

**EXHIBIT L**<sup>1</sup>

<b>SWAP EXECUTION FACILITY REGISTRATION AND CORE PRINCIPLES</b>	<b>TRUEEX APPLICATION</b>	<b>RELEVANT TRUEEX APPLICATION MATERIALS</b>
<p><b>Core Principle 1 of Section 5h of the Act—</b> <b>Compliance With Core Principles</b> (A) <i>In general.</i> To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with—the core principles described in section 5h of the Act; and any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5) of the Act. (B) <i>Reasonable discretion of swap execution facility.</i> Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in paragraph (A) 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>	<p>See generally the Application.</p>	<p>All materials submitted with the Application.</p>

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<sup>1</sup> 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.

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<p><b>Core Principle 2—Compliance with rules.</b></p> <p>(a) A swap execution facility shall: 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;</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 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;</p> <p>(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</p> <p>(d) Provide by its rules that when a</p>	<p>The front cover of the Rulebook clearly sets forth, and Rule 301 repeats, that all Subject Persons accessing the Platform (which encompasses the SEF Trading System) thereby agree to be bound by the Rulebook and all other Obligations of such Subject Person, (ii) become subject to the jurisdiction of the Exchange, and (iii) agree to assist the Exchange in complying with its legal and regulatory obligations (including through cooperation with the Exchange and the CFTC in any inquiry and investigation).</p> <p>The authority of the Exchange Regulation Department to investigate matters within its jurisdiction and the obligations of each Subject Person to cooperate with such investigations are set forth in Rule 602. Chapter 4 sets forth Obligations of Participants and other Subject Persons, which include certain disclosure Obligations to the Exchange pursuant to Rule 402. Under Rule 403, the Exchange may, directly or through NFA, examine the systems, data, books and records of a Participant or Authorized Customer, and may require a Participant to furnish on a one-time or periodic basis information concerning its Exchange Activity.</p> <p>Access to SEF Trading System will be granted in an impartial manner as described in connection with Core Principle 11 (Antitrust Considerations). The Exchange Access Committee will review eligibility</p>	<p>Exhibit M Rulebook;</p> <p>Exhibit O trueEX Market Supervision Manual</p> <p>Exhibit N NFA Regulatory Services Agreement.</p> <p>Exhibit S Exhibit V</p>

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<p>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.</p>	<p>determinations and amendments to the Rules so as to prevent unfair discrimination among Participants under Rule 207. The Chief Compliance Officer (CCO) in consultation with the Regulatory Oversight Committee (ROC) will resolve potential conflicts of interest, as provided in Rule 209. See Core Principle 16 (Conflicts of Interest).</p> <p>Under Rule 309, fee information will be made available on the Web Site. The Exchange will not privately negotiate fees for access to the SEF Trading System.</p> <p>Chapter 5 of the Rulebook imposes an extensive set of restrictions designed to protect users of the Exchange from forms of abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. Prohibited conduct and trade practices include, but are not limited to, trading ahead of customer orders (Rules 516 and 517), trading against customer orders (Rule 518), accommodation trading (Rule 524) improper cross trading (Rule 520), front-running (Rules 517 527), wash-trading (Rule 521), pre-arranged trading (Rules 520 and 524), fraudulent trading (Rule 505), money passes (Rule 506), and other abusive trading practices (Rules 505, 507, 508, 510). Manipulative or disruptive trading practices are further prohibited under Rules 505, 507, 508 and 510.</p>	

