

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>Core Principle 1 – Designation as Contract Market:</p> <p>(A) <i>In General.</i>—To be designated, and maintain a designation, as a contract market, a board of trade shall comply with—</p> <ul style="list-style-type: none"> (i) any core principle described in this subsection; and (ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5). <p>(B) <i>Reasonable Discretion Of Contract Market</i> — Unless otherwise determined by the Commission by rule or regulation, a board of trade described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the board of trade complies with the core principles described in this subsection.</p>	<p>All materials submitted with the application of GFI Futures Exchange LLC (the “Exchange”) for designation as a contract market (the “Application”), including but not limited to the Exchange Rulebook (the “Rules”) provided in <u>Exhibit M</u> to the Application.</p> <p>Capitalized terms that are used in this <u>Exhibit L-1</u> without definition have the meaning ascribed to those terms in the Rules.</p>	<p>This Application.</p>
<p>Core Principle 2 - Compliance with Rules:</p>	<p>Chapter 3 of the Rules provides clear and transparent access criteria and requirements for Exchange Participants. Rule 302 sets forth the qualification standards for Participants,</p>	<p><u>Exhibit M-1</u> - Rules; <u>Exhibit N-1 -RSA</u>; <u>Exhibit O-1</u> - Compliance</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>(A) <i>In General.</i>—The board of trade shall establish, monitor, and enforce compliance with the rules of the contract market, including—</p> <ul style="list-style-type: none"> (i) access requirements; (ii) the terms and conditions of any contracts to be traded on the contract market; and (iii) rules prohibiting abusive trade practices on the contract market. <p>(B) <i>Capacity of Contract Market.</i>—The board of trade shall have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market.</p> <p>(C) <i>Requirement of Rules.</i>—The rules of the contract market shall provide the board of trade with the ability and authority to obtain any necessary information to perform any function described in this subsection, including the capacity to carry out such</p>	<p>including that an applicant must itself be a Clearing Firm or have entered into an arrangement with a Clearing Firm that complies with Rule 1001. <i>See also</i> Core Principle 11 (Financial Integrity of Transactions). Pursuant to Rule 305(a), the Exchange shall charge consistent fees for all Participants that receive comparable access to the Trading Platform. Rules 308 and 309 provide clear and transparent criteria and requirements for Registered Users and Registered Traders, respectively, who access the Trading Platform.</p> <p>The Exchange will apply these criteria in an impartial manner through the application process described in Rule 303 and the Participation Committee review process described in Rule 206(d). Failure of an applicant to demonstrate a capacity to comply with the requirements of the Rules or of Applicable Law may lead to a denial of the application under Rule 302(b). Applicants have the right to appeal a denial or conditional grant of their Participant application under Rule 302(e). Other provisions in the Rulebook, including Rules 302(c), 305(b) and 306(a), set out the authority of the Exchange to revoke, suspend or limit a Participant’s or Registered User’s access to the Trading Platform.</p> <p>Pursuant to Rule 303, Rule 308 and Rule 309, Participants, Registered Users and Registered Traders must agree in writing to abide by the Rules and consent to the Exchange’s jurisdiction when accessing the Trading Platform. Rule 403(c) requires each Participant to provide the Exchange and the Regulatory Service Provider information related to its business, Contracts executed on the Exchange and in related markets, and allows the Exchange and Regulatory Service Provider to access and inspect each Participant’s systems, equipment and software, and any data stored in any of the</p>	<p>Manual Rules, Chapter 3; Rule 1001</p> <p>Rule 206; Rule 302; Rule 303; Rule 305; Rule 306</p> <p>Rule 303; Rule 308; Rule 309; Rule 403; Rule 702</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>international information-sharing agreements as the Commission may require.</p>	<p>Participant’s systems or equipment. Pursuant to Rule 702, each Participant is required to cooperate with an Exchange investigation by making an appearance and making its books and records available to the Exchange.</p> <p>Rule 404 sets out the minimum financial requirements for Participants that are registered with the Commodity Futures Trading Commission (“CFTC” or the “Commission”). Rule 404 additionally sets out minimum financial requirements for Participants or that are registered with or authorized or supervised by a Regulatory Authority, other than the Commission, as well as for those Participants that are not so registered, authorized or supervised.</p> <p>The terms and conditions of contracts offered to be traded on the Exchange will be set forth on the Exchange’s website. The Exchange will monitor and enforce compliance with these Rules and with its other Rules prohibiting abusive trade practices. Rule 401 and Rule 402 set forth the duties and responsibilities of Participants and Registered Users. These Rules require both Participants and Registered Users to utilize the Exchange’s services in a responsible manner, comply with all Rules of the Exchange, cooperate with Exchange investigations, inquiries, audits, examinations and proceedings, and observe high standards of integrity, market conduct, commercial honor, fair dealing and equitable principles of trade.</p> <p>Chapter 5 of the Rules contains the Exchange’s trade practice rules. The Rules prohibit several forms of prohibited conduct and trade practices including: fraudulent acts (Rule 510), fictitious or noncompetitive transactions (Rule 511), fraudulent or misleading communications (Rule 512), market</p>	<p>Rule 404</p> <p>Rule 401, Rule 402</p> <p>Rules, Chapter 5</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>disruption (Rule 513), market manipulation (Rule 514), misstatements (Rule 520), acts detrimental to the Exchange (Rule 521), misuse of the trading platform (Rule 523), a prohibition on withholding of customer orders (Rule 526), priority of customer orders (Rule 527), trading against customer orders (Rule 528), simultaneous buying and selling orders, including crossing orders (Rule 529), disclosing orders (Rule 530), wash sales (Rule 531) and prearranged, pre-negotiated and noncompetitive trades, including money passes (Rule 534). <i>See also</i> Core Principle 4 (Prevention of Market Disruption).</p> <p>Chapter 5 also includes rules regarding the use of trader IDs (Rule 505), rule violations and just and equitable principles of trade (Rule 509), adherence to law (Rule 516), supervision (Rule 522), recordkeeping (Rule 532), priority of execution (Rule 535), responsibility for customer orders (Rule 536) and discretionary orders (Rule 537). Finally, Rule 515 contains a prohibition on any Participant or any of its Registered Users or Registered Traders from engaging in any trading practice or conduct that would constitute a “disruptive trading practice” as defined in the CEA and CFTC Regulations.