

EXHIBIT L
SWAP EXECUTION FACILITY APPLICATION FOR REGISTRATION
COMPLIANCE WITH CORE PRINCIPLES¹

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
Core principle 1 - Compliance with core principles	<p>(a) In general. To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with—</p> <p>(1) All core principles described in Section 5h of the Act; and</p> <p>(2) Any requirement that the Commission may impose by rule or regulation pursuant to Section 8a(5) of the Act.</p> <p>(b) Reasonable Discretion of a Swap Execution Facility. Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in paragraph (a) of this section shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles described in Section 5h of the Act.</p>	See generally Javelin SEF’s Swap Execution Facility Application for Registration dated August 2, 2013 and the Exhibits thereto (the “ <u>Application</u> ”).	All materials submitted with the Application.
Core principle 2 - Compliance with rules	A swap execution facility shall: (A) establish and enforce compliance with any rule of the swap execution facility, including-(i) the terms and conditions of the swaps traded or	Javelin SEF has established rules and procedures reasonably designed to ensure compliance with section 5(h) of the Commodity Exchange Act ("CEA") and the rules of the Commodity Futures Trading Commission ("CFTC") including procedures to be used in entering and executing orders traded	Rulebook – Exhibit M Rule 203 - Emergency Authority Rule 402 - Compliance with the Rules

¹ References herein to a “Rule” refer to the applicable rule in the rulebook submitted as Exhibit M (the “Rulebook”). Terms used but not defined herein have the meanings assigned to them in the Rulebook.

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	<p>processed on or through the swap execution facility; and (ii) any limitation on access to the swap execution facility;</p> <p>(B) establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means-</p> <p>(i) to provide market participants with impartial access to the market; and</p> <p>(ii) to capture information that may be used in establishing whether rule violations have occurred;</p>	<p>on Javelin SEF. Javelin SEF fulfills its compliance with the CEA, CFTC rules and Javelin SEF rules through oversight by its Regulatory Oversight Committee ("ROC"), Chief Compliance Officer ("CCO") and Compliance Department.</p> <p>The Javelin SEF Compliance Department is under the supervision of the CCO. The CCO and the Compliance Department monitor Javelin SEF's compliance with all regulatory, legal, and internal rules, policies and procedures. The CCO is appointed by the Javelin SEF Board. The CCO has available to her the resources to develop and enforce policies and procedures necessary to fulfill her duties as CCO and as required under CFTC regulations. The ROC oversees Javelin SEF's regulatory program on behalf of the Board. The ROC has the authority, among other things, to (1) monitor the Javelin SEF's regulatory program for sufficiency, effectiveness and independence and (2) oversee all facets of Javelin SEF's regulatory program, including trade practice and market surveillance with respect to Participants. The CCO is required to meet with the ROC at least quarterly.</p> <p>The Compliance Department may perform or the Javelin SEF may contract with a regulatory service provider to perform certain surveillance, investigative, and regulatory functions under Javelin SEF Rules. Javelin SEF retains ultimate decision-making responsibility with respect to any functions contracted to any regulatory service provider. The Compliance Department or regulatory service provider may review Javelin SEF trades on a routine basis to determine whether suspicious activity relating to Javelin SEF's trading standards exists. Initially, Javelin SEF does not intend to use a regulatory service provider.</p> <p>The Compliance Department will be responsible for monitoring</p>	<p><i>Compliance Manual - Exhibit - O</i> Generally</p> <p><i>Javelin SEF Application</i> Participation Agreement, Section 1</p> <p><i>Rulebook – Exhibit M</i> Rule 216 - Regulatory Oversight Committee Rule 217 - Disciplinary Committee Rule 312 - Suspension and Termination of Participant Status Rule 509 - Real-Time Market Monitoring Chapter 7 - Business Conduct</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>overall activity on its market on a real-time basis. The Compliance Department will collect and evaluate data on trading activity, tracking specific traders, and monitoring pricing and volume.</p> <p>The Compliance Department, directly or indirectly through a regulatory service provider, will be primarily responsible for performing most of the investigatory work relating to trade practice and market surveillance inquiries and investigations. The Compliance Department may conduct preliminary inquiries of potential irregularities or clearing exceptions and request information from Participants and Clearing Houses.