

**OPERATING AGREEMENT**  
**OF**  
**BSDR LLC**  
**A DELAWARE LIMITED LIABILITY COMPANY**

OPERATING AGREEMENT (the “**Agreement**”) of BSDR LLC, a Delaware limited liability company (the “**Company**”), dated as of February 26, 2013 by and among the persons and entities listed on **Exhibit A** hereto (the “**Members**”).

W I T N E S S E T H:

WHEREAS, the Members desire to form a limited liability company pursuant to the provisions of the Limited Liability Company Act of the State of Delaware, as amended from time to time (the “**Act**”);

WHEREAS, the Members hereby constitute themselves a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I.**

**INTRODUCTORY PROVISIONS**

**Section 1.1. Certain Definitions.** As used herein:

“**Act**” shall have the meaning specified in the recitals hereto.

“**Affiliate**” shall mean, with respect to any Person, any other Person who controls, is controlled by or is under common control with such Person.

“**Agreement**” shall have the meaning specified in the preamble hereto.

“**Board**” shall mean the board of directors as set forth in **Section 3.1**.

“**Book Value**” shall have the meaning specified in **Section 2.2**.

“**Capital Account**” shall have the meaning specified in **Section 4.1**.

“**Capital Contribution**” shall mean a contribution by a Member to the capital of the Company pursuant to this Agreement.

“**CEA**” shall mean the U.S. Commodity Exchange Act, as amended from time to time.

“**Certificate**” shall mean the Certificate of Formation of the Company as filed with the Secretary of State of Delaware, as it shall be amended from time to time.

“**CFTC**” shall mean the U.S. Commodity Futures Trading Commission.

“**CFTC Regulations**” shall mean the rules and regulations promulgated by the CFTC or any successor regulatory body.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall include any amendatory or successor provision thereto.

“**Company**” shall have the meaning specified in the preamble hereto.

“**Contribution Percentage**” shall mean the percentage that is equal to the Capital Contribution made by a Member expressed as a percentage of all the Capital Contributions made by the Members, or such percentages as specified in **Exhibit A** hereto, as such Exhibit may be amended from time to time.

“**Director**” shall mean a member of the Board.

“**Emergency**” shall mean any occurrence or circumstance that in the opinion of the Board or a person duly authorized to make the determination, requires immediate action and threatens the ability of the Company to carry out its functions, including, but not limited to, any physical emergency, any circumstance that would materially affect its ability to carry out performance of its contractual obligations, including the bankruptcy of a service provider, any action taken by a governmental agency which would have a direct impact on the Company carrying out its functions, and any other circumstance having a severe, adverse effect upon the functioning of the Company.

“**Fiscal Year**” shall have the meaning specified in **Section 4.4**.

“**Indemnified Persons**” shall have the meaning specified in **Section 3.4**.

“**Independent Perspective**” shall mean a viewpoint that is impartial regarding competitive, commercial or industrial concerns and contemplates the effects of a decision on all constituencies involved.

“**Interest**” shall mean the proportionate interest of a Member in the Company based on such Member’s Capital Account relative to the Capital Accounts of all Members.

“**Liquidating Member**” shall have the meaning specified in **Section 7.2(a)**.

“**Majority-in-Interest of the Members**” shall mean any one or more Members having more than fifty percent (50%) in the aggregate of the Interests of all Members.

“**Members**” shall have the meaning specified in the preamble hereto.

“**Net Profits**” and “**Net Losses**” shall mean the income and loss of the Company as determined in accordance with the accounting methods followed by the Company for federal income tax purposes including income exempt from tax and described in Code Section 705(a)(1)(B), treating as deductions items of expenditure described in, or under Treasury Regulations deemed described in, Code Section 705(a)(2)(B) and treating as an item of gain (or loss) the excess (deficit), if any, of the fair market value of distributed property over (under) its Book Value. Depreciation, depletion, amortization, income and gain (or loss) with respect to Company assets shall be computed with reference to their Book Value rather than to their adjusted bases.

“**Notices**” shall have the meaning specified in **Section 8.2(a)**.

“**Person**” shall mean an individual, corporation, association, limited liability company, limited liability partnership, partnership, estate, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other legal entity.

“**President**” shall have the meaning specified in **Section 3.1(b)**.

“**Relevant Policies**” shall mean the Directors’ Conflicts of Interest Policy and Code of Ethics attached hereto as **Exhibit B**, as such Exhibit may be amended from time to time.

“**SDR**” shall mean a swap data repository as defined in Section 1a of the CEA.

“**Transfer**” shall mean any direct or indirect sale, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, by sale of stock or partnership interests, or otherwise, of an Interest or of any entity which directly or indirectly through one or more intermediaries holds an Interest.

“**Treasury Regulations**” shall mean the regulations promulgated by the U.S. Department of the Treasury under the Code.

**Section 1.2. Name.** The name of the Company shall be BSDR LLC.

**Section 1.3. Principal Place of Business.** The Company’s principal place of business shall be at such place as a Majority-in-Interest of the Members shall designate from time to time.

**Section 1.4. Purposes.** The purposes of the Company shall be to conduct any lawful business, purpose or activity. The Company shall have the power to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of such purposes, and for the protection and benefit of its business.

**Section 1.5. Duration.** The Company shall be formed upon the filing of the Certificate with the Office of the Secretary of State of Delaware pursuant to the Act and shall continue until dissolved pursuant to **Section 7.1**.

**Section 1.6. Limitation of Liability.** The liability of each Member and each employee of the Company to third parties for obligations of the Company shall be limited to the fullest extent provided in the Act and other applicable law.

## ARTICLE II.

### CAPITAL CONTRIBUTIONS; OTHER FINANCING; INTERESTS IN THE COMPANY

**Section 2.1. Capital Contributions.** Each Member has made a Capital Contribution as of the date hereof in the respective amount specified opposite its name on **Exhibit A** and shall have Contribution Percentages as set forth in such **Exhibit A**, which Contribution Percentages shall be adjusted in **Exhibit A** from time to time to properly reflect the admission of new Members or any other event having an effect on a Member's Contribution Percentage. Subsequent contributions, if any, to the Company by the Members shall be made in accordance with the Members' Contribution Percentages.