</p> <p>Chapter 7 of the Rules sets forth the Exchange’s disciplinary and enforcement process and demonstrates the Exchange’s capacity to detect and investigate rule violations. The Compliance Department, in accordance with Rule 702, has the authority to initiate and conduct inquiries and investigations, prepare investigative reports, make disciplinary recommendations and prosecute violations. In practice, the National Futures Association (“NFA”), acting in its capacity as the Exchange’s Regulatory Services Provider will be primarily responsible for conducting investigations</p>	<p>Rules, Chapter 5</p> <p>Rules, Chapter 7; RSA</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>maintain an automated trade surveillance system capable of detecting potential trade practice violations for further investigation. <i>See also</i> Core Principle 4 (Prevention of Market Disruption). The Exchange shall retain ultimate decision-making authority with respect to any powers or functions that are delegated to NFA. Pursuant to Rule 709(c), the Exchange will maintain exclusive authority over the issuance of disciplinary charges and any denial of access to the Trading Platform for disciplinary reasons. Under Rule 544, the Exchange may, in its absolute and sole discretion, adjust trade prices or cancel any trade if it believes that allowing the trade or trades to stand as executed could have a material, adverse effect on the integrity of the market.</p> <p>Pursuant to Rule 206, the Exchange’s Regulatory Oversight Committee (“ROC”) will assist the Board in monitoring the design, implementation and effectiveness of the Exchange’s programs to promote and enforce compliance with Applicable Law and the Rules. The ROC is responsible for overseeing all facets of the Exchange’s regulatory program and for monitoring to ensure that the Exchange has the capacity to detect and investigate rule violations. The ROC is responsible for supervising the preparation of an annual report assessing the effectiveness, sufficiency and independence of the Exchange’s self-regulatory program. The annual report will: (i) describe the Exchange’s self-regulatory program and its expenses, staffing and structure; (ii) catalogue disciplinary actions taken during the year; and (iii) review the performance of disciplinary committees and panels as well as the performance of the Chief Regulatory Officer. Procedures applicable to the preparation of the annual report are set out in Section 17.2 of the Exchange’s Market Surveillance and</p>	<p>Rule 206; Compliance Manual, Section 17.2</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>Compliance Manual (“Compliance Manual”) provided as <u>Exhibit O-1</u> to the Application.</p> <p>Rule 912 permits the Exchange to enter into information-sharing agreements to coordinate surveillance with other markets on which financial instruments that are similar to the Exchange’s Contracts trade.</p>	<p>Rule 912</p>
<p>Core Principle 3 - Contracts Not Readily Subject to Manipulation: The board of trade shall list on the contract market only contracts that are not readily susceptible to manipulation.</p>	<p>The Exchange proposes to list interest rate Swaps for which the Chicago Mercantile Exchange (“CME”) acts as Derivatives Clearing Organization. See http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls.</p> <p>Interest rate swaps that will be traded on the Exchange are settled in cash by the Derivatives Clearing Organization. The settlement amount is based on the net amount of interest owed between the swap counterparties. The amount of interest owed by each party is calculated on the basis of a reference interest rate applied over a period of time to a notional amount, where the referenced rates, period of time and notional amount are fixed by the relevant swap contract. Each reference rate may be constant or may be determined on the basis of the 1-, 3- or 6-month LIBOR, Euribor, Bank Bill swap rate for U.S. dollar, U.K. pound sterling, Euro or Australian dollar deposits, as well as such other reference rates as may be the subject of interest rate swap clearing by the CME.</p> <p>The fixed terms of a Contract will not be subject to manipulation as they are predetermined by the Derivatives Clearing Organization. To the extent that Contracts are settled based on reference rates that are not fixed, such rates</p>	<p><u>Exhibit N-4</u> – Clearing Services Agreement</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>are also not susceptible to manipulation. As an example, LIBOR refers to a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money interbank market. LIBOR rates are widely used as a reference rate for financial instruments such as interest rate futures and swaps. The British Bankers Association (“BBA”) enlists a panel of banks in which each bank supplies the rate at which it perceives it could be offered funds in the London market in a certain currency and for a certain maturity. Thomson Reuters is the designated calculation agent for the BBA. Thomson Reuters audits the data submitted by panel banks and creates the rates using the definitions provided by BBA’s FX & MM Committee, under the supervision of the BBA. The LIBOR rate produced by Thomson Reuters is calculated by using a trimmed arithmetic mean. Once Thomson Reuters receive submissions from each panel bank, Thomson Reuters ranks them in descending order and then drops the top and bottom quartiles, a process known as “trimming.” The middle two quartiles, reflecting 50% of the quotes, are then averaged to create the LIBOR quote. The BBA drops the bottom and top quartiles, which do not reflect the market rate, in order to increase the accuracy of the LIBOR quotes and limit the ability of any one bank to influence the calculation and affect the LIBOR quote. The market for the Contracts is therefore characterized by profound depth as well as an absence of barriers to delivery.</p> <p>Similarly, the Euro Interbank Offered Rate (“Euribor”) is based on average interest rates established by a panel of European banks that lend and borrow from each other. The Euribor is used as a reference rate for Euro-denominated</p>	

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>forward rate agreements, short-term interest rate futures contracts and interest rate swaps. To establish the Euribor, a panel of banks provide daily quotes of the rate that each panel bank believes one prime bank is quoting to another prime bank for interbank term deposits within the Euro zone, for maturity ranging from one week to one year to Reuters. Reuters determines the published rate by calculating a rounded, truncated mean of the quoted rates after eliminating the highest and lowest 15% of quotes.</p> <p>The Exchange intends to offer the following types of Swaps:</p> <p>1. Fixed /Float Interest Rate Swaps (“IRS”)</p> <p>IRS transactions are transactions in which two parties agree to exchange or swap cash flows in the future. For example, two parties may enter into an IRS to exchange a fixed interest payment for a floating interest payment based on a reference rate. In a single-currency IRS, periodic payments between the counterparties are calculated based on the difference between the fixed and floating rates multiplied by the notional amount. Payments are netted because all cash flows are in the same currency.</p> <p>2. Zero Coupon Swaps</p> <p>Zero coupon (single-period) swaps are interest rate swaps in which the floating rate payments are made periodically while the fixed rate payments are paid in a single lump sum payment, which is typically made when the contract matures. Zero coupon swaps can be structured so that both floating and fixed rate payments are paid as a lump sum.</p> <p>3. Single Currency Basis Swaps</p> <p>A single currency basis swap is an agreement between two</p>	