</p> <p>If, after the preliminary inquiry, the Compliance Department has reason to believe that further investigation is required, the Compliance Department shall open a case matter and conduct further investigations. In conducting this investigation, the Compliance Department may engage in certain activities, including but not limited to the following (1) request documents; (2) conduct trader interviews, which at the Compliance Department’s discretion, may be conducted under oath; (3) review other trade activity; and (4) gather any additional information that it deems necessary.</p> <p>In addition, the Compliance Department will also conduct inquiries and investigations relating to real-time surveillance, trade practice and market surveillance.</p> <p>The Compliance Department's investigations are governed by Chapter 7 of the Rule book. Chapter 7 governs disciplinary proceedings, including the initiation and adjudication proceedings. The ROC will appoint individuals to serve on a</p>	

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>Disciplinary Panel.</p> <p>Javelin SEF has the ability to actively monitor trading activity and Participants in order to prevent market manipulation, and has requirements to ensure that Participants maintain and make available information regarding their trading activity. After consultation with the Chief Compliance Officer, the Regulatory Oversight Committee, may revoke, suspend, limit, condition, restrict, or qualify the trading privileges of any Participant as result of (i) their statutory disqualification, (ii) the reasonable belief that immediate action is required to protect the public or Participants; or (iii) the nonpayment of disciplinary fines (“Summary Proceeding”).</p> <p>The Scila Surveillance System (“Scila”), a product of Cinnober Financial Technology AB (“Cinnober”) is an automated trade surveillance system that is capable of detecting potential trade practice violations. Javelin SEF shall load and process orders and trades into Scila no later than 24 hours after completion of the trading day. Scila has the ability to detect and flag specific trade execution patterns and trade anomalies; compute, retain, and compare trading statistics; compute trade gains, losses, and swap equivalent positions; reconstruct the sequence of market activity; perform market analysis; and support system users to perform in-depth analysis of trade related data. An over view of Scila is provided in Exhibit 1 to the contract between Javelin SEF and Cinnober , effective August 1, 2013.</p>	
	A swap execution facility shall: (C) establish rules governing the operation of the facility, including rules specifying trading procedures to	Chapter 5 of the Rulebook establishes rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades.	Rulebook – Exhibit M Chapter 5 – Trading Practices and SDR Reporting

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	<p>be used in entering and executing orders traded or posted on the facility, including block trades; and</p> <p>A swap execution facility shall: (D) provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section 2(h) of the CEA, the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of the CEA.</p>	<p>Rule 601 provides that all Trades executed on Javelin SEF shall be subject to the rules, policies and procedures of such Clearinghouse, the Javelin SEF Rules and applicable law. Clearing Members registered with Javelin SEF shall provide such clearing services as are necessary to process and guarantee Trades as provided by Chapter 6 of the Javelin SEF Rulebook. Javelin SEF shall route Matched Orders to the Clearinghouse in a manner acceptable to the Clearinghouse for the purposes of facilitating the processing of Matched Orders for clearing in a prompt, efficient and accurate manner, in compliance with applicable law.</p>	<p><i>Rulebook – Exhibit M</i> Rule 601 - General</p>
Core principle 3 - Swaps not readily susceptible to manipulation	<p>The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.</p>	<p>Chapter 5 of the Rulebook establishes rules regarding trading practices and SDR reporting such that only swaps that are not readily susceptible to manipulation are trading. Javelin SEF has established Emergency Rules to maintain markets with fair and orderly trading and to prevent or address manipulation or disruptive trading practices.</p>	<p><i>Rulebook – Exhibit M</i> Rule 203 - Emergency Authority Chapter 5 – Trading Practices and SDR Reporting</p>
