EXHIBIT L

TeraExchange LLC
Compliance with SEF Core Principles

Unless otherwise indicated, references to "Rules" are references to specific rules in the TeraExchange ("Tera") Rulebook. Capitalized terms used herein without definition have the meanings given to them in the Rulebook. References to Exhibits, unless otherwise indicated, are references to the exhibits accompanying the TeraExchange SEF Application (the "Application").

SEF Core Principles	Discussion of Compliance	References
Core Principle 1. Compliance with Core Principles. (a) *In general.* To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with– (1) The core principles described in section 5h of the Act; and (2) Any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5) of the Act. (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.	This application for registraton as a SEF (the "Application") and all included documentation generally demonstrate Tera's compliance with Core Principle 1. Capitalized terms that are used in this Exhibit L without definition have the meanings ascribed to such terms in the Rules.	This Application, all Exhibits and other supporting documentation generally. The Rules (Exhibit M) The TeraExchange Compliance Manual (Exhibit O) The Regulatory Services Agreement and other agreements for compliance- and surveillance-related services (Exhibit N)
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 the terms and conditions of the swaps traded or processed on or through the swap execution facility and any limitation on access to the swap execution facility; (b) Establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and	*Establish and enforce compliance with any rule of the swap execution facility*. Tera has adopted and will impartially enforce a comprehensive set of Rules to govern the conduct of trading on the SEF. As presented on the front page and in specific Rules of the Rulebook, Participants agree upon accessing Tera to be bound by and comply with the Rules and to be subject to Tera's jurisdiction with respect to the enforcement of the rules. *Terms and conditions of swaps*. The terms and conditions of Instruments traded on Tera are described in the Rules and in	Rulebook Cover Page, Rule 310, Rule 311 Chapter 10 of the Rules

SEF Core Principles	Discussion of Compliance	References
enforce those rules, including means to provide market participants with impartial access to the market and to capture information that may be used in establishing whether rule violations have occurred; (c) Establish 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; and (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 Act, the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of the Act.	applicable Clearing House specifications. *Impartial access and any limitations on access to the swap execution facility*. The Tera Rules provide a clear and transparent process for granting access to the SEF that Tera will impartially apply to all applicants. Rule 301 specifies the critera to be used by Tera staff in determining eligibility for Participant status. Among other requirements, every Participant must verify its status as an Eligible Contract Participant ("ECP"), and must ensure that, where relevant, any other Participant on behalf of whom they may be accessing the SEF is also an ECP. Every Participant must be either a Clearing Firm or maintain an account with a Clearing Firm through which they will conduct transactions on the SEF. Rule 302 requires all participants to authorize one or more Authorized Traders and provides clear requirements for obtaining and maintaining status as such an Authorized Trader. The Participant application process is described in Rule 303. Rule 303 also provides for an appeals process that is available in the event that Tera denies or revokes a Participant's access to the SEF or limits a Participant's trading privileges pursuant to Rule 304. To promote impartial access, as set forth in Rule 305 and Exhibit K, TeraExchange charges consistent fees for all Participants that have comparable trading status on the SEF. *Trading rules to deter abuses*. Chapter 5 of the Rules sets out in detail the trading practice and business conduct rules applicable to all Participants. In general, under Rule 517, Participants are prohibited from engaging in any conduct in violation of Applicable Law or the Rules. Under Rule 518, any violation of the Rules or act constituting fraud, dishonorable or dishonest conduct, or conduct inconsistent with just and equitable principles of trade is an offense. Fraudulent acts of any kind, including but not limited to front-running, money passes, trading ahead of or against customers, and accommodation trading, are all prohibited under Rule 519. Also included in	Rule 301, Rule 302, Rule 303, Rule 304, Rule 305, Exhibit K Chapter 5 of the Rules