#### **Section 2.2. Determination of Book Value of Company Assets.**

- (a) **Book Value.** Except as set forth below, Book Value of any Company asset is its adjusted basis for federal income tax purposes.
- (b) **Initial Book Value.** The initial Book Value of any assets contributed by a Member to the Company shall be the gross fair market value of such assets at the time of such contribution.
- (c) **Adjustments.** The Book Values of all of the Company's assets may be adjusted by the Company to equal their respective gross fair market values, as determined by the Members, as of the following times: (a) the admission of a new Member to the Company or the acquisition by an existing Member of an additional interest in the Company from the Company; (b) the distribution by the Company of money or property to a retiring or continuing Member in consideration for the retirement of all or a portion of such Member's interest in the Company; (c) the termination of the Company for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code; and (d) such other times as determined by the Members.
- (d) **Depreciation and Amortization.** The Book Value of a Company asset shall be adjusted for the depreciation and amortization of such asset taken into account in computing Net Profits and Net Losses and for Company expenditures and transactions that increase or decrease the asset's federal income tax basis.

**Section 2.3. Withdrawal of Capital; Limitation on Distributions.** No Member shall be entitled to withdraw any part of its Capital Contributions to, or to receive any distributions from, the Company except as provided in **Section 6.1** and **Section 7.2**. No Member shall be

entitled to demand or receive (i) interest on its Capital Contributions or (ii) any property from the Company other than cash except as provided in **Section 7.2(a)**.

**Section 2.4. Allocation of Net Profits and Net Losses.**

- (a) (i) Net Profits shall first be allocated in proportion, to and to the extent of, the excess of prior allocations of Net Losses under **Section 2.4(b)(ii)** below over prior allocations of Net Profits under this **Section 2.4(a)(i)** and, then, (ii) among the Members in proportion to their Contribution Percentages.
- (b) (i) Net Losses shall first be allocated among the Members in proportion to their Contribution Percentages until the Capital Account of any Member is reduced to zero, then (ii) among the Members in proportion to, and to the extent of, their positive Capital Account balances and, finally, (iii) to the Members in proportion to their Contribution Percentages.
- (c) Tax credits shall be allocated among the Members in proportion to their Contribution Percentages.
- (d) When the Book Value of a Company asset differs from its basis for federal or other income tax purposes, solely for purposes of the relevant tax and not for purposes of computing Capital Account balances, income, gain, loss, deduction and credit shall be allocated among the Members under the traditional method with curative allocations under Treasury Regulation Section 1.704-3(c).

**Section 2.5. Restrictions on Transfers.** No Member may Transfer any Interest without the prior written consent of all Members (excluding the proposed Transferor and Transferee). Upon any approved transfer, **Exhibit A** hereto shall be amended accordingly.

**Section 2.6. SDR Financial Resources.** The Company must maintain sufficient financial resources to perform its statutory duties related to the SDR operated by the Company. The Company shall maintain financial resources as required by the CFTC Regulations.

**ARTICLE III.**

**MANAGEMENT**

**Section 3.1. Board of Directors.**

- (a) **General Provisions.** The Members shall appoint a Board of Directors (the “**Board**”) to oversee the business and management of the Company. Except for specific voting and consent rights afforded to the Members in this Agreement, the Board shall have the full right and authority (acting on behalf of the Members) to manage the business and affairs of the Company. The Board may, in its sole discretion but subject to the terms of this Agreement, delegate rights and responsibilities regarding day-to-day management of the Company to a committee established by the Board or officers or

employees of the Company and may subcontract such rights and responsibilities to third parties. Any matter that would have required the approval of the board of directors of the Company if it were a Delaware corporation shall require the approval of the Board.

(b) **Board Composition; Duration of Office; Removal and Resignation; Vacancies.**

The Board shall consist of at least three (3) Directors. A Majority-in-Interest of the Members may increase or decrease the number of Directors from time to time; provided, however, that the Board shall consist of at least three (3) Directors. At least one Director shall represent an Independent Perspective. The Directors need not be Members. The Directors shall, except as hereinafter provided, hold office until their successors are elected and qualify. Any Director may be removed from the Board, with or without cause, by the Majority-in-Interest of the Members, and the office of such Director shall forthwith become vacant; provided, however, that the Majority-in-Interest of the Members or a majority of the remaining Directors, though less than a quorum, shall remove any Director where the conduct of such Director is likely to be prejudicial to the sound and prudent management of the SDR operated by the Company. Any Director may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the president of the Company (the “**President**”). The acceptance of a resignation shall not be necessary to make it effective, unless so specified therein. Any vacancy among the Directors, occurring from any cause whatsoever, may be filled only by a Majority-in-Interest of the Members. Any person elected to fill a vacancy shall hold office, subject to the right of removal as hereinbefore provided, until his or her successor is elected and qualifies. Each Director shall have one (1) vote. The governance arrangements of the Company are transparent to support, among other things, the objectives of the federal government pursuant to Section 21(f)(2) of the CEA.

(c) **Qualifications of Directors; Consideration of Independent Perspective.** Each Director shall in good faith consider an Independent Perspective in making any decision affecting the SDR operated by the Company. Each Director shall comply with the Relevant Policies. Each Director shall be of sufficiently good repute and possess the requisite skills and expertise to fulfill his or her responsibilities in the management and governance of the Company, to have a clear understanding of such responsibilities and to exercise sound judgment about the affairs of the Company. No Director may be subject to a statutory disqualification under Section 8a(2) of the CEA or have a history of disciplinary offenses within the meaning of CFTC Regulations 1.63(a)(6).

(d) **Annual Self Review.** The Board shall review its performance annually. The Board shall consider periodically using external facilitators for such reviews.

(e) **Emergency.** Upon the request of the President, the Vice-President or the Chief Compliance Officer of the Company, the Board shall participate in any discussion related to an Emergency.