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	<p>Suspected conduct and trade practices will be investigated and prosecuted as summarized in connection with Core Principle 4. As described in connection with Core Principle 4 (Prevention of Market Disruption), Chapter 6 of the Rulebook sets forth the procedures and sanctions used in enforcing compliance with the rules of the Exchange and Subject Persons' other obligations (including those under the CEA and regulations promulgated by the CFTC).</p> <p>Acting in accordance with Rule 219, trueEX will enter into a contract with NFA as a third party provider of regulatory services. trueEX, with assistance from NFA, will perform automated trade surveillance and real-time market monitoring as described in connection with Core Principle 4 below.</p> <p>Rule 541 details the rules and procedures for trade cancellation and amendments. This process will be overseen by the CCO</p> <p>The decision as to whether to initiate an Investigation will be made by the trueEX under Rule 605. The decision as to whether to impose sanctions and if so the form such sanctions should take will be made by trueEX under Rules 614 and 615. The decision as to whether to deny, revoke, or condition an application for Trading Privileges, or to become a</p>	

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	<p>Clearing Firm, Participant or Supervised Person of the foregoing will be made by trueEX under Rule 307.</p> <p>Under Rule 602, the Exchange Regulation Department will commence an investigation upon the receipt of a request from Commission staff or upon the discovery or receipt of information by trueEX that, in the judgment of the Exchange Regulation Department, indicates a possible basis for finding that a violation has occurred or will occur. Under Rule 605, each Investigation will be completed in a timely manner, and, absent mitigating circumstances, each Investigation will be completed within 12 months of being initiated. Under Rule 603, an Investigative Report will be prepared for every Investigation. Under Rule 603, an Investigation may be resolved through an informal disposition (including the issuance of a warning letter); such disposition will not constitute a finding of a violation or a sanction, however, the investigative report must include a copy of any warning letter and no more than one warning letter for the same potential violation may be issued to the same Subject Person during a rolling 12-month period.</p> <p><u>Audit Trail</u> The Trading System will maintain all information with respect to each Order (whether or not such Order results in a consummated trade) and</p>	

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	<p>each consummated trade, as well as all other information relating to the trade environment that determines the matching and clearing of trades (such as information from Clearing Firms indicating the number and types of Contracts such Clearing Firms will clear for Participants). Because all information relating to Orders submitted to the Trading System and relevant environmental parameters will be retained, any Order could be tracked from the time it is entered into the Trading System to the time it is matched, expires or is otherwise disposed of. The Exchange may adopt further procedures to record and account for Contracts and Exchange Activity pursuant to Rule 502(a)(ii).</p> <p>Rule 522 requires users of the Trading System to enter all information necessary to process an Order pursuant to the Rules when placing an Order on the Exchange, and provides that the Exchange shall maintain such information. This information includes an indicator of customer type.<sup>2</sup></p> <p>Audit trail data will be stored in a manner that protects it from unauthorized alteration as well as from accidental erasure or other loss. Audit trail</p>	

<sup>2</sup> The Customer Type Indicator distinguishes between Orders placed (i) for a proprietary account of a Clearingfirm, (ii) for an account that is proprietary or over which the user has discretion, (iii) a Customer's account, and (iv) other accounts, as required by proposed 17 C.F.R. § 38.552(b)(2). See Rule 522(d).

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	<p>data will be maintained as described in Exhibits S and V.</p> <p>trueEX has engaged NFA to conduct Enforcement of Audit Trail reviews as part of the RSA. This review will be performed at least annually. Under Rule 522(b), each Participant is required to maintain a front-end audit trail, which stores data related to Orders placed by such Participant or any of its Customers. Such data is accessible to the Exchange pursuant to Rule 403. The review conducted by NFA will include examination of (i) the process by which user identifications are assigned and user identification records are maintained, (ii) usage patterns associated with user identifications to monitor for violations of user identification rules, (iii) usage patterns associated with user identifications to monitor for violations of user identification rules, and (iv) account numbers and CTI codes in trade records to ensure that they are accurate and being properly used. Furthermore, trueEX will review compliance with recordkeeping obligations at least annually. In addition to retaining front-end audit trail data, Participants will be required to retain their books and records for at least five years pursuant to Rule 401(k).</p> <p>It is important to note that trueEX will be operating both as a DCM and a SEF. Although there is some uncertainty as to what swaps will be determined to</p>	