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>parties to exchange a floating interest payment based on a reference rate for a floating interest payment based on a different reference rate in the same currency. Examples of single currency basis swaps include: (i) one month U.S. Dollar T-Bill for one month U.S. Dollar LIBOR (matches a borrowing rate against a lending rate); and (ii) one month U.S. Dollar LIBOR for three month U.S. Dollar LIBOR (uses floating rates taken from different points on the yield curve).</p> <p>4. Cross Currency Basis Swaps</p> <p>A cross currency basis swap is an agreement between two parties to exchange a floating interest payment based on a reference rate for a floating interest payment based on another reference rate in a different currency. For example, parties may exchange a floating interest payment based on the one month U.S. Dollar LIBOR for a floating interest payment based on the one month Great Britain Pound LIBOR to gain exposure to currency fluctuations.</p> <p>5. Overnight Index Swap (“OIS”)</p> <p>An OIS is an agreement between two parties to exchange a fixed interest payment for a floating interest payment based on the geometric average of an overnight index over every day of the payment period. An OIS is generally a short-term or medium-term instrument with duration as short as a few weeks, but in some cases as long as three or four years.</p> <p>6. Forward Rate Agreement (“FRA”)</p> <p>An FRA is an agreement between two parties to exchange a fixed interest rate payment for a floating interest rate payment based on a reference rate. An FRA is a one-date interest rate swap and a cash settled OTC forward contract. An FRA is</p>	

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>usually a short-term instrument and the most common duration of a FRA is three months. FRAs are usually quoted (A)x(B), with A representing the number of months until the loan is set to begin and B representing the number of months until the loan ends. To find the length of the loan subtract A from B. For example, a 1x4 quote would mean a 3 month loan set to begin 1 month in the future.</p> <p>Although trading on the Exchange will be initially limited to Swaps, the Exchange may subsequently list for trading futures, options, forwards or other products not readily susceptible to manipulation pursuant to Parts 38 and 40 of the Commission’s Regulations.</p> <p>Finally, the Rules restrict trading on the basis of non-public information. In particular, Rule 901 prohibits Exchange officials from trading in Contracts or related contracts absent prior written consent from the Exchange.</p>	
<p>Core Principle 4 - Prevention of Market Disruption:</p> <p>The board of trade shall have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and enforcement practices and procedures, including—</p> <p>(A) methods for conducting real-time monitoring of trading;</p>	<p>Pursuant to Rule 206(b), the ROC will oversee the Exchange’s regulatory program on behalf of the Exchange and has the authority to monitor the sufficiency, effectiveness and independence of the Exchange’s regulatory program. The ROC will oversee all facets of the regulatory program, including: (i) trade practice and market surveillance, 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), and the conduct of investigations; (ii) reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel; (iii) reviewing the performance of the Chief</p>	<p>Rule 206</p>

**GFI FUTURES EXCHANGE LLC
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EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>and</p> <p>(B) comprehensive and accurate trade reconstructions.</p>	<p>Regulatory Officer, who will report directly to the ROC; (iv) maintaining minutes and records of its meetings, deliberations and analyses, including records of all decisions made by the ROC; (v) recommending changes that would ensure fair, vigorous, and effective regulation; (vi) reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation; and (vii) reviewing such other matters and performing such additional activities, within the scope of its responsibilities, as the Board deems necessary or appropriate.</p> <p>Chapter 5 of the Rules sets forth certain prohibited trading practices and specifically proscribes manipulation, price distortion and disruptive trading practices. Chapter 7 of the Rules describes the Exchange’s disciplinary and enforcement procedures, which include inquiries, investigations and disciplinary proceedings. <i>See also</i> Core Principle 2 (Compliance with Rules).</p> <p>The Chief Regulatory Officer, Compliance Department and Regulatory Services Provider will implement the Exchange’s monitoring, surveillance and other enforcement functions, and the ROC will oversee this activity. The Rules, the Compliance Manual, and Regulatory Services Agreement provide the framework for the Exchange’s enforcement activities. As described in greater detail in Section 3 of the Compliance Manual, the Exchange has developed an automated trade surveillance system (an “ATSS”) that captures all trade and order data, including modifications and cancellations. The Regulatory Services Provider uses that data to perform trade practice and market surveillance services and conducts market monitoring for the Exchange on a trade day plus one (“T+1”) basis. The RSP is also responsible for</p>	<p>Rules, Chapters 5 and 7</p> <p>RSA; Compliance Manual, Section 3</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>reviewing the Exchange’s trades on a routine basis to determine whether suspicious activity relating to Exchange’s trading standards exists. The performance of the Regulatory Services Provider’s functions is supervised by the Compliance Department and the Chief Regulatory Officer.</p> <p>The Exchange and its Participants are subject to certain audit trail requirements set out in Rule 532(a) as well as in Section 3.5 of the Compliance Manual, which taken together assure the Exchange’s ability to comprehensively and accurately reconstruct all trading on the Trading Platform. <i>See also</i> Core Principle 10 (Trade Information).</p> <p>Section 3.6 of the Compliance Manual provides the Exchange’s monitoring procedures for cash-settled Contracts. The Exchange monitors the pricing of the index against which the Contract settles as well as the appropriateness of the methodology for deriving the index and has the ability to address circumstances that may threaten market disruption, manipulation and/or distortion. To the extent that the Exchange lists physically settled products for trading, the additional procedures specified in Section 3.6 of the Compliance Manual will apply.</p> <p>Pursuant to Rule 532, Participants that access the Trading Platform are responsible for maintaining records and audit trail information for all electronic Orders. Audit trail information must be maintained for a minimum of five years and Participants must produce audit trail data in a standard format upon request of the Exchange. In addition, Rule 540 requires Clearing Firms to submit large trader reports in a manner proscribed by the Compliance Department. Pursuant to Rule 403(c), each Participant is required to furnish the</p>	<p>Rule 532; Compliance Manual, Section 3.5</p> <p>Compliance Manual, Section 3.6</p> <p>Rule 403; Rule 532; Rule 540</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>Exchange, upon request, with information regarding such Participant’s trading in related derivatives markets as well as in the products underlying the Contracts listed for trading on the Trading Platform.</p> <p>Pursuant to Rule 1001, the trades of each Participant must be guaranteed by a Clearing Firm.</p> <p>Under Rule 401(b), all Orders submitted to the Exchange will be subject to the Participant’s own internal risk limits. This approach requires Participants to monitor and enforce risk controls that are appropriate for their activity. Such risk controls may include: pre-trade limits on order size, price collars or bands around the current price, message throttles, daily price limits or other customized risk controls.</p> <p>Section 10 of the Compliance Manual provides an overview of the Exchange’s trading risk controls, including its procedures to suspend, pause or halt trading when warranted by market conditions. As described in Section 10 of the Compliance Manual, the Exchange will implement trading risk controls, including a maximum quantity limit for any single order, a maximum notional value limit and a price variance warning. These risk controls are designed to avoid market disruptions and interference with the Exchange’s price discovery function. To the extent practicable, the Exchange will coordinate its trading controls with other designated contract markets and with swap execution facilities and national securities exchanges.</p>	<p>Rule 1001</p> <p>Rule 401</p> <p>Compliance Manual, Section 10</p>