- (f) **Chief Compliance Officer Meetings.** The Board shall meet with the Chief Compliance Officer of the Company at least annually. Such meeting may occur in person or by telephone.
- (g) **Meetings; Notice; Quorum.** The Board shall hold a meeting for the purpose of organization and the transaction of any business at least quarterly. Other regular meetings may be held at such times as may be determined from time to time by resolution of the Board. Special meetings of the Board may be called by the Chairman of the Board or by the President. Meetings of the Board may be held at the principal office of the Company, or at such place as shall be set forth in the notice of such meeting. Notice of any special meeting, and, except as the Board may otherwise determine by resolution, notice of any regular meeting also, shall be mailed to each Director addressed to him or her at his or her residence or usual place of business at least two days before the day on which the meeting is to be held, or if sent to him or her at such place by mail, e-mail, facsimile transmission or other means of electronic transmission, or delivered personally or by telephone, not later than the day before the day on which the meeting is to be held. No notice of the annual meeting of the Board shall be required if it is held immediately after the annual meeting of the Members, if any, and if a quorum is present. Any business may be transacted and any corporate action may be taken at any regular or special meeting of the Board at which a quorum shall be present, whether such business or proposed action be stated in the notice of such meeting or not, unless special notice of such business or proposed action shall be required by the Act. A majority of the Directors at any time in office shall constitute a quorum. At any meeting at which a quorum is present, the vote of a majority of the members present shall be the act of the Board unless the act of a greater number is specifically required by the Act or by the Certificate, as such certificate may be amended from time to time, or this Agreement.
- (h) **Compensation.** The Directors that are employees of the Company, of any Member or of any affiliate of any Member shall not receive any stated salary for their services as directors, but each Director shall be entitled to reimbursement from the Company for his or her reasonable expenses incurred with respect to duties as a member of the Board or any committee thereof and by resolution of the Board a fixed fee may be allowed for attendance at each meeting of the Board or any committee thereof. Nothing herein contained shall preclude any Director other than the Director representing an Independent Perspective from serving the Company in any other capacity, as an officer, agent or otherwise, and receiving compensation therefor.
- (i) **Action Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

- (j) **Meetings Through Use of Communications Equipment.** Members of the Board, or any committee designated by the Board, shall, except as otherwise provided by the Act, the Certificate, as such certificate may be amended from time to time, or this Agreement, have the power to participate in a meeting of the Board, or any committee, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.
- (k) **Bank Accounts.** The Board shall cause the Company to open and maintain bank accounts, and all funds of every kind and nature received by the Company shall be deposited in such accounts. Signatories for such accounts shall be authorized from time to time by the Board.

### **Section 3.2 Committees**

- (a) **Committees.** Committees, whose members need not be Directors, may be appointed by the Board, which committees shall hold office for such time and have such powers and perform such duties as may from time to time be assigned to them by the Board. Any member of such a committee may be removed at any time, with or without cause, by the Board. Any vacancy in a committee occurring from any cause whatsoever may be filled by the Board. Any committee that can exercise the full powers of the Board must consist only of Directors and have the composition described in Section 3.1(c) of this Agreement. Each Director that is a member of such committee shall in good faith consider an Independent Perspective in making any decision affecting the SDR operated by the Company.
- (b) **Resignation.** Any member of a committee may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President. The acceptance of a resignation shall not be necessary to make it effective unless so specified therein.
- (c) **Quorum.** A majority of the members of a committee shall constitute a quorum. The act of a majority of the members of a committee present at any meeting at which a quorum is present shall be the act of such committee. The members of a committee shall act only as a committee, and the individual members thereof shall have no powers as such.
- (d) **Record of Proceedings, etc.** Each committee shall keep a record of its acts and proceedings, and shall report the same to the Board when and as required by the Board.
- (e) **Organization, Meetings, Notices, etc.** A committee may hold its meetings at the principal office of the Company, or at any other place which a majority of the committee may at any time agree upon. Each committee may make such rules as it may deem expedient for the regulation and carrying on of its meetings and proceedings. Any notice of a meeting of such committee may be given by the

chairman of the committee and shall be sufficiently given if mailed to each member at his or her residence or usual place of business at least five (5) days before the day on which the meeting is to be held, or if sent to him or her at such place by mail, e-mail, facsimile transmission or other means of electronic transmission, or delivered personally or by telephone not later than forty-eight (48) hours prior to the time at which the meeting is to be held.

- (f) **Compensation.** The members of any committee shall be entitled to such compensation as may be allowed them by resolution of the Board.

### **Section 3.3. Matters Requiring Member Consent.**

- (a) **Admission of New Members.** New or additional Members may be admitted to the Company at any time upon the affirmative vote or consent of all the Members. In the event of the admission of new or additional Members, **Exhibit A** hereto shall be amended accordingly.
- (b) **Other.** Without first obtaining the approval of the Majority-in-Interest of the Members, the Board shall not, and shall not permit the Company to, either directly or indirectly, by amendment, merger, consolidation or otherwise, do any of the following:
- i. Alter the terms, rights, preferences and privileges of the Members;
  - ii. Amend, repeal or modify this Agreement;
  - iii. Change the management rights, including without limitation, a change in the size of the Board or in governance rights;
  - iv. Authorize or effect any sale, lease transfer or other disposition (whether by merger, stock purchase, asset purchase or otherwise) of substantially all of the assets of the Company;
  - v. Liquidate, dissolve or wind up the Company;
  - vi. Take an action contemplated by **Section 5.1** of this Agreement;
  - vii. (A) File, or consent by answer or otherwise to the filing against the Company of, a petition for relief or reorganization of arrangement or any other petition in bankruptcy, for liquidation or take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (B) make an assignment for the benefit of creditors or (C) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or any substantial part of its property; or
  - viii. Approve, agree or resolve to do any of the foregoing.

**Section 3.4. Indemnification.** Any Person made, or threatened to be made, a party to any action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such Person is or was (i) a Member, or (ii) an employee, officer, director, shareholder or partner of a Member, (iii) a Director or officer of the Company, or (iv) such other Persons (including employees of the Company) as the Majority-in-Interest Members may designate from time to time, in their sole and absolute discretion (collectively, the “**Indemnified Persons**”), shall be indemnified by the Company for any losses or damage sustained with respect to such action or proceeding, and the Company shall advance such Indemnified Person’s reasonable related expenses to the fullest extent permitted by law. The Company shall have the power to purchase and maintain insurance on behalf of the Indemnified Persons against any liability asserted against or incurred by them. The duty of the Company to indemnify the Indemnified Persons under this **Section 3.4** shall not extend to actions or omissions of any Indemnified Person which are grossly negligent or which involve fraud, misrepresentation, bad faith, or other willful misconduct by such Indemnified Person or which are in material breach or violation by such Indemnified Person of this Agreement or which are in derogation of the fiduciary duties owed by such Indemnified Person to the Company and the Members, in each case as determined by a court of competent jurisdiction. No Indemnified Person shall be liable to the Company or any other Member for actions taken in good faith. The duty of the Company to indemnify the Indemnified Persons under this **Section 3.4** shall be limited to the assets of the Company, and no recourse shall be available against any Member for satisfaction of such indemnification obligations of the Company.