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	<p>be Made Available to Trade (and thus subject to the mandatory trading requirement), it is trueEX’s intention to offer trading in Required Transactions on the DCM Trading Platform and Permitted Transactions on the SEF Trading Platform. Also, it is intended that all Contracts traded on the SEF Trading System will be eligible to be cleared, even if not subject to mandatory clearing. trueEX’s offerings on the SEF Trading System will include only Contracts that are clearable by the applicable clearing house.</p>	
<p><b>Core Principle 3—Swaps not readily susceptible to manipulation.</b></p> <p>The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.</p>	<p>Trading on the SEF Trading System will initially be interest rate swaps. trueEX intends to offer only Permitted transactions (ie those swaps that are ultimately not made available to trade) on the SEF Trading System, while Required Transactions (ie swaps determined to be Made Available to Trade (MAT) on its DCM Trading System.</p> <p>It is intended that Interest rate swaps transacted on the SEF Trading System will be cleared, even if not subject to the clearing mandate as trueEX will offer only products that are clearable by CME and LCH.</p> <p>All such interest rate swaps will be settled in cash at the applicable Clearing House. 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</p>	<p>Exhibit M Chapter 6, Rule 215, Rule 508, and Rule 519 of the Rulebook.</p>

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	<p>time to a notional amount, where the referenced rates, period of time and notional amount are fixed by the relevant swap contract.</p> <p>The fixed terms of a Contract will not be subject to manipulation as they are predetermined, stored and backed up by the Exchange. See Core Principle 10 (Trade Information). To the extent that Contracts are settled based on reference rates that are not fixed, such rates are also not susceptible to manipulation.</p> <p>There will be non-fixed rates referenced by swaps transacted on the SEF Trading System, such as LIBOR, Euribor or other interest benchmarks offered for clearing by the relevant clearing houses. Using LIBOR as an example (as it is one of the most well known and most frequently used benchmarks for interest rate swaps), 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 they perceive they could be offered funds in the London market for a certain currency and maturity.</p>	

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	<p>Thomson Reuters is the designated calculation agent for BBA. Thomson Reuters audits the data submitted by panel banks and creates the rates using the definitions provided by BBA's FX &amp; MM Committee, under the supervision of BBA. The LIBOR rate produced by Thomson Reuters is calculated by using a trimmed arithmetic mean. Once Thomson Reuters receive each bank's submissions Thomson Reuters ranks them in descending order and then drops the top and bottom quartiles – this is known as the trimming. The middle two quartiles, reflecting 50% of the quotes, are then averaged to create the LIBOR quote.</p> <p>The BBA drops the bottom and top quartiles in the calculation in order to increase the accuracy of the LIBOR quotes. Dropping the outliers is done because an outlier does not reflect the market rate and doing so limits the ability of any one bank to influence the calculation and affect the LIBOR quote.</p> <p>Because the reference rate is derived from a third-party (not the Exchange's Participants) and is subject to an auditable process by the BBA, the Contract is not readily subject to manipulation.</p> <p>Further, the Contracts are related to the interest rate market which is the largest derivative asset class in the world, with an estimated \$465 trillion in notional</p>	

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	<p>principal outstanding in the OTC market and an additional \$62 trillion in notional principal outstanding on organized exchanges, according to the Bank for International Settlements. Due to its profound depth and the natural absence of barriers to delivery due to the contracts being cash settled, this market is protected from manipulation.</p> <p>Furthermore, the Rulebook restricts trading on the basis of non-public information. In particular, Rule 216 prohibits insiders (e.g., direct or indirect owners of the Exchange, its directors, officers, committee members, and employees) from trading in Contracts or related contracts absent prior written consent from the Exchange; and Rule 509 specifically prohibits market manipulation and Rule 519 prohibits persons from acting directly or indirectly on the basis of non-public Order information which is particularly relevant in an intermediate market which trueEX intends to offer. If these Rules are violated by market participants, they will be subject to Disciplinary action pursuant to the Rules in Chapter 6.</p>	