<p>Core Principle 5 - Position Limitations or Accountability:</p> <p>(A) <i>In General.</i>—To reduce</p>	<p>Exchange Rules 538-542 set forth the Exchange’s position limit and position accountability rules. Rule 542 establishes position limits, position accountability levels and/or reporting</p>	<p>Rules 538-542; Compliance Manual, Section 12</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators.</p> <p>(B) <i>Maximum Allowable Position Limitation.</i>—For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a), the board of trade shall set the position limitation of the board of trade at a level not higher than the position limitation established by the Commission.</p>	<p>levels for Exchange Contracts. The Exchange will establish position limits for all of its Contracts in accordance with Rule 538 unless the Exchange is permitted to establish position accountability levels pursuant to Rule 539. Detailed procedures regarding the establishment or position limits and position accountability thresholds, as well as the availability of bona fide hedging exemptions and rules relating to aggregation are set out in Section 12 of the Compliance Manual. <i>See also</i> Exchange Rules 538 and 542.</p> <p>No Person may exceed the position limits set forth in the Rules unless an exemption is granted by the Exchange. The Exchange will monitor and enforce compliance with its position accountability and position limit regime through the Regulatory Service Provider’s market surveillance arrangements described in Section 3.3 of the Compliance Manual. The Exchange will sanction Participants for failing to observe their obligations with respect to position limits and/or position accountability levels pursuant to Chapter 7 of the Rules.</p> <p>Rule 540 requires Clearing Firms to submit a daily report of all reportable positions at or above the reportable position level. Clearing Firms are also required to complete CFTC Form 102 (Identification of Special Accounts) identifying the owner, any controlling parties and any additional required information for each reportable account.</p> <p>Pursuant to Rule 911, the Exchange may impose or modify trading limits or position limits or order the reduction of positions in the event of an Emergency. <i>See also</i> Core Principle 6 (Emergency Authority).</p>	<p>Rules, Chapter 7; Compliance Manual, Section 3.3</p> <p>Rule 540</p> <p>Rule 911</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>the Exchange, the Board, any committee of the Board, or an Officer takes actions necessary or appropriate to respond to an Emergency. If the Emergency is related to a Contract that is fungible with financial products traded on another platform, the Exchange will attempt to coordinate its response with any directions received from the Commission or the Commission staff.</p> <p>The Exchange will use reasonable efforts to notify the Commission prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, the Exchange will notify the Commission as soon as reasonably practicable, but in all circumstances within 24 hours of the implementation, modification or termination of such Emergency Rule.</p> <p>Any action taken in respect of an Emergency remains subject to the conflict of interest requirements set out in Exchange Rule 205.</p>	<p>Rule 205</p>
<p>Core Principle 7 - Availability of General Information: The board of trade shall make available to market authorities, market participants, and the public accurate information concerning—</p> <p>(A) the terms and conditions of the contracts of the contract market; and</p> <p>(B)</p> <p>(i) the rules,</p>	<p>The Exchange will post general information, including its contract specifications and the Rules, on the Exchange’s website: www.gfigroup.com. A copy of the Rules, any rule amendments, notices of non-confidential regulatory submissions and new product listings will be made available through the Exchange’s website.</p> <p>Pursuant to Rule 311, the Exchange will publish a notice for each addition to, modification of or clarification of the Rules or of any action taken to implement any of the Rules. Any such notice will be published on the Exchange’s website in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to</p>	<p>Rule 311; Compliance Manual, Section 11.3</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>regulations, and mechanisms for executing transactions on or through the facilities of the contract market; and</p> <p>(ii) the rules and specifications describing the operation of the contract market's—</p> <p style="padding-left: 40px;">(I) electronic matching platform; or</p> <p style="padding-left: 40px;">(II) trade execution facility.</p>	<p>implement any necessary preparatory measures to be taken by it prior to the effective date of the rule change; provided that any failure of the Exchange to publish such a notice will not affect the effectiveness of the amended rule. In addition to the foregoing, the Exchange will also ensure that applicable specifications relating to the operation of the Trading Platform are made publicly available on the Exchange's website. <i>See also</i> Section 11.3 of the Compliance Manual.</p> <p>Section 11.2 of the Compliance Manual implements the Commission's transparency requirements and obliges the Exchange to make the following information publicly available: (i) the Exchange's operating agreement; (ii) the charters of the Board, the ROC, the Participation Committee and the Nominating Committee; (iii) the process for nominating Board members and for allocating membership of the ROC, the Participation Committee and the Nominating Committee; (iv) the names of all members of the Board, the ROC, the Participation Committee and the Nominating Committee and whether such member is a Public Director; (v) an organization chart of the Exchange indicating the lines of responsibility and accountability for each operational unit; and (vi) summaries of all decisions relating to access, membership, and disciplinary procedures.</p> <p>A technical overview of the Trading Platform will be posted on the Exchange's website and is provided in <u>Exhibit Q-1</u>.</p>	<p>Compliance Manual, Section 11.2</p>
<p>Core Principle 8 - Daily Publication of Trading Information: The board of trade shall make public daily information on settlement prices, volume, open</p>	<p>The Exchange will publish daily information on settlement prices, volume and opening and closing ranges for actively traded Contracts on its website. The Exchange will also publish open interest information on its website for Contracts</p>	

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>interest, and opening and closing ranges for actively traded contracts on the contract market.</p>	<p>that are traded exclusively on the Exchange.</p> <p>In addition, the Exchange will publish the total quantity of Block Trades that are included in trading volume for each trading day.</p>	