**Section 3.5 Officers.**

- (a) **Number.** The officers of the Company shall be a President, a Vice-President and a Chief Compliance Officer, and if authorized by the Board, a Chairman, a Chairman of the Board, one or more Vice Chairmen of the Board, and such other officers as may be appointed in accordance with the provisions of subsection (c) of this **Section 3.5**.
- (b) **Election, Term of Office and Qualifications.** The officers, except as provided in subsection (c) of this **Section 3.5**, shall be chosen by the Board. Each such officer shall, except as herein otherwise provided, hold office until his or her successor shall have been chosen and shall qualify. Except as otherwise provided by the CEA, any number of offices may be held by the same person. No officer of the Company may be subject to a statutory disqualification under Section 8a(2) of the CEA or have a history of disciplinary offenses within the meaning of CFTC Regulations 1.63(a)(6). Each officer shall be of sufficiently good repute and possess the requisite skills and expertise to fulfill his or her responsibilities in the management and governance of the Company, to have a clear understanding of such responsibilities and to exercise sound judgment about the affairs of the Company.
- (c) **Other Officers.** Other officers may from time to time be appointed by the Board, which other officers shall have such powers and perform such duties as may be assigned to them by the Board or the officer or committee appointing them.

- (d) **Removal of Officers.** Any officer of the Company may be removed from office, with or without cause, by a vote of a majority of the Board, in compliance with the requirements of the CEA.
- (e) **Resignation.** Any officer of the Company may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President. The acceptance of a resignation shall not be necessary in order to make it effective, unless so specified therein.
- (f) **Filling of Vacancies.** A vacancy in any office shall be filled by the Board or by the authority appointing the predecessor in such office.
- (g) **Compensation.** The compensation of the officers shall be fixed by the Board, or by any committee upon whom power in that regard may be conferred by the Board.
- (h) **Chairman of the Board.** The Chairman of the Board, if any, shall be a Director and shall preside at all meetings of the Board at which he shall be present, and shall have such power and perform such duties as may from time to time be assigned to him or her by the Board. He shall have power to call special meetings of the Members or of the Board at any time.
- (i) **Vice Chairmen of the Board.** The Vice Chairmen of the Board, if any, shall, subject to the direction of the Board, at the request of the President or in the absence of the President or in case of the President being unable to perform his or her duties from any cause, perform the duties of a President, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, a President. The Vice Chairmen of the Board, if any, shall also perform such other duties as may be assigned to them by the Board.
- (j) **Chief Compliance Officer.** The Chief Compliance Officer shall be appointed by the Board and shall oversee and review compliance of the SDR operated by the Company with Section 21 of the CEA and related CFTC Regulations. The Chief Compliance Officer shall have the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in the CEA and CFTC Regulations related to the SDR operated by the Company. The Chief Compliance Officer shall have qualifications set forth in Part 49 of the CFTC Regulations. The Chief Compliance Officer may not be a member of the Company's legal department or serve as its general counsel.

#### **ARTICLE IV.**

#### **BOOKS; ELECTIONS; BUDGETS; FISCAL YEAR**

**Section 4.1. Administrative Services, Books, Records and Reports.** The Board shall cause to be performed all general and administrative services on behalf of the Company in order to assure that complete and accurate books and records of the Company are maintained at the Company's principal place of business showing the names, addresses and Interests of each of the

Members, all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Company's business and affairs, including a capital account for each Member (a "**Capital Account**").

**Section 4.2. Adjustment of Capital Accounts.**

- (a) Each Member's Capital Account shall be increased by:
  - (i) the amount of any money contributed by such Member to the Company;
  - (ii) the fair market value of any property contributed by such Member to the Company;
  - (iii) the amount of Net Profits allocated to such Member; and
  - (iv) the amount of any Company liabilities assumed by such Member (or taken subject to) if property is distributed to such Member by the Company.
- (b) Each Member's Capital Account shall be decreased by:
  - (i) the amount of any money distributed to the Member by the Company;
  - (ii) the fair market value of any property distributed to the Member by the Company;
  - (iii) the amount of Net Losses allocated to the Member; and
  - (iv) the amount of any Member liabilities assumed by the Company (or taken subject to) if property is contributed to the Company by the Member.
- (c) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations under Section 704(b) of the Code and, to the extent not inconsistent with the provisions of this Agreement, shall be interpreted and applied in a manner consistent with such Treasury Regulations.

**Section 4.3. Federal Income Tax Elections; Method of Depreciation.** The Board shall determine the method of depreciation to be utilized by the Company for tax purposes and all elections to be made by the Company for tax purposes. The Board shall designate a person to be responsible for tax matters for all purposes of the Code.

**Section 4.4. Fiscal Year.** The fiscal year of the Company (the "**Fiscal Year**") shall end on December 31.

**ARTICLE V.**

**EMPLOYMENT OF AFFILIATES**

**Section 5.1. Parties Employed.** Subject to the approval of the Board and a Majority-in-Interest of the Members, the Company may contract for services to be performed for the

Company by a Member or any Affiliate of any Member. In the case of the employment of a Member or of any Affiliate of a Member, the compensation to be paid by the Company to such Member or Affiliate shall be not greater than the compensation generally paid to third parties for comparable services in comparable locations.

## ARTICLE VI.

### DISTRIBUTIONS

**Section 6.1. Distributions.** Distributions shall be made at such time and in such amounts as determined by the Board and shall be made among the Members in cash or other property (a) first, in proportion to, and to the extent of, the excess of each Member's Capital Contributions over prior distributions to that Member under this **Section 6.1(a)** and, then, (b) in proportion to their Contribution Percentages.

**Section 6.2. Restoration of Funds.** Except as otherwise provided by law, no Member shall be required to restore to the Company any funds properly distributed to it pursuant to **Section 6.1.**

## ARTICLE VII.

### DISSOLUTION AND LIQUIDATION

**Section 7.1. Dissolution.** The Company shall be dissolved upon the occurrence of any of the following:

- (a) The unanimous decision of the Members to dissolve the Company;
- (b) The bankruptcy, death, dissolution, expulsion, incapacity, or withdrawal of any Member, unless within ninety (90) days after such event the Company is continued by the vote or written consent of a Majority-in-Interest of the Members; or
- (c) The entry of a decree of judicial dissolution under Section 18-802 of the Act.