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<p><b>Core Principle 4—Monitoring of trading and trade processing.</b> The swap execution facility shall:</p> <p>(a) Establish and enforce rules or terms and conditions defining, or specifications detailing:</p> <p>(1) Trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and</p> <p>(2) Procedures for trade processing of swaps on or through the facilities of the swap execution facility; and</p> <p>(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 CCO is charged with the responsibility of overseeing the monitoring, surveillance and other enforcement functions of trueEX by the Exchange Regulation Department. The Exchange Regulation Department will consist of staff of trueEX compliance staff supported by NFA personnel. trueEX has contracted with NFA as its Regulatory Services Provider, to perform many of the Exchange’s trading and market surveillance, audit and investigatory functions in accordance with Rule 219. These functions will be supported by trueEX’s technology, which will collect, array and transmit bid, offer and trade data to NFA; the performance of these functions will be supervised by trueEX staff that report to the CCO. trueEX market supervision staff will monitor trading on a real-time basis. They will coordinate with NFA to ensure such real-time monitoring is integrated with the NFA’s surveillance functions. As set forth in greater detail in the Regulatory Services Agreement with NFA. NFA will provide the Exchange with market and trade practice surveillance and assistance with enforcement matters. The trueEX Market Oversight Manual further describes the assistance the NFA will provide to the Exchange Regulation Department in ensuring compliance with laws, regulations and other obligations applicable to Clearing Firms, Participants, their representatives and other parties subject to the jurisdiction of trueEX.</p>	<p>Exhibit M Rule 208, Rule 219, Chapter 5, Chapter 6, Rule 809; Exhibit N NFA Regulatory Services Agreement; Exhibit O trueEX Market Oversight Manual;</p>

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	<p>Rules 522 and 523 set forth requirements for entering orders and modifying or cancelling orders into the SEF Trading System in order to capture appropriate audit trail information. This will be reviewed periodically by NFA pursuant to the RSA (specifically Enforcement of Audit Trail services).</p> <p>Chapter 6 of the Rulebook sets forth the disciplinary and enforcement process, which includes steps to inquire into, investigate, adjudicate and sanction potential rule violations within the disciplinary jurisdiction of trueEX. The CCO with assistance from the Exchange Regulation Department, the Disciplinary Panels and Appeal Panels will take part in the prosecution and adjudication of potential violations of the Rules as described in Chapter 6.</p> <p>In particular, under Rule 605, the CCO and a Review Panel will each decide whether a Notice of Charges should be issued on the basis of a completed Investigative Report.<sup>3</sup> If a Notice of Charges is issued, it will be served<sup>4</sup> on the relevant respondent(s) and trueEX will provide a statement of the obligation(s) violated by such respondent(s), the underlying facts, proposed sanctions, and the</p>	

<sup>3</sup> Disagreements between the CCO and Review Panel are resolved by the ROC. See Rule 605(b)(iii).

<sup>4</sup> See Rule 608.

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	<p>respondent’s procedural rights pursuant to Rule 606. The Respondent will be able to answer a Notice of Charges pursuant to Rule 607 and/or seek a settlement pursuant to Rule 609. Charges that are not resolved through settlement will be resolved through a hearing in front of a Hearing Panel pursuant to Rules 611 and 613. Decisions of a Hearing Panel are to be issued based on the weight of evidence contained in the record pursuant to Rule 614, and may be appealed pursuant to Rule 616. If a violation is found, sanctions may be imposed pursuant to Rule 615. TrueEX also has authority to summarily impose fines pursuant to Rule 617 and institute emergency disciplinary actions (including suspensions) pursuant to Rule 618.</p> <p>In addition, trueEX will provide a range of risk management functionalities. Prior to the Exchange granting access to its Trading System to any Participant, the trades of such Participant must be guaranteed by a Clearing Firm (Rule 809). Such Clearing Firm must establish an initial set of risk controls for such Participant. trueEX provides an interface to each Clearing Firm that allows each such firm to administer the quantity and type of Contracts that the Clearing Member will guarantee for its Participants and monitor its Participants’ positions and trading activity. All Orders submitted to the Trading System are subject to satisfying applicable risk controls prior to their acceptance by</p>	