<p>Core Principle 9 - Execution of Transactions:</p> <p>(A) <i>In General.</i>—The board of trade shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade.</p> <p>(B) <i>Rules.</i>—The rules of the board of trade may authorize, for bona fide business purposes—</p> <ul style="list-style-type: none"> (i) transfer trades or office trades; (ii) an exchange of— <ul style="list-style-type: none"> (I) futures in connection with a cash commodity transaction; (II) futures for cash commodities; 	<p>As described in Rule 508, all Orders submitted to the Trading Platform will be matched in accordance with one or more algorithms, except for transfer trades and Block Trades. Rule 506 specifies the types of Orders that will be accepted by the Trading Platform and Rule 507 governs the submission of Orders by Participants, their Registered Users and Registered Traders.</p> <p>Chapter 6 describes the Rules governing negotiated transactions. Rule 601 permits block trades as long as the following conditions are met: (i) parties to a Block Trade to be Eligible Contract Participants (“ECPS”); (ii) the quantity of a Block Trade to exceed the minimum block size; (iii) customer consent prior to entering into a Block Trade; (iv) aggregation of different Orders to achieve the minimum block size is prohibited unless otherwise permitted under Applicable Law; (v) the price at which a Block Trade is executed is fair and reasonable in light of (a) the size of the Block Trade, (b) the prices and sizes of other transactions in the same contract at the relevant time, (c) the prices and sizes of transactions in other relevant markets, including the related swap markets, at the relevant time, and (d) the circumstances of the markets or the Participants to the Block Trade; (vi) the Block Trade is submitted to the Exchange without delay upon execution of the trade, in no event later than fifteen minutes after execution via an approved submission method; and (vii) written or electronic records of all such Block Trades are maintained,</p>	<p>Rules 506-508</p> <p>Rules, Chapter 6</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p style="text-align: center;">or</p> <p style="text-align: center;">(III) futures for swaps; or</p> <p style="text-align: center;">(iii) a futures commission merchant, acting as principal or agent, to enter into or confirm the execution of a contract for the purchase or sale of a commodity for future delivery if the contract is reported, recorded, or cleared in accordance with the rules of the contract market or a derivatives clearing organization.</p>	<p>including an electronic timestamp reflecting the date and time each such Order was received as well as an electronic timestamp reflecting the date and time such Order was executed or cancelled.</p> <p>Subject to certain limitations related to concurrent long and short positions, Rule 1007 permits transfer trades from one Clearing Firm to another Clearing Firm provided: (i) the transfer merely constitutes a change from one account to another account, provided the underlying beneficial ownership in said accounts remains the same; or (ii) an error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two Business Days after the trade date. Transfers are also permitted in connection with a merger, asset purchase, consolidation or similar non-recurring transaction. Transfer trades may be transacted in accordance with the rules of the applicable Derivatives Clearing Organization.</p> <p>The Exchange will conduct periodic objective testing and review of the Trading Platform to ensure it is reliable, secure and scalable as described in <u>Exhibit V-1</u> and the Technology Questionnaire. <i>See also</i> Section 16.4 of the Compliance Manual.</p>	<p style="text-align: center;">Rule 1007</p>
<p>Core Principle 10 - Trade Information: The board of trade shall maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use</p>	<p>The Exchange will maintain all information with respect to each order (whether or not such order results in a consummated trade) and each consummated trade, as well as all other information relating to the trade environment that determines the matching and clearing of trades (<i>e.g.</i>, information from Clearing Firms indicating the number and types of Contracts such Clearing Firms will clear for Participants). As such, any order submitted to the Trading</p>	

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>the information—</p> <p>(A) to assist in the prevention of customer and market abuses; and</p> <p>(B) to provide evidence of any violations of the rules of the contract market.</p>	<p>Platform can be tracked from the time it is entered into the system until the time that it is matched, canceled or otherwise removed.</p> <p>Participants are required under Rule 532 to keep a complete audit trail containing specified data fields in respect of all electronic Orders submitted to the Trading Platform and are required to produce such data in a standard format upon request by the Exchange. <i>See also</i> Section 9.7 of the Compliance Manual.</p> <p>Pursuant to Section 7.2 of the Compliance Manual, the Regulatory Services Provider conducts annual reviews of the Exchange’s audit trail arrangements to assess compliance by Participants, Registered Users and Registered Traders with the requirements set out above. Participants that have demonstrated deficiencies in complying with the audit trail requirements may be subject to enforcement actions and possible sanctions in order to deter future violations. <i>See also</i> Core Principle 13 (Disciplinary Procedures).</p> <p>Procedures relating to Data Retention are contained in <u>Exhibit S</u> to this Application.</p>	<p>Rule 532</p> <p>Compliance Manual, Section 7.2</p>
<p>Core Principle 11 - Financial Integrity of Transactions: The board of trade shall establish and enforce—</p> <p>(A) rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market (including the clearance and</p>	<p>The Exchange has entered into a clearing arrangement with CME as provided in the Clearing Services Agreement dated as of February 21, 2013, as amended, between CME and the Exchange (<u>Exhibit N-4</u>).</p> <p>Under Rule 1001, a Clearing Firm that seeks to effect transactions on the Trading System for its own account or the account of any Customer must be a Participant. Under Rule 1002, each Participant that is not a Clearing Firm and desires to enter into transactions in Contracts must obtain the prior</p>	<p>Clearing Services Agreement</p> <p>Rule 1001; Rule 1002; Rule 1005</p> <p><u>Exhibit N-7</u> – Clearing Firm Authorization</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>settlement of the transactions with a derivatives clearing organization); and</p> <p>(B) rules to ensure—</p> <p style="padding-left: 40px;">(i) the financial integrity of any—</p> <p style="padding-left: 80px;">(I) futures commission merchant; and</p> <p style="padding-left: 80px;">(II) introducing broker; and</p> <p style="padding-left: 40px;">(ii) the protection of customer funds.</p>	<p>authorization from a Clearing Firm who will guarantee such transactions, or enter into an appropriate arrangement with a Person that has such an authorization from a Clearing Firm. The Clearing Firm Authorization is attached as <u>Exhibit N-7</u>.</p> <p>Rule 1005 provides that clearing services provided by a Derivatives Clearing Organization with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts, will be governed by the rules of the Derivatives Clearing Organization.</p> <p>Rule 302 subjects Participants to disciplinary measures for violating applicable registration requirements. In addition, Rule 404 requires Participants that are registered with a Regulatory Authority to comply with the minimum financial and financial reporting requirements of the Regulatory Authority. The Rule also requires contemporaneous submission of any such reports to the Exchange or its Regulatory Services Provider.</p> <p>Rule 404 requires a Participant that is not registered with the Commission to submit annual audited financial statement certified by a certified independent public accountant (or a person similarly qualified if outside the United States) within 90 days of such Participant’s fiscal year-end.</p> <p>Under Rule 406, any Participant that is required to be registered with the Commission must comply with the Applicable Law related to the treatment of Customer funds and the maintenance of books and records with respect to Customer funds. Section 13.2 of the Compliance Manual sets out the Exchange’s financial surveillance policies that are designed to ensure that Participants meet the Exchange’s</p>	<p>Rule 302; Rule 404</p> <p>Rule 404</p> <p>Rule 406, Rule 409; Rule 411; Compliance Manual, Section 13.2</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>minimum financial standards on an ongoing basis.