**Section 7.2. Winding up Affairs and Distribution of Assets.**

- (a) Upon dissolution of the Company, and in the absence of an election to continue the business of the Company pursuant to **Section 7.1(b)**, one or more Members elected by a Majority-in-Interest of the Members shall be the liquidating Member(s) (each, a "**Liquidating Member**") and shall proceed to wind up the affairs of the Company, liquidate the remaining property and assets of the Company and wind-up and terminate the business of the Company, in all cases in compliance with the requirements of the CEA. The Liquidating Member shall cause a full accounting of the assets and liabilities of the Company to be taken and shall cause the assets to be liquidated and the business to be wound up as promptly as possible by either or both of the following methods: (1) selling the Company assets and distributing the net proceeds therefrom (after the payment of Company liabilities) to each Member in satisfaction of its Capital Account; or (2) if all Members shall agree, distributing the

Company assets to the Members in kind and debiting the Capital Account of each Member with the fair market value of such assets, each Member accepting an undivided interest in the Company assets (subject to their liabilities) in proportion to and to the extent of each Member's positive Capital Account balance after allocating and crediting to the Capital Accounts the unrealized gain or loss to the Members as if such gain or loss had been recognized and allocated pursuant to **Section 2.4**.

- (b) If the Company shall employ method (1) as set forth in **Section 7.2(a)** in whole or part as a means of liquidation, then the proceeds of such liquidation shall be applied in the following order of priority: (i) first, to the expenses of such liquidation; (ii) second, to the debts and liabilities of the Company (including debts of the Company to the Members or their Affiliates and any fees and reimbursements payable under this Agreement), in the order of priority provided by law; (iii) third, a reasonable reserve shall be set up to provide for any contingent or unforeseen liabilities or obligations of the Company to third parties (to be held and disbursed, at the discretion of the Liquidating Member(s), by an escrow agent selected by the Liquidating Member(s)) and at the expiration of such period as the Liquidating Member(s) may deem advisable, the balance remaining in such reserve shall be distributed as provided herein; (iv) fourth, to the Members in accordance with **Section 6.1**.
- (c) In connection with the liquidation of the Company, the Members severally, jointly, or in any combination upon which they may agree shall have the first opportunity to make bids or tenders for all or any portion of the assets of the Company, and such assets shall not be sold to an outsider except only for a price higher than the highest and best bid of a single Member, the Members jointly, or a combination of Members.

## **ARTICLE VIII.**

### **MISCELLANEOUS**

**Section 8.1. Certificate Requirements.** From time to time the Members shall sign and acknowledge all such writings as are required to amend the Certificate or for the carrying out of the terms of this Agreement or, upon dissolution of the Company, to cancel such Certificate. Each Member is hereby designated as an authorized person to sign the Company's Certificate and any other documents that are appropriate and necessary to effectuate the purpose of this Agreement.

**Section 8.2. Notices.**

- (a) All notices, consents, approvals, reports, designations, requests, waivers, elections and other communications (collectively, "**Notices**") authorized or required to be given pursuant to this Agreement shall be given in writing and either personally delivered to the Member to whom it is given or delivered by an established delivery service by which receipts are given or mailed by registered or certified mail, postage prepaid, or sent by telex or telegram or electronic telecopier, addressed to the Member at its address listed on **Exhibit A** hereto.

- (b) All Notices shall be deemed given (i) when delivered personally to the recipient, (ii) when sent to the recipient (with receipt confirmed by sender's machine) by telecopy if during normal business hours of the recipient, otherwise on the next business day, or (iii) one (1) business day after the date sent to the recipient (three (3) business days in the case of international delivery) by reputable express courier service (charges prepaid). Any Member may change its address for the receipt of Notices at any time by giving Notice thereof to all of the other Members, in which event **Exhibit A** hereto shall be amended accordingly. Notwithstanding the requirement in **Section 8.2(a)** as to the use of registered or certified mail, any routine reports required by this Agreement to be submitted to Members at specified times may be sent by first-class mail.

**Section 8.3. Parties in Interest; Third-Party Beneficiaries.**

- (a) Neither this Agreement nor any of the rights, duties, or obligations of any party hereunder may be transferred or assigned by a party hereto, except in connection with a Transfer of Interests as specified in **Section 2.5**. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.
- (b) This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto, the Indemnified Persons, and their respective permitted successors and assigns.

**Section 8.4. Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings among the Members with respect to the subject matter hereof.

**Section 8.5. Modification.** No change or modification of this Agreement shall be of any force unless such change or modification is in writing and has been signed by all of the Members. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Member against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

**Section 8.6. Severability.** If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Furthermore, in lieu of any such invalid, illegal or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

**Section 8.7. Further Assurances.** Each Member shall execute such deeds, assignments, endorsements, evidences of Transfer and other instruments and documents and shall give such further assurances as shall be necessary to perform its obligations hereunder.

**Section 8.8. Governing Law.** This Agreement shall be governed by and be construed in accordance with the laws of the State of Delaware.

**Section 8.9. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

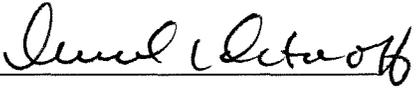
**Section 8.10. Waiver of Partition.** Each Member hereby waives its right to bring an action for partition of any of the property owned by the Company.

*[signature page follows]*

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the day and date first set forth above.

BLOOMBERG L.P.

By: Bloomberg Inc., its general partner

By: 

Name: Daniel L. Doctoroff

Title: President

**EXHIBIT A**

<b>Member and Address for Notices</b>	<b>Capital Contribution</b>	<b>Contribution Percentage</b>
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Bloomberg L.P.	\$100.00	100%
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731 Lexington Avenue  
New York, NY 10022

with a copy which shall not  
constitute Notice to:

731 Lexington Avenue  
New York, NY 10022  
Attention: Legal Department

**EXHIBIT B**  
**BSDR LLC**

**DIRECTORS' CONFLICTS OF INTEREST POLICY AND CODE OF ETHICS**

BSDR LLC (“BSDR”) operates a registered swap data repository (“SDR”). BSDR’s mission (“Mission”) is to provide a centralized recordkeeping facility for swap transaction data in order to enhance transparency, promote standardization, and reduce systemic risk in swap markets. BSDR has established governance arrangements that are transparent and that support, among other things, the objectives of the federal government pursuant to Section 21(f)(2) of the Commodity Exchange Act (the “CEA”).

Each director of BSDR (each a “Covered Person”) must acknowledge his or her receipt and understanding of this conflicts of interest policy (this “Conflicts Policy”) and Code of Ethics (“Code of Ethics”) upon becoming a director of BSDR, and upon the publication of a revised version of the Conflicts Policy or Code of Ethics by the chief compliance office of BSDR (the “CCO”). Directors who are employees of BSDR or its affiliates must comply with any conflicts of interest policy or code of ethics required by his or her employer.