SEF Core Principles	Discussion of Compliance	References
	Chapter 5 is a series of specific Rules intended to deter abusive and disruptive trading practices, including prohibitions on the following: fictitious, wash or non-competitive transactions (Rule 520); market disruption, including violating bids and offers, closing period violations, and spoofing (Rule 521); market manipulation (Rule 522); misstatements (Rule 523); acts detrimental to the SEF (Rule 524); misuse of the SEF (Rule 525); withholding of orders (Rule 526); trading against or crossing orders (Rule 527); and disclosing orders (Rule 528)	
	Trade processing rules. A number of trade processing Rules and features of Tera are designed to deter abuse. Pursuant to Rule 507 all Orders for Required Transactions must be entered into the SEF's Order Book. Permitted Transactions executed via protocols made available by TeraExchange remain subject to all Rules other than those that apply only to Required Transactions. Under Rule 506, all Orders will be executed by the trade processing algorithm using price-time priority.	Rule 506, Rule 507
	Capacity to capture information for use in establishing whether rule violations have occurred. TeraExchange maintains trading data in three separate databases: a production SEF database, a historical market data database, and a historical order database. Each database is replicated to two backup hosts. TeraExchange records all market data published by the TeraExchange Matching Engine to a historical market data repository. Last trade, best bid, and best offer data is stored in a Microsoft SQL Server. The historical market data database is replicated using SQL's transaction replication to another SQL server within the primary data center. Additionally, this information is mirrored to an SQL server at the TeraExchange disaster recovery site. All orders submitted to TeraExchange are recorded in the SEF database. This data is hosted by a Microsoft SQL server that is mirrored using transaction replication to a backup database. Additionally, transaction replication is used to mirror the primary database to a backup at the disaster	Exhibit S, Chapter 3 of the Compliance Manual

SEF Core Principles	Discussion of Compliance	References
	recovery site. All static account information and a complete snapshot of order history are migrated to a historical order database. The information is backed up to another local host and a database at the disaster recovery site. The historical order database is used to generate daily reports submitted to the National Futures Association and the Commodity and Futures Trading Commission. Additionally, the TeraExchange Compliance department uses the information housed in this repository to monitor and analyze market trends and enforce the TeraExchange Rules.	
	In addition to the audit trail, Tera has the ability to obtain information through information sharing agreements (Rule 211) and directly from Participants (Rules 701 and 703) for purposes of detecting and investigating potential Rule violations.	Rule 211, Rule 701, Rule 703
	Capacity to detect and investigate rule violations. In order to detect and investigate potential violations of the Rules, Tera has implemented adequate procedures to monitor trading activity, detect potentially non-compliant activity, and launch investigations to determine whether violations may have occurred. As presented above and in the Compliance Manual, Tera has created a historical database to capture an audit trail of all SEF activity, including order entry, order cancellations, order modifications, and trade excecution. Also as part of this audit trail, Rule 704 requires all Participants to retain, and to provide to Tera upon request, records of all trading activity in any Instrument on Tera and in any underlying commodity traded on any other market.	Compliance Manual and all Appendices thereto, including RSA with NFA, Rule 212, Rule 704
	TeraExchange has entered into a Regulatory Services Agreement ("RSA") with the National Futures Association ("NFA") under which the NFA will assist Tera with detection, investigation, and enforcement processes in connection with rule violations. Pursuant to the RSA, NFA will perform trade practice and market surveillance using its automated Swaps	Compliance manual (Exhibit A, NFA Compliance Manual)