</p> <p>In addition, Participants handling customer Orders are subject to specific requirements in connection with such Orders that are set out in Rule 409, and to specific Rules prohibiting certain trade practices as described in Core Principle 2 (Compliance with Rules). Participants that are registered as FCMs must further comply with the customer margin requirements described in Rule 411.</p> <p>The Trading Platform will permit Participants and/or Clearing Firms to set real-time risk limits. <i>See</i> Core Principle 4 (Prevention of Market Disruption). Participants and Clearing Firm are required to monitor and enforce compliance with risk limits, and the Trading Platform will prevent the execution of orders that would exceed such limits.</p> <p>Section 13.2 of the Compliance Manual provides the Exchange’s policies and procedures for ensuring that Participants comply with the minimum financial standards and for monitoring member financial soundness.</p>	<p>Compliance Manual, Section 13.2</p>
<p>Core Principle 12 - Protection of Markets and Market Participants: The board of trade shall establish and enforce rules—</p> <p>(A) to protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and</p>	<p>As described in Section 3 of the Compliance Manual and in the Regulatory Services Agreement, the Exchange and the Regulatory Services Provider will conduct a market surveillance and trade practice monitoring program. <i>See also</i> Core Principle 4 (Prevention of Market Disruption). The Exchange and the Regulatory Services Provider will develop an integrated real-time market monitoring system. The Exchange maintains ultimate responsibility for market surveillance.</p> <p>Chapter 5 of the Rules protects the market and market participants from abusive, disruptive, fraudulent,</p>	<p>Compliance Manual, Section 3; RSA</p> <p>Rules, Chapters 5 and 7</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>(B) to promote fair and equitable trading on the contract market.</p>	<p>noncompetitive and unfair conduct and trade practices. Improper conduct and trade practices will be investigated and adjudicated as described in Chapter 7 of the Rules.</p> <p>The Exchange may share certain automated systems and information technology resources relating to transactions in swaps, including access to a common electronic trading platform, with an affiliate that is registered as a swaps execution facility (“SEF”). Pursuant to Section 8.1 of the Compliance Manual, it is the Exchange’s policy that, to the extent that any such resources relating to transactions in Contracts are shared, persons accessing the Trading Platform will be made aware that they are transacting swaps on the Exchange rather than on the SEF. The Exchange also has policies that prohibit the listing for trading of Contracts relating to certain events and that require a jurisdictional determination in connection with certain novel derivative products. <i>See</i> Sections 5.2.12 and 5.2.13 of the Compliance Manual.</p> <p><i>See also</i> Core Principle 2 (Compliance with Rules); Core Principle 4 (Prevention of Market Disruption); Core Principle 8 (Daily Publication of Trading Information); Core Principle 9 (Execution of Transactions); and Core Principle 13 (Disciplinary Procedures).</p>	<p>Compliance Manual, Section 8.1</p>
<p>Core Principle 13 - Disciplinary Procedures: The board of trade shall establish and enforce disciplinary procedures that authorize the board of trade to discipline, suspend, or expel members or market participants</p>	<p>Core Principle 2 (Compliance with Rules) describes the Exchange’s procedures for ensuring that the Exchange has adequate enforcement staff, and the Exchange’s general procedures for inquiries, investigations and warning letters. Chapter 7 of the Rules describes the disciplinary procedures of the Exchange. Following an investigation, if the Regulatory Services Provider does not have reason to believe</p>	<p>Rules, Chapter 7</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>that violate the rules of the board of trade, or similar methods for performing the same functions, including delegation of the functions to third parties.</p>	<p>that the inquiry or investigation should be forwarded to the Exchange, the Regulatory Services Provider will close the inquiry or investigation internally and shall notify the Chief Regulatory Officer accordingly. Alternatively, if the Regulatory Services Provider has reason to believe that the inquiry or investigation requires further review by the Exchange, the Regulatory Services Provider will prepare a written report summarizing its investigative findings and forward such report to the Chief Regulatory Officer, who may forward the report to a Review Panel. Under Rule 704, if the Review Panel authorizes Disciplinary Proceedings, the Compliance Department will prepare a notice of charges in accordance with Rule 707.</p> <p>Under Rule 705, the notice of charges must: (i) adequately state the acts, practices or conduct that the respondent is alleged to have engaged in; (ii) state the provision(s) of Applicable Law alleged to have been violated or about to be violated; (iii) advise the respondent of its right to a hearing; (iv) state the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges; (v) advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and (vi) advise the respondent that a failure to answer or to expressly deny a charge may be deemed to be an admission of such charge. Rule 705 explicitly provides that the respondent has the right to counsel after it is served with the notice of charges.</p> <p>To answer the notice of charges, under Rule 706, the Participant must: (i) specify the allegations that it denies or</p>	<p>Rule 705</p> <p>Rule 706</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>admits; (ii) specify the allegations that it does not have sufficient information to either deny or admit; (iii) specify any specific facts that contradict the notice of charges; (iv) specify any affirmative defenses to the notice of charges; and (v) sign and serve the answer on the Hearing Panel. If a respondent admits or fails to deny any of the allegations in the notice of charges, the Hearing Panel shall find that the violations set forth in the allegations have been committed and shall impose a sanction for each violation.</p> <p>Pursuant to Rule 708, the respondent may propose in writing an offer or settlement to anticipated Disciplinary Proceedings any time after the issuance of the notice of charges. The appropriate Disciplinary Panel will determine whether to accept the offer. If an offer is accepted the panel accepting the offer must issue a written decision specifying the rule violations believed to be committed and the basis of the decision. Such written decision may include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the rule violations.</p> <p>Rules 709, 710, 711, 712 and 713 establish procedures for the formation of the Hearing Panel, convening of a Disciplinary Proceeding, respondent review of evidence, conducting hearings and decisions of the Hearing Panel. Rule 716 provides appeal procedures that allow the respondent to appeal an adverse decision of the Hearing Panel to an Appeal Panel.</p> <p>Under Rule 718, the Exchange may impose a sanction, including suspension of the Participant’s right to access the Trading Platform, if the Exchange reasonably believes such immediate action is necessary to protect the best interest of</p>	<p>Rule 708</p> <p>Rule 709-713; Rule 716</p> <p>Rule 718</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>the marketplace. If practicable, the Exchange will serve the party against whom the action is contemplated with written notice. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The respondent shall have the right to be represented by legal counsel, or any other representative of its choosing at its own expense, in all proceedings subsequent to the emergency action.</p>	