**I. CONFLICTS OF INTEREST POLICY**

**1. General**

BSDR is committed to avoiding actual conflicts of interests, as well as to the management of potential conflicts of interest, in its operations as a registered SDR. BSDR has established this Conflicts Policy to minimize conflicts of interest in the decision-making process of BSDR and to resolve conflicts of interest. BSDR will examine its business practices to identify practices that may cause a conflict of interest between BSDR and its Mission, obligations to the federal government, obligations to parties that report swap information to BSDR (“Reporting Entities”), and its obligation to publically disseminate certain swap information in real time.

Each Covered Person is subject to the requirements of this Conflicts Policy. Each Covered Person is required to disclose actual or potential conflicts of interest to BSDR with respect to himself or herself promptly after such Covered Person learns of any such conflict of interest. Such disclosure includes affiliations with any Reporting Entity.

**2. Conflicts of Interest**

A conflict of interest exists when there is a risk that the professional judgment or actions of a Covered Person could be unduly influenced by a secondary interest. A business or personal relationship may create a conflict of interest because it could impair the independent and sound judgment of a Covered Person. BSDR may face conflicts in evaluating business considerations and compliance requirements with respect to BSDR’s obligation to provide fair and open access to the potential Reporting Entities, and in the dealings between BSDR’s officers and managers on the one hand and BSDR’s board of directors (the “Board”) on the other.

### **3. Procedures and Guidelines**

The CCO will evaluate the actual or potential conflict, and will determine what course of action, if any, BSDR must take, which may include disclosure to the Board.

If the CCO determines that disclosure to the Board or other governing body is appropriate, the Covered Person must, upon request, provide all facts to the CCO, the Board or members of any committee of the Board, as applicable, considering the possible conflict of interest. After all facts are provided, such director shall recuse himself or herself from the Board, the committee of the Board or other governing body, as applicable, and shall not participate in the final deliberation or decision regarding the matter under consideration while the determination of a conflict of interest is discussed and voted upon. The remaining Board, committee or governing body members, as applicable, and the CCO shall decide if a conflict of interest exists, and the appropriate course of action BSDR should take.

### **4. Violations**

If the CCO or the Board has reasonable cause to believe a Covered Person has failed to disclose actual or possible conflicts of interest, the CCO or the Board shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the Covered Person's response and after making further investigation as warranted by the circumstances, the CCO and the Board determine the Covered Person has failed to disclose an actual or possible conflict of interest, the CCO and the Board shall take appropriate action.

The minutes of meetings of the Board or other governing board shall contain the following:

- A) The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, the CCO's and the Board or governing body's decision as to whether a conflict of interest in fact existed, and the recommended course of action to resolve any conflict; and
- B) The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **5. Board Memberships**

All Covered Persons shall disclose any existing and pending memberships on any board of directors or a similar body for an outside company or government agency. Helping the community by serving on boards of non-profit or community organizations is encouraged, and does not require disclosure or waiver.

## **6. Taking Company Business Opportunities**

No Covered Person may take for themselves opportunities that rightfully belong to BSDR. These opportunities rightfully belong to BSDR when, for example, the opportunity is in the same general line of business as BSDR's business, BSDR has pursued the opportunity, BSDR has been offered the opportunity, BSDR has funded the opportunity or BSDR has devoted facilities or personnel to develop the opportunity. Any situation in which a Covered Person might wish to engage in an activity that might be considered such an opportunity should discuss the matter with the CCO.

## **II. CODE OF ETHICS**

### **1. General**

BSDR is committed to maintaining the highest standards of business conduct, ethics, integrity and professionalism. This Code of Ethics reflects the business practices and principles of behavior that support this commitment. We expect each Covered Person to read and understand this code and its application to the performance of his or her responsibilities as a director of BSDR.

Covered Persons should also be aware that violations of the policies and procedures in this Code of Ethics will be treated with the utmost seriousness.

### **2. Honest and Ethical Conduct**

It is the policy of BSDR to promote high standards of integrity by conducting our affairs in an honest and ethical manner. The integrity and reputation of BSDR depends on the honesty, fairness and integrity brought to the job by each person associated with us. Unyielding personal integrity is the foundation of corporate integrity.

Each Covered Person is expected to maintain a standard of conduct which reflects a level of integrity and professionalism.

### **3. Compliance**

Covered Persons may be asked, under certain circumstances and in accordance with regulations set forth by the Commodity Futures Trading Commission (the "CFTC"), to coordinate with appropriate regulatory authorities. BSDR expects Covered Persons to understand the legal and regulatory requirements applicable to them. Covered Persons are encouraged to seek advice from the CCO in any situation where there is a question pertaining to compliance with law or regulations (including the CEA and the Regulations) or BSDR's policies and procedures, including this Code of Ethics.

### **4. Use of Non-Public Information is Prohibited**

Consistent with BSDR's strict insistence on the protection of its confidential information and confidential information of Reporting Entities, Covered Persons may not use or disclose any

information (including any swap information that has not yet been publicly disseminated) obtained from BSDR or its systems (together, “Non-Public Information”) for non-BSDR purposes. In addition, Covered Persons may not misuse their positions at BSDR to improperly impact the financial markets. Thus, Covered Persons are prohibited from: (1) disclosing to others (with the exception of people inside BSDR with a "need to know") Non-Public Information; (2) trading any instruments while in possession of Non-Public Information concerning those instruments (or their issuer) that they obtained in connection with their work for BSDR; (3) investing in an entity with which BSDR has a significant relationship; (4) engaging in any other investment activity that could compromise objectivity, give the appearance of impropriety or of a conflict of interest, or of taking unfair advantage of one's position at BSDR; or (5) violate the CEA, including, without limitation, use of any Non-Public Information received from employees of any SDR, designated contract market, swap execution facility, derivatives clearing organization or registered futures associations (including any affiliate of BSDR that is registered in any such capacity with the CFTC) for improper or unlawful purposes.

## **5. Securities Insider Trading**

While BSDR is regulated by the CFTC and only collects information pertaining to instruments under the CFTC’s jurisdiction, federal and state securities laws prohibit any purchase or sale of securities by a person having material non-public information if such information was improperly obtained or if the use of such information for trading has not been properly authorized or in certain other circumstances. All non-public information about BSDR or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. Covered Persons must exercise the utmost care when handling material non-public information.