Core principle 4 - Monitoring of trading and trade processing	<p>The swap execution facility shall- (A) establish and enforce rules or terms and conditions defining, or specifications detailing-(i) trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (ii) procedures for trade processing of swaps on or through the facilities of the swap execution facility; and</p>	<p>Chapter 5 of the Rulebook establishes rules regarding (i) trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (ii) procedures for trade processing of swaps on or through the facilities of the swap execution facility</p>	<p><i>Rulebook – Exhibit M</i> Chapter 5 – Trading Practices and SDR Reporting</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	<p>The swap execution facility shall- (B) monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.</p>	<p>The Compliance Department conducts real-time monitoring of trading on Javelin SEF for compliance purposes to prevent manipulation, price distortion and disruptions of the settlement process.</p> <p>Javelin SEF will also maintain both a trade practice and market surveillance program to monitor for abuses, including manipulation; and, has disciplinary procedures for violations of its rules.</p> <p>The Scila Surveillance System (“Scila”), a product of Cinnober Financial Technology AB (“Cinnober”) is an automated trade surveillance system that is capable of detecting potential trade practice violations. Javelin SEF shall load and process orders and trades into Scila no later than 24 hours after completion of the trading day. Scila has the ability to detect and flag specific trade execution patterns and trade anomalies; compute, retain, and compare trading statistics; compute trade gains, losses, and swap equivalent positions; reconstruct the sequence of market activity; perform market analysis; and support system users to perform in-depth analysis of trade related data. An over view of Scila is provided in Exhibit 1 to the contract between Javelin SEF and Cinnober, effective August 1, 2013.</p>	<p>Rulebook – Exhibit M Rule 509 - Real-Time Market Monitoring</p> <p>Compliance Manual - Exhibit O Chapter 6 - Trade Practice and Market Surveillance</p>
<p>Core principle 5 - Ability to obtain information</p>	<p>The swap execution facility shall- (A) establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in this section;</p>	<p>Javelin SEF's Rulebook sets forth the requirements of Participants to maintain books and records, and permitting inspection and visitation by duly authorized representatives of the CFTC.</p>	<p>Rulebook – Exhibit M Rule 404 - Required Records Rule 712 - Testimony and Production Documents Rule 702 - Inquiries and Investigations</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	The swap execution facility shall- (B) provide the information to the Commission on request;	Javelin SEF shall provide the information to the Commission on request.	Rulebook – Exhibit M Rule 905 - Books and Records
	The swap execution facility shall- (C) have the capacity to carry out such international information-sharing agreements as the Commission may require.	<p>Javelin SEF may enter into information-sharing agreements and other arrangements and procedures to coordinate surveillance with other markets on which contracts or financial instruments related to the contracts trade. As part of these agreements, Javelin SEF may, in part: (i) provide market surveillance reports to other SEFs; (ii) share information and documents concerning current and former participants with other markets; (iii) share information and documents concerning ongoing and completed investigations with other markets; and/or (iv) require its current or former participants to provide information and documents to Javelin SEF at the request of other markets with which Javelin SEF has an information-sharing agreement or other arrangements or procedures.</p> <p>Javelin SEF may enter into an information-sharing arrangement with any Person or body (including, without limitation, the CFTC, the SEC, or any government authority, self-regulatory organization, exchange, market, clearing organization or foreign regulatory authority) if Javelin SEF (i) believes that such Person or body exercises a legal or regulatory function under any law or regulation, or a function comprising or associated with the enforcement of a legal or regulatory function, or (ii) considers such arrangement to be in furtherance of Javelin SEF’s purpose or duties under applicable law.</p> <p>Javelin SEF may disclose to any Person or body information concerning or associated with a Participant or other Person</p>	Rulebook – Exhibit M Rule 903 - Information Sharing Agreements

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		that Javelin SEF believes is necessary and appropriate in exercising a legal or regulatory function (including, without limitation, information concerning any aspect of the business of Javelin SEF) whether or not a formal arrangement governing the disclosure exists or a request for information was made.	