SEF Core Principles	Discussion of Compliance	References
	Warning Analysis Profiling System ("SWAPS"). The details regarding SWAPS are available in Appendix A of the Compliance Manual, but in general, the system will be used by NFA to monitor for certain types of suspicious transactions using time, size and percentage parameters that will be set based on Tera rules and NFA standards. NFA will review all trades executed under Tera Rules.	
	As presented below in more detail in the discussion of compliance with Core Principal 4, the Tera Market Regulation Group ("MRG") has the capacity to monitor trading activity in real time. The MRG may cancel or adjust trades when necessary to mitigate market-disrupting events caused by non-compliant trading activity or by system anomalies.	Compliance Manual Chapter 3, Compliance Manual Appendix B, Rule 514
	Investigation of potential rule violations is handled by the Market Regulation Group in partnership with the NFA. Upon discovery of any potential trade practice violation through the real-time surveillance processes overseen by the MRG or the trade practice and market surveillance processes managed by NFA, a member of the MRG or NFA staff will present any evidence to the Chief Compliance Officer for a determination of whether to proceed with an investigation. With CCO approval, MRG or NFA staff will investigate the facts and circumstances surrounding the apparent rule violation and prepare an investigation report for presentation to the CCO and the Review Panel as described in Rule 805.	Compliance Manual Chapters 3 and 4, Rule 802, Rule 803, Rule 804, Rule 805
	Capacity to enforce rules. Chapter 8 of the Rules and associated sections of the Compliance Manual, RSA and NFA Compliance Manual describe the manner in which TeraExchange will enforce its rules. Rule 801 describes Tera's general disciplinary policy. All Participants are subject to Tera's jurisdiction for enforcement purposes. Tera, through the Compliance Department	Chapter 8 of the Rules

SEF Core Principles	Discussion of Compliance	References
	(consisting of internal Tera staff and NFA) and the Disciplinary Panels, will conduct inquiries, investigations, disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with Chapter 8 of the Rulebook. Pursuant to Chapter 8 of the Rulebook, Tera may hold an Authorized Trader liable for, and imposesanctions against him or her, for such Authorized Trader's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader. As discussed above, the Compliance Department has the authority to: (i) initiate and conduct inquiries and investigations; (ii) prepare investigative reports and make recommendations concerning initiating disciplinary proceedings; (iii) prosecute alleged violations within Tera's disciplinary jurisdiction; and (iv) represent Tera on summary imposition of fines, summary suspension or other summary action. Each Participant is obligated to appear and testify and respond in Writing to interrogatories within the time period required by the Compliance Department in connection with any Tera Rule, inquiry or investigation, or any preparation by and presentation during a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by Tera. Each Participant is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Compliance Department in connection with any Tera Rule, inquiry or investigation, or any preparation by and presentation during a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by Tera.	

SEF Core Principles	Discussion of Compliance	References
	Rule 803 describes how Tera reports investigations. The Compliance Department will maintain a log of all investigations and their disposition. The Compliance Department will prepare a report of each investigation which will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, staff analysis, conclusions and the recommendation of the Compliance Department. Participants may respond to an investigatory report pursuant to Rule 804. After completing its investigation report, the Compliance Department may, upon approval of the Chief Compliance Officer, notify each potential respondent that the Compliance Department has recommended formal disciplinary charges against the potential respondent. The Compliance Department may allow a potential respondent to propose a settlement of the matter or to submit a statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. Rule 805 describes the procedure for reviewing investigative reports. The Review Panel will review promptly each completed investigation report to determine whether a reasonable basis exists for finding that a violation of Tera Rules within Tera's jurisdiction has occurred or is about to occur. The Review Panel shall authorize commencement of disciplinary proceedings if a reasonable basis exists to believe that a violation Tera Rules within the Tera's jurisdiction has occurred or is about to occur and adjudication is warranted. Rule 806 describes the procedure for issuing warning letters. Tera authorizes compliance staff to issue a warning letter to a person or entity under investigation or to recommend that a	

SEF Core Principles	Discussion of Compliance	References
	disciplinary committee take such an action. No more than one warning letter for the same potential violation may be issued to the same person or entity during a rolling 12-month period. Rule 807 describes the procedure for preparing a notice of charges and Rule 808 describes the procedure for the service of notice of charges. Rule 809 describes how a respondent may answer to a notice of charges. Any failure by the respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in such notice. Rule 810 describes procedures to be taken in the event a respondent admits to the charges against him or fails to deny charges. Rule 811 describes procedures to be taken in the event a respondent denies charges. In such case, a respondent is entitled to a hearing on the charge that is denied. Except for good cause, the hearing must concern only with those charges denied for which a hearing has been requested. Rule 812 describes settlement procedures. Rule 813 describes the formation and composition of the Hearing Panel. A Hearing Panel shall be formed to conduct hearings in connection with any disciplinary proceedings. Members shall be appointed by the Board upon the recommendation of the Chief Compliance Officer. No member of a Hearing Panel may have a material conflict of interest in respect of the proceedings defined in Rule 208(b). Rule 814 describes procedures for convening hearings of disciplinary proceedings. All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 821) will be conducted at a hearing before the Hearing Panel. Rule 815 describes a respondent's right to review evidence presented at hearings. Rule 816 describes the policies and procedures for conducting hearings of disciplinary proceedings. At a hearing	