The persons covered by applicable securities laws include not only insiders of publicly traded companies, but also any other persons who, under certain circumstances, learn of such material non-public information about a company. Violation of these laws can result in severe consequences, including fines and imprisonment. In addition, BSDR may be subject to liability for insider trading or tipping by a Covered Person.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to purchase, hold or sell a security or other financial instrument. Information may be material even if it relates to speculative or contingent events. If disclosure of information would affect the market price of a security, whether positively or negatively, the information should be considered material.

Covered Persons should assume that all information obtained in the course of their association with BSDR, including Non-Public Information, is material non-public information unless the information has been publicly disclosed by means of a press release, wire service, newspaper, proxy statement or prospectus or in a public filing made with a regulatory agency, is publicly disseminated by BSDR, or is otherwise available from public disclosure services.

Courts and regulators determine whether information is to be considered material non-public information on a case-by-case basis in accordance with the general definition set forth above.

When Covered Persons have any doubt whatsoever as to whether information in their possession is “material non-public information”, they should (i) treat the information as “material non-public information”, (ii) refrain from trading in the security to which such information relates, (iii) refrain from disclosing the information further, and (iv) promptly seek advice from the CCO.

## **6. International Business Laws**

BSDR values its reputation for ethical behavior and has a zero-tolerance commitment against bribery and corruption in any form in any jurisdiction in which BSDR operates.

Financial crime represents a major risk to the operation of businesses globally. It is not limited to certain companies or jurisdictions; it is a real and present danger throughout the world. Therefore, it is a very real risk to BSDR. BSDR is committed to adhering to the highest standards in order to mitigate the risk of financial crime to itself, its staff and its business. Bribery and corruption form two significant types of financial crime.

Bribery is a form of corruption, and is a specific offence which is the activity or practice of offering, giving or promising to give something in order to gain or obtain an advantage of any kind. Receiving a bribe is also an offence. Corruption is a broader term, and in generic terms means the misuse of power (entrusted or otherwise) for private or other gain.

BSDR prohibits the offering, giving, soliciting or acceptance of any bribe whether in cash or other form of inducement, to or from any person or company wherever situated, and whether it is a public official, political candidate or body, private person or company, or by any individual employee, agent or other person or body, acting on their own or BSDR's behalf in order to gain any advantage or benefit for BSDR or one of its affiliates, or in order to gain any personal, pecuniary or other advantage for BSDR or one of its affiliates, the individual or anyone connected with the individual.

For the avoidance of doubt, BSDR specifically prohibits the making of, or promise to make or give any payments or benefit to any individual (including public officials), company or anyone else in order to secure or obtain any advantage. Such practices may be accepted in a number of jurisdictions. However, these practices are strictly prohibited by BSDR, no matter how commonplace they are or how small the payment is. There is also a risk that corporate hospitality, such as business entertainment, and the giving and receiving of gifts may be regarded as bribery. As such, lavish hospitality is strictly prohibited by BSDR. BSDR recognizes there is a legitimate business need for hospitality, therefore, offering business hospitality and BSDR promotional items are allowed, as appropriate and within reason. Inevitably, decisions regarding what is acceptable may not always be easy. If there is any doubt whatsoever, as to whether a potential act may constitute bribery, guidance should be sought from the CCO.

The prevention, detection and reporting of bribery is the responsibility of everyone engaged by BSDR. As such concerns must be raised about any instance of bribery or corruption at the

earliest possible opportunity. Such disclosure can be made to the CCO. Failing to report your suspicions will be considered a failure to comply with this policy.

## **7. Global Laws and Regulations**

Covered Persons must be aware of the following laws and regulations:

A) US Foreign Corrupt Practices Act 1977 (the “FCPA”):

The FCPA prohibits any person company or other person (legal, natural or otherwise) from using any means, corruptly in order to bribe or offer to bribe a foreign official to influence the foreign official in his or her official capacity, to induce the foreign official to act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining a business advantage. Individuals and firms may also be guilty if they assist someone else to violate the bribery provisions or conspire to violate them. This includes third party payments. The penalties for violation of the FCPA are split between criminal and civil. Criminal penalties for businesses are a fine of up to \$2 million; officers, directors, stockholders, employees and agents are subject to a fine of up to \$100,000 and five years imprisonment. These fines can be significantly higher under the Alternative Fines Act. Civil penalties allow the Attorney General or SEC to bring a civil fine of up to \$10,000 against anyone. In an SEC enforcement action, there may also be an additional fine levied ranging between \$5,000-100,000 for individuals and \$50,000 to 500,000 for any other person.

B) U.S. Embargoes, which generally prohibit U.S. companies, their subsidiaries and their employees from doing business with countries, or traveling to, subject to sanctions imposed by the U.S. government (currently, Cuba, Iran, North Korea, Sudan and Syria), as well as specific companies and individuals identified on lists published by the U.S. Treasury Department;

C) U.S. Export Controls, which restrict exports from the U.S. and re-exports from other countries of goods, software and technology to many countries, and prohibits transfers of U.S.-origin items to denied persons and entities; and

D) Anti-boycott regulations, which prohibit U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, please contact the CCO before taking any action, including giving any verbal assurances that might be regulated by international laws.

## **8. Antitrust**

Antitrust law is a body of law that prohibits anti-competitive behavior (monopoly) and unfair business practices. Antitrust laws are intended to encourage competition in the marketplace.

These competition laws make illegal certain practices deemed to hurt businesses or consumers or both, or generally to violate standards of ethical behavior. Government agencies known as competition regulators, along with private litigants, apply the antitrust and consumer protection laws in hopes of preventing market failure. Antitrust laws generally prohibit agreements in restraint of trade, monopolization and attempted monopolization, anticompetitive mergers and tie-in schemes, and, in some circumstances, price discrimination.

BSDR must avoid adopting any rule or taking any action that results in any unreasonable restraint of trade; or imposing any material anticompetitive burden on trading, clearing or reporting of swaps.

## **9. Document Retention**

Directors should consult with the CCO regarding questions related to the BSDR's document retention guidelines or the propriety of disposing of BSDR's documents or records.

## **10. Gifts and Entertainment**

No Covered Person of BSDR may directly or indirectly (a) receive from, or (b) solicit from any entity or person with whom BSDR does, or would like to do, business, including without limitation actual or potential Reporting Entities, the following: gifts, payments, bonuses, fees, product samples, event tickets, or any other item that is of more than nominal value (collectively, "Gifts"). An exception may be made for items that are only of nominal or token value, such as logo pens, pads of paper, tote bags, or other such items.