Core principle 6 - Position limits or accountability	(A) In general. To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators.	To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, Javelin SEF may adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators.	Rulebook - Exhibit M Rule 517 - Position Limits Rule 518 - Position Limit Exemptions Rule 519 - Position Accountability
	(B) Position limits. For any contract that is subject to a position limitation established by the Commission pursuant to section 6a(a) of the CEA, the swap execution facility shall-(i) set its position limitation at a level no higher than the Commission limitation; and (ii) monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.	As provided by Rule 517, Javelin SEF may set position limits for any transactions and except pursuant to any exception granted by Javelin SEF pursuant to Rule 518 of the Javelin SEF Rules, no covered person that executes transactions on Javelin SEF may own or control a position in excess of such position limit. Such position limits will be set at a level no higher than the Commission limitation. Javelin SEF may also establish a position accountability level for any transaction. Any covered person who owns or controls a position that exceeds the position accountability level in a transaction shall provide, upon the request of Javelin SEF, information to Javelin SEF regarding the	Rulebook - Exhibit M Rule 517 - Position Limits Rule 518 - Position Limit Exemptions Rule 519 - Position Accountability

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>nature of the position, trading strategy or hedging activities, as applicable. Javelin SEF has the right to direct a covered person not to increase the size of a position that is subject to position accountability levels.</p> <p>Because the products permitted to be transacted on Javelin SEF initially will not include transactions in physical commodities, Javelin SEF does not initially expect to establish position limits for any contract.</p>	
<p>Core principle 7 - Financial integrity of transactions</p>	<p>The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1) of the CEA.</p>	<p>Javelin SEF has established various rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1) of the CEA as follows:</p> <p>Chapter 6 requires all trades executed on Javelin SEF to be routed through the Clearinghouse designated by each Participant at the time of order entry. Rule 603 establishes criteria for registering as a clearing member.</p> <p>Chapter 3 establishes categories of participants and eligibility to be admitted as a participant on Javelin SEF and criteria for becoming a participant.</p> <p>Rule 407 specifies that each Participant shall (i) maintain an account with a Clearing Member that provides for the clearing of all Trades that such Participant executes on Javelin SEF; (ii) maintain appropriate Trading Limits and shall provide notice to Javelin SEF of such Trading Limits;</p>	<p>Rulebook – Exhibit M Chapter 6 – Clearing Chapter 3 – Applications for Participant Status</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		and (iii) provide Javelin SEF with immediate written notice of any change in such Trading Limits.	
Core principle 8 - Emergency authority	The swap execution facility shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission, as is necessary and appropriate, including the authority to liquidate or transfer open positions in any swap or to suspend or curtail trading in a swap.	<p>Javelin SEF Rules set forth clear procedures and guidelines for decision-making regarding emergency intervention in the market, including procedures and guidelines to avoid conflicts of interests while carrying out such decision-making.</p> <p>The measures available to Javelin SEF in the case of an emergency include the ability to place into immediate effect temporary rules, order the liquidation of contracts, order the fixing of the settlement price or liquidation-only trading, suspending or limiting trading, modifying trading hours, imposition of position or price limits, and requiring Participants to meet special margin requirements.</p> <p>Although the Javelin SEF Rules authorize the liquidation or transfer of open positions in an emergency, Javelin SEF notes that it does not expect any open positions to exist on the facility, nor does it anticipate that any of its Participants will post margin on or through Javelin SEF.</p>	<i>Rulebook – Exhibit M</i> Rule 203 -Emergency Authority
