Nomination Committee shall be a Standing Committee of the Board. Each member of the Nomination Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Nomination Committee. A member of the Nomination Committee may serve for multiple terms. The Nomination Committee shall: (a) identify individuals qualified to serve as directors, consistent with criteria specified by the directors and any composition requirements that Applicable Law requires and (b) nominate individuals for designation as directors, whose appointment will be carried out in accordance with the Articles of Association.

Participation Committee

10.2 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a

Participation Committee. The Participation Committee shall be a Standing Committee of the Board. Each member of the Participation Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Participation Committee. A member of the Participation Committee may serve for multiple terms.

- 10.3 The Participation Committee shall: (a) determine the standards and requirements for initial and continuing participation eligibility; (b) review appeals of staff denials of membership or participation applications; and (c) approve rules that would result in different categories or classes of Participants receiving disparate access to the services offered by the Company. The Participation Committee shall not uphold any staff denial if the relevant application meets the standards and requirements that the Participant Committee sets forth from time to time, and the Participation Committee shall not restrict access or impose burdens on access to the Facility in a discriminatory manner, within each category or class of Members or Participants or between similarly situated categories or classes of Members or Participants.

Regulatory Oversight Committee

- 10.4 The Regulatory Oversight Committee shall be a Standing Committee of directors.
- 10.5 The Regulatory Oversight Committee shall be composed of those directors designated by the Board from time to time.
- 10.6 The Regulatory Oversight Committee members and Regulatory Oversight Committee Chairman shall be appointed by the Chairman of the Board, subject to the approval of the Board, at a meeting of the Board. Each appointee will serve until the due appointment of his or her successor or his or her resignation or removal as a member of the Regulatory Oversight Committee, with or without cause, by a majority vote of the Board. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.7 Each member of the Regulatory Oversight Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.8 The Regulatory Oversight Committee shall meet at least four times each year and at such other times as it deems necessary to fulfil its responsibilities. The Committee may meet in joint session with any other committee of the Board from time to time to discuss areas of common interest and significant matters.
- 10.9 The Regulatory Oversight Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board it may deem necessary or advisable for the orderly conduct of its business. Minutes of its meetings shall be maintained on behalf of the Regulatory Oversight Committee and approved by the Regulatory Oversight Committee.
- 10.10 Unless the Board provides otherwise the Regulatory Oversight Committee can make, alter or repeal rules for the conduct of its business. In the absence of such rules, each meeting of the Regulatory Oversight Committee shall be called, notice of each such meeting be given or waived and the business of the Regulatory Oversight Committee conducted or its action taken as nearly as may be in the same manner as

is provided in the Articles of Association with respect to the meetings or for conduct of business or the taking of actions by the Board.

10.11 The Regulatory Oversight Committee shall:

- (a) monitor the Facility's self-regulatory program for sufficiency, effectiveness, and independence;
- (b) oversee all facets of the Facility's self-regulatory program, including trade practice, market surveillance, audits, examinations and other regulatory responsibilities with respect to Participants, and the conduct of investigations;
- (c) review the size and allocation of the Facility's regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
- (d) review the performance of the Compliance Function, and make recommendations with respect to such performance to the directors;
- (e) review all regulatory proposals prior to implementation and advise the directors as to whether and how such changes may impact regulation;
- (f) regularly monitor for conflicts of interest in accordance with Section 4 of this Governance Policy;
- (g) recommend changes to the Facility's self-regulatory program that would ensure fair, vigorous, and effective regulation;
- (h) prepare an annual report to the directors and the Commission assessing the self-regulatory program of the Facility and including a description of the program, the expenses of the program, the staffing and structure of the program, a catalogue of investigations and disciplinary actions taken during the year, and a review of the performance of the Review Panel, Hearing Panel, and Chief Compliance Officer; and
- (i) perform such other duties as the directors may delegate to it from time to time. In addition, the Regulatory Oversight Committee may impose controls on the Facility to reduce the potential risk of market disruption, including but not limited to market restrictions that pause or halt trading in specified market conditions.

Disciplinary Panels

10.12 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Review Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Review Panel shall also include at least one person who would not be disqualified from serving as a Public Director under the Commission Regulations (the "Public Panelist"). Such Public Panelist shall serve as the chair of the Review Panel; provided, that to the extent that the Review Panel is not then required to include a Public Panelist, then the chair of the Review Panel shall be appointed by the Board. No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest.

- 10.13 The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted. In any case where the Review Panel concludes, by majority vote, that a Violation may have occurred, the relevant Participant shall be advised of that fact and the matter shall be referred to the Hearing Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.