Covered Persons of BSDR must report any gift given or received that relates in any way to such Covered Person's work for BSDR to the CCO within ten Business Days of the date of the receipt of the gift or ten days prior to giving of the gift. The report shall include:

- Name of the giver;
- Name of the intended recipient;
- Description of the gift;
- Gift's estimated monetary value;
- Nature of business relationship; and
- Reason the gift is being given.

The CCO will evaluate all reported gifts in light of the Regulations, the policies and procedures set forth in this Code of Ethics and the Conflicts Policy.

This policy does not prohibit a Covered Person from accepting or providing occasional business entertainment, such as a meal, an invitation to a business reception, attending a sporting or theater event in the company of the relevant business contact, or comparable entertainment that is not so frequent, costly or expensive as to raise any question of impropriety or actual or potential conflict in accordance with BSDR's Conflicts Policy.

If a Covered Person has a question concerning a particular gift or entertainment invitation, it should be addressed to the CCO.

## **11. Fees; Fee Rebates**

BSDR is required to charge all Reporting Entities fees that are fair, uniform, and non-discriminatory. As such, the rebate of fees, even if to solve an apparent accounting error, could raise compliance concerns. As such, no Covered Person of BSDR may rebate, directly or indirectly, to any person or Reporting Entity any part of the compensation received by BSDR without the express permission of the CCO.

If a Covered Person has a question concerning a particular fee rebate situation, it should be addressed to the CCO.

## **12. Political Contributions and Public Office**

It is the policy of BSDR that any and all corporate contributions to political parties or to candidates for public office be made in strict accordance with law. This precludes corporate contributions to any candidate for national office as well as candidates in a number of state offices. Any legally permissible contributions on behalf of BSDR may be made only with approval by the CCO. Individual Covered Persons are free, as private citizens, to endorse or contribute to political parties or candidates of their choice, on their own. BSDR will not directly or indirectly reimburse Covered Persons for their individual political contributions or in any way pressure any Covered Person to make a particular contribution.

Covered Persons are permitted to serve in elective offices of a civic nature, provided that such activity, including campaigning, is carried on solely in the individual's capacity as a private citizen and not as a representative of BSDR, and does not violate BSDR's Conflicts Policy. In this regard, the duties of the office should not involve activities which are related to the Covered Person's responsibilities to BSDR. Covered Persons may also support others in campaigns for public office, provided no use is made of BSDR's name, facilities or funds. If any Covered Person wishes to engage in any of the above activities, even as a private citizen, the Covered Person must disclose the activity, in advance, to the CCO.

## **13. Confidentiality**

BSDR is required to maintain the privacy of any Non-Public Information. Furthermore, BSDR may come in contact with other data or information that pertains to our business, actual or potential Reporting Entities, or third parties that is confidential or sensitive in nature.

Covered Persons of BSDR who have received or have access to such confidential information should take care to keep this information confidential. Confidential information includes any Non-Public Information that might be of use to competitors or harmful to BSDR or its customers if disclosed, such as certain specifications, designs, plans, drawings, software code, data, customer lists, prototypes or other business and technical information, the existence and terms of various agreements to which BSDR may be a party, BSDR's internal financial information, trading strategies or portfolio positions of Reporting Entities, any discussions, summaries, analyses, studies, and, of course, any Non-Public Information.

In addition, Covered Persons may become aware of confidential information concerning third parties before that information has been made available to the public.

Covered Persons must treat all of this information in the same manner as BSDR is required to treat its own confidential and proprietary information. You are expected to keep confidential and proprietary information confidential unless and until that information is released to the public through approved channels (i.e., public dissemination of certain swap information, a press release, a CFTC filing, or a formal communication from a member of senior management).

Covered Persons should take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks, mobile devices, memory sticks and laptop computers, should be stored securely. Covered Persons are not to post updates on behalf of BSDR or pertaining to BSDR's business on social sites, message boards, and blog sites unless pre-approved by the CCO. BSDR may employ software to block access to social networking and blog sites, but in instances where such a block is not in place, BSDR's policy still applies. However, at times certain social networking or blog sites can be relevant to BSDR's activities. Accordingly, the CCO may grant specific Covered Persons with a temporary exemption from this policy. If you have been granted permission to post information pertaining to BSDR on a social networking or blog site, adherence to the following guidelines is required:

- You must create a new account using your firm email address, not a personal email address. All contact information (email address and employment) must be hidden or designated as private.
- You will need to provide the CCO with your login information for monitoring purposes.
- If you access social media or other blog sites for your personal use outside of the firm's systems, please follow these guidelines:
  - Do not disclose any BSDR proprietary or confidential information.
  - Do not misrepresent yourself.
  - Do not conduct any BSDR business

Please contact the CCO with any questions.

#### **14. Waivers and Exceptions**

Under certain circumstances, the CCO, in his or her sole discretion, may grant waivers or exceptions to this Code of Ethics. In general, waivers or exceptions may be granted only when the CCO reasonably determines that the requested waiver or exception will not pose an inappropriate or unmanageable conflict of interest in keeping with BSDR's Conflicts Policy, will not negatively impact BSDR's Mission, its ability to comply with its obligations under the CEA or the Regulations, and will not result in any material harm to a Reporting Entity or the public interest.

If the CCO grants a waiver or exception, the CCO shall supervise the memorialization of pertinent information regarding the waiver or exception in BSDR's Waiver and Exceptions Log.

## 15. Compliance Standards and Procedures

The CCO shall supervise the delivery of this Code of Ethics to any new Covered Person promptly after they become associated with BSDR. Such person must indicate in writing to BSDR that they have read and understand the Code of Ethics. The CCO shall ensure that this Code of Ethics is generally updated at least one time per year, that each such general update is published to all Covered Persons, and that all such Covered Persons indicate in writing that they have read and understand the update and the Code of Ethics. Additionally, the CCO shall supervise the publication of any material update to any section of the Code of Ethics to all Covered Persons. The CCO shall supervise the retention and storage of all prior versions of this Code of Ethics among BSDR's books and records.

If any Covered Person has any questions pertaining to this Code of Ethics, any of BSDR's other policies and procedures, or any other regulatory, legal, compliance, or ethical matter pertaining to BSDR, such person should contact the CCO for assistance.

## 16. Family Members and Close Personal Relationships

No Covered Person may use personal influence to direct BSDR business to a company in which any family member or friend has an interest.

### Receipt and Acknowledgement:

*I acknowledge that I have received a copy of BSDR's Directors' Conflicts of Interest Policy and Code of Ethics. I understand that each director is responsible for knowing and adhering to the principles and standards set forth in this document.*

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_