Core principle 9 - Timely publication of trading information	<p>(A) In general. The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the extent prescribed by the Commission.</p> <p>(B) Capacity of swap execution facility. The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.</p>	<p>Javelin SEF will publish trading information as required by CEA Section 5h(f)(9) and Parts 16 and 37 of the CFTC regulations .</p> <p>As shown in Exhibit V (Technology Questionnaire), the platform has the capacity to electronically capture trade information executed on the facility. Trade information is stored electronically and includes the time of order entry, the time of trade execution, primary economic terms, and identifying data. Specific processes are in place to recreate the life cycle of the</p>	<p><i>Rulebook – Exhibit M</i> Rule 503 - Publication of Trading Information</p> <p><i>Technology Questionnaire - Exhibit V</i> Section 3 -System Operations discusses system controls and security, as well as event management;</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>order or trade, from an “active” database, and a parallel “passive” database. Back-ups are stored in the primary back-up location, as well as all log files. Strong policies and procedures are in place to ensure data is captured and maintained electronically, for audit purposes.</p>	<p>Section 4 - System Development Methodology discusses system components and information handling; Section 5 - Information Security discusses the information stored and security processes; Section 6 -Physical Security and Environmental Controls discusses data centers and the physical security controls.</p>
<p>Core principle 10 - Recordkeeping and reporting</p>	<p>(A) In general. A swap execution facility shall-(i) maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of 5 years; (ii) report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under this chapter; and (iii) shall keep any such records relating to swaps defined in section 1a(47)(A)(v) of the CEA open to inspection and examination by the Securities and Exchange Commission.”</p>	<p>Javelin SEF will maintain records of all activities related to its business for a period of at least five (5) years in accordance with CFTC regulations or such longer period as may be required by applicable law, and shall make such books and records readily accessible for inspection, as may be required by applicable law, during the first two years of such five year period.</p> <p>Each participant is also obliged to maintain all requisite books and records in accordance with CFTC regulations and shall retain such records for a period of five (5) years from the date on which they were prepared. Such records will be readily accessible for inspection for the first two years of the five year retention period.</p>	<p>Rulebook – Exhibit M Rule 404 - Required Records Rule 905 - Books and Records</p>
	<p>(B) Requirements. The Commission shall adopt data collection and</p>	<p>Rules 404 and 905 satisfy the recordkeeping requirements set forth in Commission Regulations 37.1001-1003 and the</p>	<p>Rulebook – Exhibit M Rule 404 – Required Records</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	reporting requirements for swap execution facilities that are comparable to corresponding requirements for derivatives clearing organizations and swap data repositories.	requirements imposed on SEFs in Commission Regulations Parts 43 and 45.	Rule 905- Books and Records <i>Technology Questionnaire - Exhibit V</i> Generally
Core principle 11 - Antitrust considerations	Unless necessary or appropriate to achieve the purposes of this chapter, the swap execution facility shall not- (A) adopt any rules or take any actions that result in any unreasonable restraint of trade; or (B) impose any material anticompetitive burden on trading or clearing.	Javelin SEF believes that its Rules and business plan have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. In particular, access to Javelin SEF will not require the acquisition of any equity interest but will be available to a broad range and potentially unlimited number of Participants on a fair, equitable and timely basis.	<i>Compliance Manual</i> Section 5.G. - Antitrust Policy
Core principle 12 - Conflicts of interest	The swap execution facility shall-(A) establish and enforce rules to minimize conflicts of interest in its decision-making process; and (B) establish a process for resolving the conflicts of interest.	<p>The Javelin SEF Rules minimize conflicts of interest in decision-making processes and contain methods to ascertain the presence of conflicts of interest and to make decisions in the event of such a conflict. Under Rule 206, no person that has a “Material Conflict of Interest” between his or her position may knowingly participate in any deliberations or vote involving his or her personal interest, subject to certain exceptions.</p> <p>Additionally, Rule 207 provides limitations on the use or disclosure of material non-public information gained through the performance of duties by Directors or committee members, and requires Directors and committee members to take all appropriate steps to safeguard such information.