Hearing Panel

- 10.14 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Hearing Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Hearing Panel shall include at least one person who is a Public Panelist. Such Public Panelist shall serve as the chair of the Hearing Panel; provided, that to the extent that the Hearing Panel is not then required to include a Public Panelist, then the chair of the Hearing Panel shall be appointed by the Board.
- 10.15 No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest. Within ten (10) days of being notified of the appointment of a Hearing Panel, a Respondent (as defined in Chapter Five of the Company's Facility Rulebook) may seek to disqualify any individual named to the Hearing Panel on account of a conflict of interest or other reasonable grounds, by serving written notice to the appropriate staff of the Company and providing a copy thereof to the chair of the Hearing Panel. By not filing a timely request for disqualification, the Respondent will be deemed to have waived any objection to the composition of the Hearing Panel. The appropriate staff of the Company will decide the merits of any request for disqualification within his or her sole discretion and such decision will not be subject to appeal. The Hearing Panel shall conduct the formal hearings on Violations referred to it by the Review Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.
- 10.16 In designating the members of a Review Panel or Hearing Panel, the directors shall endeavour to appoint a panel that is not dominated or subject to disproportionate influence by any group or class of Participants. The Board shall consider the objection of any Participant who believes this objective is not satisfied, and the Board shall determine whether a change is necessary or advisable to meet this objective.

11. COMPLIANCE FUNCTION.

- 11.1 The directors shall appoint and approve the Chief Compliance Officer of the Company, who shall be the Chief Compliance Officer of the Company. The Chief Compliance Officer shall not serve as general counsel of the Company, or as a member of the Company's legal department, and may not be disqualified from registration pursuant to sections 8a(2) or 8a(3) of the CEA. The Board shall approve the compensation of the Chief Compliance Officer and shall meet with the Chief Compliance Officer at least annually (which meeting may occur in person or by telephone). The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least quarterly. The appointment of the Chief Compliance Officer and the amount of the Chief Compliance Officer's compensation shall require the approval of a majority of the directors. In addition the Board will register with the FCA a Head of Compliance Oversight (CF10 -Controlled Function 10). Compliance with SEF Core Principles will be

overseen by the Chief Compliance Officer appointed by the Board, Compliance with FCA Part IV obligations will be overseen by Head of Compliance Oversight. References in this documents and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the CCO and, for FCA Part IV related considerations, the CF10. To the extent any of the activities concern both the Commission and FCA, the CCO and the CF10 will co-operate to ensure compliance with the respective regulations.

11.2 The Compliance Function shall have the following duties, which list shall not be deemed exhaustive:

- (a) oversee and review the Facility's compliance with section 5h of the CEA and any related rules adopted by the Commission;
- (b) oversee and review compliance with the FCA Handbook and all requirements of a Part IV authorized firm;
- (c) oversee and review compliance with the rules and regulations of any other regulatory body to which the Facility and/or the Company is subject;
- (d) in consultation with the Board, resolve any conflicts of interest that may arise;
- (e) establish and administer written policies and procedures reasonably designed to prevent violation of Applicable Law;
- (f) establish procedures for the remediation of noncompliance issues identified by the Compliance Function through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (g) establish and follow appropriate procedures for handling, management response, remediation, retesting, and closing of noncompliance issues;
- (h) establish a compliance manual designed to promote compliance with Applicable Law and administer a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
- (i) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
- (j) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by the NFA or any other registered futures association or other registered entity; and
- (k) prepare and file any the annual compliance reports required by Commission Regulation 37.1500(d) as well as any other compliance reports that are required by Applicable Law. The Chief Compliance Officer shall also prepare and file any reports required by Section 6 after the appointment of a new Director.

- 11.3 Notwithstanding section 11.2, if the Compliance Function is determined to be an Interested Person pursuant to section 4 of this Governance Policy, the Board shall not consult with the Compliance Function on the relevant matter. In such an event, the Board shall consult with outside counsel or other third-party compliance consultant on the matter.
- 11.4 The Compliance Function shall have supervisory authority over all staff acting in furtherance of the Compliance Function's obligations as determined by the relevant regulatory regime.
- 11.5 Removal of the Chief Compliance Officer shall require the approval of a majority of the directors. The directors shall immediately appoint an interim Chief Compliance Officer and shall appoint a permanent Chief Compliance Officer as soon as reasonably practicable thereafter. Where necessary, the Company shall make all notifications required under Applicable Law in relation to any such appointment and termination, including that the Company shall notify the Commission of within (2) business days of (a) the departure of the Chief Compliance Officer and explain the reasons for the departure and (b) the appointing of any new interim or permanent Chief Compliance Officer.
- 11.6 The Company shall notify the FCA immediately following the removal of the CF10. The Board shall immediately appoint an interim CF10.

12. **FINANCIAL RESOURCES**

The Company must maintain adequate financial operational, and managerial resources to discharge each responsibility of the Company. The Company shall maintain financial resources as required by Applicable Law, including Commission Regulations 37.1300-1307.