SEF Core Principles	Discussion of Compliance	References
	conducted in connection with any disciplinary proceedings, the Compliance Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Hearing Panel. If a respondent has timely filed an answer to the notice of charges in accordance with Rule 809, the respondent is entitled to attend and participate in the hearing. The Hearing Panel comes to a decision on charges in accordance with the procedures in Rule 817. As promptly as reasonable following a hearing, the Hearing Panel will issue an order rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Hearing Panel will constitute the decision of the Hearing Panel. Promptly following a hearing conducted in accordance with the Tera Rules, the Hearing Panel shall render a written decision based upon the weight of the evidence contained in the record of the proceeding and shall provide a copy to the respondent. Rule 818 describes the potential sanctions Tera may impose. After notice and opportunity for hearing in accordance with the Tera Rules, Tera will impose sanctions if any Participant is found to have violated or to have attempted to violate a Tera Rule or provision of Applicable Law for which Tera possesses disciplinary jurisdiction. Rule 819 describes the procedures for allocating the cost of disciplinary proceedings. Under Rule 820, all Disciplinary Panel Decisions, summary impositions of fines and other summary actions are final and are not subject to appeal under the Tera Rules. Rule 821 describes the procedure for the summary imposition of fines. The Chief Compliance Officer may summarily impose a fine against a Participant for failing to make timely payments of	

SEF Core Principles	Discussion of Compliance	References
	original or variation margin, fees, cost, charges or fines to Tera, failing to make timely and accurate submissions to Tera of notices, reports or other information required by the Tera Rules, or failing to keep any books and records required by the Tera Rules. Rule 822 describes the procedure for summary suspensions and other summary actions. Notwithstanding anything in the Tera Rules to the contrary, the Chief Compliance Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Participant as necessary to protect the public or the best interests of Tera. *Block trades.* Block Trades must be conducted pursuant to Tera Rule 513 and any procedures published from time to time in any Notice to Participants. Rule 513 states that the minimum size of blocks on Tera will be established by reference to applicable CFTC regulations governing block trades. Also under Rule 513, all Block Trades on Tera must be executed electronically using the Tera System. *SD and MSP compliance with mandatory trading.* Under Rule 413, Swap Dealers and Major Swap Participants are responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the CEA.	Rule 513 Rule 413
Core Principle 3. Swaps not readily susceptible to manipulation. The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.	Tera intends to permit trading only in clearable swaps based on well-established underlying markets, initially including interest rates, credit default indices and currencies. These underlying markets are large and highly liquid and thus are not readily susceptible to manipulation. The Rules require all swaps traded on Tera to be submitted to the relevant Clearing House for clearing. Tera will list cash-settled interest rate swaps, credit default index swaps, and FX	Rule 601, Rule 606, Chapter 10 of the Rules