</p> <p>The Javelin SEF Compliance Manual prohibits Javelin SEF employees from trading on the basis of material non-public information in breach of a pre-existing duty and from trading on</p>	<p><i>Rulebook – Exhibit M</i> Rule 206 - Conflicts of Interest Rule 207 - Disclosure or Use of Material, Non-Public Information Rule 216 - Regulatory Oversight Committee Rule 217 - Disciplinary Committee</p> <p><i>Compliance Manual</i> Section 5 - Code of Business Conduct and Ethics</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>the basis of material non-public information that was obtained through fraud or deception. Additionally, the Javelin SEF Compliance Manual prohibit Javelin SEF and Javelin SEF employees from using for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any Person, for the purposes of fulfilling that Person’s regulatory responsibilities.</p> <p>Javelin SEF will obtain public directors for its Board and committees once the Commission finalizes its rule defining public directors for SEFs. At that time, Javelin SEF will ensure that it’s Board and committees include an appropriate number and percentage of public directors, as required by Applicable Law.</p> <p>Javelin will have a Regulatory Oversight Committee that is composed of three Public Directors. The Regulatory Oversight Committee will oversee all aspects of Javelin SEF's regulatory program on behalf of the Board. The Board will delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. It will make such recommendations to the Board as will, in its judgment, best promote the interests of Javelin SEF. The Regulatory Oversight Committee will also have such other powers and perform such other duties as set forth in the Javelin SEF Rules and as the Board may delegate to it from time to time. The ROC will assist the SEF in minimizing actual and potential conflicts of interest.</p> <p>The SEF also maintains a Disciplinary Committee consisting of at least 10 members, three of which shall be Independent Committee Members, appointed by the Board.</p> <p>Members of the Disciplinary Committee will be appointed</p>	

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
		<p>to serve on Disciplinary Panels by the ROC. Each Disciplinary Panel shall consist of three members, including one Independent Committee Member, who shall serve as Chairperson of the Disciplinary Panel.</p> <p>The ROC shall establish one or more of the following Disciplinary Panels: Review Panel, Hearing Panel and Appeal Panel.</p>	
Core principle 13 - Financial resources	<p>(A) In general. The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility. (B) Determination of resource adequacy. The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the swap execution facility to cover the operating costs of the swap execution facility for a 1-year period, as calculated on a rolling basis.</p>	<p>Javelin SEF will maintain financial resources that exceed the total amount that would enable it to cover its operating costs for a one-year period, as calculated on a rolling basis.</p> <p>Exhibit I includes a balance sheet, statement of income and expenses, statement of cash flows, and a statement of sources and application of revenues and all notes or schedules thereto, as of the most recent fiscal year, for the parent of Javelin SEF, Javelin Capital Markets, LLC, as well as a narrative of how the value of the financial resources held by Javelin SEF is at least equal to a total amount that would enable it to cover its operating costs for a period of at least one year, calculated on a rolling basis, and a description of unencumbered, liquid financial assets (i.e. cash and/or highly liquid securities) equal to at least six months' operating costs.</p>	<i>Exhibit I</i>
Core principle 14 - System safeguards	<p>The swap execution facility shall-(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 automated systems, that-(i) are</p>	<p>Materials submitted with the Technology Questionnaire explain the controls to be used to ensure the proper function, adequate security and capacity of automated trading systems and related systems such as those used for dissemination of market data and recording and safe storage of audit trail information. These controls include periodic, objective testing and review of automated systems to ensure that these systems are reliable,</p>	<p><i>Rulebook – Exhibit M</i> Rule 311 - Access to Javelin SEF Trading System by Authorized Traders Rule 406 - System Security Rule 409 - Disaster Recovery Rule 908 – Javelin SEF Disaster</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	reliable and secure; and (ii) have adequate scalable capacity; (B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for-(i) the timely recovery and resumption of operations; and (ii) the fulfillment of the responsibilities and obligations of the swap execution facility; and (C) periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued-(i) order processing and trade matching; (ii) price reporting; (iii) market surveillance and (iv) maintenance of a comprehensive and accurate audit trail.	secure and have adequate scalable capacity. Results of such testing are retained as described with respect to Core Principle 10 (Recordkeeping and reporting). Compliance with these policies is under the supervision of the Chief Compliance Officer.	Recovery, Business Continuity and Risk Oversight <i>Technology Questionnaire - Exhibit V</i> Generally