<p>Core Principle 14 - Dispute Resolution: The board of trade shall establish and enforce rules regarding, and provide facilities for alternative dispute resolution as appropriate for, market participants and any market intermediaries.</p>	<p>Chapter 8 of the Rules provides for the resolution of disputes between or among Participants, Registered Users and/or Registered Traders arising from any Contract or one or more transactions made or to be made on the Trading Platform or subject to the Exchange Rules. Pursuant to the Regulatory Services Agreement, NFA will conduct such arbitrations pursuant to NFA’s member arbitration rules, as if each party to such arbitration was an “NFA Member.” Chapter 8 of the Rules additionally provides for the resolution of disputes between Participants and Customers arising from any Contract or one or more transactions made or to be made on the Trading Platform or subject to the Exchange Rules. Pursuant to the Regulatory Services Agreement, NFA will conduct such arbitrations pursuant to NFA’s customer arbitration rules. The Exchange believes that the NFA’s arbitration programs satisfy the criteria set forth in Appendix B to Part 38.</p> <p>The Exchange’s arbitration rules do not apply to disputes between Participants that: (i) such Participants are required by the rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory</p>	<p>Rules, Chapter 8</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>Organization; or (ii) such Participants have, by valid and binding agreement, committed to arbitrate or litigate in a forum other than NFA.</p>	
<p>Core Principle 15 - Governance Fitness Standards: The board of trade shall establish and enforce appropriate fitness standards for directors, members of any disciplinary committee, members of the contract market, and any other person with direct access to the facility (including any party affiliated with any person described in this paragraph).</p>	<p>The Rules provide fitness standards and eligibility requirements for Persons involved in the governance of, and persons trading on, the Exchange. Rule 203 provides fitness standards and eligibility criteria for Directors, Officers, members of a Disciplinary Panel, Appeal Panel or any other disciplinary committee, arbitration panel or oversight panel of the Exchange, and any Person holding a 10% or greater ownership interest in the Exchange. The Exchange has a policy requiring the foregoing persons to provide supporting documentation that substantiates such person's compliance with the applicable standards. <i>See</i> Section 17.6 of the Compliance Manual.</p> <p>Participants, Registered Users and Registered Traders will be subject to eligibility standards provided in Rules 302, 308 and 309, respectively. Under Rule 303, each prospective Participant is required to complete an application, which will be used to verify that the Participant meets the eligibility criteria. Rules 308 and 309 require each Registered User and Registered Trader to meet the eligibility criteria on an ongoing basis. Section 9.2 of the Compliance Manual allows the Compliance Department to obtain supporting information from Participants, Registered Users and any other Person with direct access to ensure that they meet the Exchange's fitness standards and eligibility requirements.</p> <p>The Exchange verifies at least annually that the foregoing fitness standards are met. Fitness reports are submitted to the Legal Department and a report containing such information</p>	<p>Rule 203; Compliance Manual, Section 17.6</p> <p>Rule 302; Rule 303; Rule 308; Rule 309; Compliance Manual, Section 9.2</p> <p>Compliance Manual, Section 7.7</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	will be provided to the CFTC. <i>See</i> Section 7.7 of the Compliance Manual.	
<p>Core Principle 16 - Conflicts of Interest: The board of trade shall establish and enforce rules—</p> <p>(A) to minimize conflicts of interest in the decision making process of the contract market; and</p> <p>(B) to establish a process for resolving conflicts of interest described in subparagraph (A).</p>	<p>Rule 201 minimizes conflicts of interest by requiring that, at all times, not less than 35% of the Directors (and no fewer than two individuals) are Public Directors. In addition, Rule 201 requires the Exchange to establish an ROC that is composed solely of Public Directors. The ROC will oversee the Exchange’s regulatory program and review the performance of the Chief Regulatory Officer on behalf of the Board. Rule 209 also requires a written report to be sent to the CFTC in the event that the Board rejects a recommendation of, or supersedes an action of, the ROC.</p> <p>Rule 205 provides the Exchange rules for minimizing and resolving conflicts of interest. Under Rule 205, no member of the Board or any Disciplinary Panel, Hearing Panel, Appeal Panel or any other disciplinary committee of the Exchange will participate in such body’s deliberations and voting on any significant action if such member: (i) is a named party in interest; (ii) is an employer, employee or fellow employee of a named party in interest; (iii) has any other significant, ongoing business relationship with a named party in interest; (iv) has a family relationship with a named party in interest; or (v) has a direct and substantial financial interest in the result of the vote. Rule 205 also requires documentation of all conflicts of interest and establishes a process for resolving conflicts of interest.</p> <p>Rule 204 limits the use and disclosure of material, non-public information gained in connection with a member’s participation on the Board or any committee for any purpose other than the performance of his or her official duties as a</p>	<p>Rule 201; Rule 209</p> <p>Rule 205</p> <p>Rule 204</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>member of the Board or committee. In addition, Section 6 of the Compliance Manual set out the Exchange’s policies regarding the use of data collected in connection with its regulatory obligations.</p> <p>Pursuant to Rule 709 and Rule 716, a respondent may seek to disqualify any individual named to a Hearing Panel and Appeal Panel due to a conflict of interest or for any other reasonable grounds.</p> <p><i>See also</i> Core Principle 2 (Compliance with Rules); Core Principle 4 (Prevention of Market Disruption); and Core Principle 17 (Composition of Governing Boards of Contract Markets).</p>	<p>Rule 709; Rule 716</p>
<p>Core Principle 17 - Composition of Governing Boards of Contract Markets: The governance arrangements of the board of trade shall be designed to permit consideration of the views of market participants.</p>	<p>Organizational documents, including the Limited Liability Company Agreement of GFI Futures Exchange LLC (the “Exchange LLC Agreement”), are provided in <u>Exhibit G</u>. Pursuant to the Exchange LLC Agreement, the Board of Directors shall consist of five directors, two of whom will be Public Directors as defined in Commission Regulations. As such, 40% of the Board of Directors will be Public Directors. It is the Exchange’s policy that the Board conduct an annual self-review, including a self-assessment by each Board member, and such review may from time to time include an external assessment. <i>See</i> Section 7.4 of the Compliance Manual.</p> <p>Pursuant to Rule 206, the Board has the three following standing committees: the ROC, Nominating Committee and Participation Committee. The charters for these Committees are attached as <u>Exhibits C-1</u>, <u>C-2</u>, and <u>C-3</u>.</p> <p>As described in Rule 206, the ROC, which consists solely of</p>	<p>Compliance Manual, Section 7.4</p> <p>Rule 206</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>Public Directors, oversees the Exchange’s regulatory program on behalf of the Board. <i>See</i> Core Principle 2 (Compliance with Rules).