SEF Core Principles	Discussion of Compliance	References
	derivatives for which the Chicago Mercantile Exchange ("CME"), LCH. Clearnet Limited ("LCH") and/or ICE Clear Credit ("ICE") act as a Derivatives Clearing Organization ("DCO"). The requirement that all Instruments traded on Tera be cleared by a registered DCO means that all Instruments will be subject to comprehensive Clearing House regulation as well as comprehensive SEF regulation. All Instruments will be settled in cash at the relevant DCO. For example, the settlement amount for interest rate swaps 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, or such other reference rate as may be the subject of interest rate swaps that can be cleared by CME, LCH and/or ICE. The fixed terms of the Instruments will not be subject to manipulation through trading on Tera as they will be predetermined	
Core Principle 4. Monitoring of trading and trade processing. The swap execution facility shall: (a) Establish and enforce rules or terms and conditions defining, or specifications detailing: (1) Trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (2) Procedures for trade processing of swaps on or through the facilities of the swap execution facility; and (b) Monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through	*Procedures for entering and executing orders*. Numerous Tera Rules address requirements related to order entry and execution, including: Rule 405 (mandatory use of the TeraCheck pre-trade credit check application), Rule 507 (specifying information to be included in Orders and that Orders for Required Transactions be entered into the Order Book); Rule 509 (specifying the details of various Order Types); Rule 510 (requirements for Bunched Orders); Rule 511 (covering Order entry before the open); and Rule 513 (addressing Block Trades). *Procedures for trade processing*. All Ordes are executed via price-time priority under Rule 506. *Pre-trade risk controls.* Every order on TeraExchange is required	Rule 405, Rule 507, Rule 509, Rule 510, Rule 513, Rule 511 Rule 506 Rule 405

SEF Core Principles	Discussion of Compliance	References
surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.	to pass through TeraCheck, the exchange's pre-trade credit checking and risk management tool. *Real time monitoring for market anomalies.* Under the procedures described in the Compliance Manual, the TeraExchange Market Regulation Group will conduct real-time surveillance of the SEF using a number of tools and resources intended to help spot system anomalies. Among these tools is TeraCheck, the exchange administration tool that allows SEF staff to monitor activity across all active accounts in real-time, analyze trading activity for potential non-compliance and implement trading suspensions or halts at the account or product level. In addition, TeraExchange has retained the services of an exchange hardware and network monitoring service provider. The monitoring firm will conduct real-time analysis of the entire SEF infrastructure and will immediately escalate any anomalies for attention by the Market Regulation Group. Another component of the Tera's real-time response to trading and system anomalies is the requirement for rapid escalation of trading errors required under Rule 901. The T+1 surveillance services to be performed by NFA as described in detail above under Core Principle 2 also address the real-time monitoring requirement per CFTC Guidance under Core Principal 4. *Comprehensive and accurate trade reconstructions.* As referenced above in the discusson about TeraExchange's compliance with Core Principal 2, TeraExchange maintains a robust historical database that captures, retains, and backs up all market and transaction data to permit reconstruction of all activity on the SEF. The historical database permits Tera to provide all data necessary to enable NFA to conduct the full suite of services it provides under the RSA as described in the	Compliance Manual Chapter 3, Compliance Manual Appendix A (NFA Compliance Manual), Compliance Manual Appendix B (Managed Services Agreement), Compliance Manual Appendix C (TeraCheck Exchange Administration Manual) Rule 901 Compliance Manual Chapter 3, Exhibit S

SEF Core Principles	Discussion of Compliance	References
	NFA Compliance Manual. It also permits Tera to conduct its own trade reconstruction and internal market analysis functions	
	Ability to obtain information. Under the Rules, Tera has the ability to obtain information from a number of sources, including Clearing Firms, Participants, and outside sources pursuant to information-sharing agreements. Tera, and the NFA on Tera's behalf, may also conduct inspections of Participants.	Rule 211, Rule 404, Rule 701, Rule 703
	Risk controls for trading. Pursuant to Rule 405, all Participants are required to use TeraCheck to establish prudent risk controls and pre-trade credit checks for all Orders. Tera reserves the right to suspend or terminate any Participant's access for failure to establish reasonably prudent risk parameters	Rule 405
Core Principle 5. Ability To Obtain Information. 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 section 5h of the Act; (b) Provide the information to the Commission on request; and (c) Have the capacity to carry out such international information-sharing agreements as the Commission may require	The Rulebook requires participants to maintain books and records related to their trading activity on the SEF and to make such books and records available to Tera, the CFTC or the DOJ upon request. Tera will provide information as requested by the CFTC. Pursuant to Rule 211 Tera may enter into information sharing agreements as required by the CFTC or as otherwise necessary to fulfill its self-regulatory and reporting responsibilities.	Rule 307, Rule 309, Rule 401, Rule 404, Rule 406, Rule 411, Rule 701 Rule 211
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.	Under Rule 508, Tera may set position accountability levels for swaps traded on the SEF as necessary to reduce threats of market manipulation and speculation. Such levels shall be established in a Notice to Participants pursuant to the procedures outlined in the Compliance Manual. Tera's Compliance Department and the Regulatory Service Provider will monitor the market for violations of the accountability level requirements set by Tera.	Rule 508, Compliance Manual Chapter 5