Core principle 15 - Designation of chief compliance officer	(A) In general. Each swap execution facility shall designate an individual to serve as a chief compliance officer.	The Board shall appoint a Chief Compliance Officer.	<i>Rulebook – Exhibit M</i> Rule 204 - Officers <i>Operating Agreement of Javelin SEF, LLC</i> Section 3.1 - Officers
	(B) Duties. The chief compliance officer shall-(i) report directly to the board or to the senior officer of the facility; (ii) review compliance with the core principles in this subsection; (iii) in consultation with the board of the facility, a body performing a	The Chief Compliance Officer shall: (1) report directly to the Board; (2) oversee and review Javelin SEF’s compliance with Section 5h of the CEA and any related rules adopted by the Commission; (3) consult with the Board, resolving any conflicts of interest that may arise; (4) establish and administer written policies and procedures reasonably designed to prevent violation of the CEA and any rules adopted by the Commission; (5) ensure	<i>Rulebook – Exhibit M</i> Rule 714 –Authority of the Chief Compliance Officer and the Compliance Department <i>Operating Agreement of Javelin SEF, LLC</i>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	<p>function similar to that of a board, or the senior officer of the facility, resolve any conflicts of interest that may arise; (iv) be responsible for establishing and administering the policies and procedures required to be established pursuant to this section; (v) ensure compliance with this chapter and the rules and regulations issued under this chapter, including rules prescribed by the Commission pursuant to this section; and (vi) establish procedures for the remediation of noncompliance issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.</p>	<p>compliance with the CEA and Commission regulations relating to agreements, contracts, or transactions, and with Commission regulations under Section 5h of the CEA and (6) establish procedures for the remediation of noncompliance issues identified by the Chief Compliance Officer through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint.</p>	<p>Section 3.6 - Chief Compliance Officer</p> <p><i>Compliance Manual</i> Section VIII.E - The Chief Compliance Officer</p>
	<p>(C) Requirements for procedures. In establishing procedures under subparagraph (B)(vi), the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues.</p>	<p>The Chief Compliance Officer shall establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues.</p>	<p><i>Rulebook – Exhibit M</i> Rule 714 - Authority of the Chief Compliance Officer and Compliance Department</p> <p><i>Compliance Manual</i> Section VIII.E - The Chief Compliance Officer</p>
	<p>(D) Annual reports. <u>(i) In general.</u> In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report</p>	<p>The Chief Compliance Officer shall annually prepare and sign a report that contains a description of: (i) the compliance of Javelin SEF with the CEA; and (ii) the policies and procedures, including the code of ethics and conflict of interest policies, of Javelin SEF. Such annual report shall include a certification that, under</p>	<p><i>Rulebook – Exhibit M</i> Rule 714 - Authority of the Chief Compliance Officer and Compliance Department</p>

SWAP EXECUTION FACILITY CORE PRINCIPLE	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPLE	JAVELIN SEF APPLICATION	RELEVANT JAVELIN SEF APPLICATION MATERIALS
	<p>that contains a description of-(I) the compliance of the swap execution facility with this chapter; and (II) the policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility.</p> <p><u>(ii) Requirements.</u> The chief compliance officer shall-(I) submit each report described in clause (i) with the appropriate financial report of the swap execution facility that is required to be submitted to the Commission pursuant to this section; and (II) include in the report a certification that, under penalty of law, the report is accurate and complete.</p>	<p>penalty of law, it is accurate and complete.</p>	<p><i>Compliance Manual</i> Section VIII.E - The Chief Compliance Officer</p> <p><i>Operating Agreement of Javelin SEF, LLC</i> Section 3.6 - Chief Compliance Officer</p>