</p> <p>As described in Rule 206, the Nominating Committee consists of a majority of Public Directors and will be chaired by a Public Director. The Nominating Committee shall: (i) annually nominate directors for the class of directors standing for election at the annual meeting of the Exchange for that year; and (ii) periodically review the organization and governance structure of the Exchange, and make such recommendations to the Board with respect thereto as it may deem appropriate. The Exchange also adopted a process to solicit comments on nominees from Participants.</p> <p>As described in Rule 206, the Participation Committee consists of at least 35% Public Directors. The Participation Committee shall: (i) determine the eligibility standards and requirements for initial and continuing participation in the Exchange; (ii) approve rules that would result in different categories or classes of participants receiving access to the Exchange; and (iii) review appeals of staff denials of Participant applications.</p> <p>The Participation Committee may not, and may not permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.</p> <p>The initial composition contemplated for the Board is described further in <u>Exhibit B</u>. Fitness standards applicable to members of the Board are described in <u>Exhibit C</u>.</p>	<p>Rule 206</p> <p>Rule 206</p> <p>Rule 206</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>swap transactions. <i>See also</i> Sections 14.2, 14.3 and 15.3 of the Compliance Manual. The Exchange also maintains records in connection with its financial surveillance program.</p> <p>The Regulatory Services Provider generates records relating to the provision of services pursuant to the Regulatory Services Agreement. Such records are maintained in accordance with the CEA and Commission Regulations, and will be provided to the Exchange and the Commission upon request.</p> <p><u>Exhibit S</u> describes the procedures for maintaining trade data for transactions on the Exchange. In addition, the Exchange maintains records of Board meetings in accordance with the Exchange LLC Agreement.</p>	RSA
<p>Core Principle 19 - Antitrust Considerations: Unless necessary or appropriate to achieve the purposes of this Act, the board of trade shall not—</p> <p>(A) adopt any rule or taking any action that results in any unreasonable restraint of trade; or</p> <p>(B) impose any material anticompetitive burden on trading on the contract market.</p>	<p>The Exchange’s Rules and policies have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on the Exchange.</p> <p>The Exchange will not require Participants to acquire an equity interest in the Exchange and access will be available to a broad number of Participants. As set forth in Core Principle 2 (Compliance with Rules), the Exchange will not restrict access or impose burdens on access in a discriminatory manner within each category or class of Participants or between similarly-situated categories or classes of Participants. The Trading Platform matches orders based on an algorithm, which does not discriminate between different categories or classes of Participants. Moreover, the Exchange will make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market. <i>See</i> Section</p>	Compliance Manual, Section 3.8

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
	<p>3.8 of the Compliance Manual. Trading information will be published on the Exchange website at the end of the day.</p> <p><i>See also</i> Core Principle 8 (Daily Publication of Trading Information) and Core Principle 9 (Execution of Transactions).</p>	
<p>Core Principle 20 - System Safeguards: The board of trade shall:</p> <p>(A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and the development of automated systems, that are reliable, secure, and have adequate scalable capacity;</p> <p>(B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for the timely recovery and resumption of operations and the fulfillment of the responsibilities and obligations of the board of trade; and</p> <p>(C) periodically conduct tests to verify that backup resources are sufficient to ensure continued order processing and trade matching,</p>	<p>The Exchange has developed a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and the development of automated systems that are reliable, secure, and have adequate scalable capacity. This program is described in <u>Exhibit V-1</u> (Technology Questionnaire), which includes information regarding the security of those systems, the Exchange’s risk assessment reviews, internal controls for operations, functional testing, security testing and capacity planning and testing.</p> <p><u>Exhibit V-1</u> also describes the Exchange’s emergency plan and includes a description of the back-up systems and emergency procedures that include recovery time objectives. Under the emergency plan, the Exchange has procedures to conduct failover tests twice a year to ensure that backup resources are sufficient to ensure continued order processing and trade matching, price reporting, market surveillance, and maintenance of a comprehensive and accurate audit trail.</p> <p>In addition, Rule 911 authorizes the Exchange to adopt and implement Emergency Rules. <i>See also</i> Core Principle 6.</p> <p><i>See</i> <u>Exhibit V-1</u> – Technology Questionnaire. <i>See also</i> Section 16 of the Compliance Manual.</p>	<p><u>Exhibit V-1</u> – Technology Questionnaire</p> <p>Rule 911</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
price reporting, market surveillance, and maintenance of a comprehensive and accurate audit trail.		
<p>Core Principle 21 - Financial Resources:</p> <p>(A) <i>In General.</i>—The board of trade shall have adequate financial, operational, and managerial resources to discharge each responsibility of the board of trade.</p> <p>(B) <i>Determination of Adequacy.</i> — The financial resources of the board of trade shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the contract market to cover the operating costs of the contract market for a 1-year period, as calculated on a rolling basis.</p>	<p>The Exchange has adequate financial, operational, and managerial resources to discharge each responsibility of the Exchange. As required by Commission Regulations, the Exchange will calculate its financial resources to ensure that the amount of such resources are sufficient (and sufficiently liquid) to cover its operating costs for a one-year period, as calculated on a rolling basis. In preparing these financial resources calculations, the Exchange will apply “haircuts” to the market value of certain resources where appropriate to reflect market and credit risk, and the ROC may require that the value of financial resources be calculated more often than monthly if the ROC determines that doing so is necessary or advisable. The Exchange will submit monthly reports of its financial resources calculations to the Commission. <i>See also</i> Section 13.3 of the Compliance Manual.</p>	<p>Compliance Manual, Section 13.3</p>
<p>Core Principle 22 - Diversity of Board of Directors: The board of trade, if a publicly traded company, shall endeavor to recruit individuals to serve on the board of directors and the other decision-</p>	<p>Not applicable.</p>	<p>Not applicable.</p>

**GFI FUTURES EXCHANGE LLC
CORE PRINCIPLES COMPLIANCE CHART
EXHIBIT L-1**

CONTRACT MARKET CORE PRINCIPLES	DESCRIPTION OF COMPLIANCE	RELEVANT REFERENCES
<p>making bodies (as determined by the Commission) of the board of trade from among, and to have the composition of the bodies reflect, a broad and culturally diverse pool of qualified candidates.</p>		
<p>Core Principle 23 - Securities and Exchange Commission: The board of trade shall keep any such records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>