SEF Core Principles	Discussion of Compliance	References
(b) *Position limits.* For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the swap execution facility shall: (1) Set its position limitation at a level no higher than the Commission limitation; and (2) 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.		
Core Principle 7. Financial integrity of transactions. 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 Act .	Pursuant to Rule 601, all Transactions executed on Tera must be cleared through a Clearing House in accordance with applicable Clearing House Rules. Tera requires all Participants to maintain adequate financial resources and credit under Rule 301. Rule 406 ensures that Participants comply with minimum financial and related reporting requirements established by the CFTC. Additionally, Rule 403 requires Participants to notify Tera if specific adverse financial events occur, including but not limited to insolvency, lien, or encumbrance.	Rule 601 Rule 301, Rule 406, Rule 403
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.	Pursuant to Rule 210, the Tera Board has the authority to implement rules on a temporary basis in response to any Emergency as defined in CFTC Regulation 40.1(a). The Rules permit the Board to take any action necessary to respond to any such Emergency, including, but not limited to: Imposing or modifying position limits; Imposing or modifying price limits; Imposing or modifying intraday market restrictions; Ordering the liquidation or transfer of open positions in any contract; Ordering the fixing of a settlement price; Extending or shortening the expiration date or the trading hours; Suspending or curtailing trading in any contract; Transferring Participant contracts; Altering any contract's settlement terms or conditions; or Providing for the carrying out of such actions through its agreements with its third-party provider of clearing or regulatory services. The President of Tera may exercise	Rule 210

SEF Core Principles	Discussion of Compliance	References
	emergency authority in the event that steps must be taken to protect the SEF and market participants before the Board can convene. Tera shall use all reasonable efforts to inform the CFTC prior to taking emergency action and will document the decision-making process for all such actions.	
Core Principle 9. Timely publication of trading information. (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. (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.	Tera will report all data to the CFTC consistent with any applicable requirements under part 16.01. Tera will also make data available to the public as required under part 16.01. Tera's capacity to capture and transmit trade information is described in detail in Exhibit S.	Compliance Manual Chapter 7 Exhibit S
Core Principle 10. Recordkeeping and reporting. (a) *In general*. A swap execution facility shall: (1) 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 five years; (2) 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 the Act; and (3) Keep any such records relating to swaps defined in section 1a(47)(A)(v) of the Act open to inspection and examination by the Securities and Exchange Commission. (b) *Requirements*. The Commission shall adopt data collection and reporting requirements for swap execution facilities that are comparable to	The Historical Database as described in Exhibit S and as referenced in the Compliance Manual allows Tera to maintain all market and trading records as required by the CFTC. Tera shall keep complete and accurate books and records of all activities relating to the business of Tera. Such records will be kept for at least five years. Records of swaps defined in 1a(47)(A)(v) of the CEA will be open to inspection and examination by the SEC.	Exhibit S, Compliance Manual Compliance Manual Chapter 7

SEF Core Principles	Discussion of Compliance	References
corresponding requirements for derivatives clearing organizations and swap data repositories.		
Core Principle 11. Antitrust considerations. Unless necessary or appropriate to achieve the purposes of the Act, 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.	Tera's Rules and business policies have been designed to avoid any unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. Access to Tera does not require the acquisition of any equity interest. Rather, access to Tera will be available to a broad range and number of Participants based on objective and impartially enforced eligibility requirements. The Tera corporate structure encourages open access and availability of the SEF. TeraExchange, LLC, the operator of the SEF, is independently owned and not affiliated with any DCO, DCM, SDR, SEF, dealer, bank or financial institution of any kind.	Rule 301, Rule 302, Rule 303
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.	Tera has established and will enforce Rules designed to minimize conflicts of interest in its decision-making. Under Rule 208, no person involved in decision-making about disciplinary proceedings or emergency actions may have a material conflict of interest with respect to such matter as defined in the Rule. Under the Rule 207, the Chief Compliance officer has responsibility for addressing conflicts of interest arising in the conduct of SEF business and operations.	Rule 207, Rule 208
Core Principle 13. Financial resources. (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 one-year period, as calculated on a	TeraExchange is adequately capitalized and has sufficient financial, operational and managerial resources to discharge its responsibilities, as described in Exhibit I. TeraExchange's financial resources exceed, and will continue to exceed, its operating costs for a one-year period (calculated on a rolling basis), as described in Exhibit I.	Exhibit I

SEF Core Principles	Discussion of Compliance	References
rolling basis.		
Core Principle 14. System safeguards. 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: (1) Are reliable and secure; and (2) Have adequate scalable capacity; (b) Establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for: (1) The timely recovery and resumption of operations; and (2) 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: (1) Order processing and trade matching; (2) Price reporting; (3) Market surveillance; and (4) Maintenance of a comprehensive and accurate audit trail.	Tera has established a comprehensive set of system safeguards to minimize operational risk. As described in detail in Exhibit V, these safeguards include scalable capacity, emergency backup and disaster recovery procedures. Tera also conducts periodic testing to ensure sufficient resources for order processing and trade matching, price reporting, market surveillance and maintenance of an audit trail.	Exhibit V
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. (b) *Duties*. The chief compliance officer shall: (1) Report directly to the board or to the senior officer of the facility; (2) Review compliance with the core principles in this subsection; (3) In consultation with the board of the facility, a	Tera has appointed a Chief Compliance Officer and has conferred to the CCO all obligations specified under the CEA and CFTC regulations. The CCO reports to and will meet at least annuall with the Board of Tera. The CCO will also meet with the Regulatory Oversight Committee at least quarterly. The CCO has supervisory authority over all staff and resources acting at the direction of the CCO. The Chief Compliance Officer's duties include, but are not limited to, the following:	Exhibit E, Compliance Manual Chapter 2, Rule 207

SEF Core Principles	Discussion of Compliance	References
body performing a function similar to that of a board, or the senior officer of the facility, resolve any conflicts of interest that may arise; (4) Be responsible for establishing and administering the policies and procedures required to be established pursuant to this section; (5) Ensure compliance with the Act and the rules and regulations issued under the Act, including rules prescribed by the Commission pursuant to section 5h of the Act; and (6) 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. (c) *Requirements for procedures*. In establishing procedures under paragraph (b)(6) of this section, the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues. (d) *Annual reports*. (1) *In general*. In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of: (i) The compliance of the swap execution facility with the Act; and (ii) The policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility. (2) *Requirements*. The chief compliance officer shall: (i) Submit each report described in clause (1) with the appropriate financial report of the swap execution facility that is required to be submitted	Overseeing and reviewing the compliance of Tera with Section 5h of the CEA and any related CFTC regulations; Resolving any conflicts of interest that may arise, including: Conflicts between business considerations and compliance requirements; Establishing and administering written policies and procedures reasonably designed to prevent violations of the CEA and any rules adopted by the CFTC; Taking reasonable steps to ensure compliance with the CEA and rules of the CFTC; Establishing procedures for the remediation of noncompliance issues; Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues; Establishing and administering a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and administering a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct; Supervising the SEF's self-regulatory program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement and disciplinary proceedings; audits, examinations conducted by the Regulatory Services Provider, and other regulatory responsibilities with respect to Participants, Supervising the effectiveness and sufficiency of any regulatory services provided to Tera by the Regulatory Services Provider;	

SEF Core Principles	Discussion of Compliance	References
to the Commission pursuant to section 5h of the Act; and (ii) Include in the report a certification that, under penalty of law, the report is accurate and complete.	and Preparing and filing the annual compliance report of Tera.	