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	<p>the Trading System. For transactions conducted on trueEX on a portfolio basis, Clearing Firms will have the option of using auto accept functionality as those trade are often either risk reducing (ie termination) or risk neutral, while individual line item custom swaps will be subject to the same risk controls that are offered on the DCM Trading System.</p>	
<p><b>Core Principle 5—Ability to obtain information.</b> The swap execution facility shall:</p> <p>(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;</p> <p>(b) Provide the information to the Commission on request; and</p> <p>(c) Have the capacity to carry out such international information-sharing agreements as the Commission may require.</p>	<p>trueEX rules require Participants to maintain books and records required by the CEA, CFTC Regulations trueEX Rules.</p> <p>The rules further give trueEX/NFA (as regulatory service provider) the right to conduct inspections of the Participant to determine that the Participant is in compliance with the rules, and to copy or reproduce any such data to which trueEX has access.</p> <p>Finally, the rules require Participants to provide records and information to trueEX related to Contracts traded on trueEX and any related derivative markets.</p> <p>trueEX is a member of the Joint Compliance Committee (JCC) which has a formal information sharing agreement among its members, which consist of NFA and all registered DCMs. It is anticipated that SEFs will also be encouraged to join the JCC and thus be party to this agreement. trueEX is also a member of</p>	<p>Exhibit M Rule 218, 401, 403</p>

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	<p>the Joint Audit Committee (JAC)</p> <p>trueEX rules allow for trueEX to enter into information sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which financial instruments related to the Contracts trade.</p> <p>Once SEFs become established, trueEX will explore entering into formal agreements either through the JCC or otherwise. trueEX is not a party to any international information sharing agreements but will enter into them as the Commission may require.</p>	
<p><b>Core Principle 6—Position limits or accountability.</b></p> <p>(a) <i>In general.</i> 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.</p> <p>(b) <i>Position limits.</i> 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:</p>	<p>Position limits and position accountability requirements will be imposed by trueEX under Rules 529 and 530. The Exchange Regulation Department will monitor the market to determine if a Participant meets or exceeds reportable levels. trueEX does not currently have position limits set for any Contract, due to the fact that the Contracts do not have a deliverable supply (and are not subject to minimum position limits under statute or Commission regulations); instead the Contracts are cash settled and such settlement does not depend on the supply of physical commodities or related securities.</p> <p>At this time, the Exchange has determined that position accountability limits will allow the trueEX to monitor the market and enforce the rules of the Exchange. Because trueEX will be operating both a</p>	<p>Exhibit M Rule 529, 530 Exhibit N Exhibit O</p>

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<p>(1) Set its position limitation at a level no higher than the Commission limitation; and</p> <p>(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.</p>	<p>SEF and DCM offering trading in products in the same asset class (eg Interest rate swaps), with the distinction being that Required Transactions will be on the DCM and Permitted Transactions on the SEF, information from both venues will be aggregated to determine the applicability of the reportable levels and accountability limits.</p> <p>In monitoring trading on the Exchange, NFA will provide alerts that include (but are not limited to) the following: (a) whenever an account is identified as a large trader for the first time; (b) whenever large trader positions exceed reportable levels; (c) whenever large trader positions exceed speculative position limits, if any; and, (d) whenever firm open interest exceeds contract open interest by predefined limits.</p> <p>The Exchange will sanction Participants for violating their obligations to observe position limits and position accountability, as applicable, pursuant to Chapter 6. If the Exchange reasonably believes a Participant maintains positions that could jeopardize the financial safety of Participants or Customers, the Exchange may revoke or condition the Trading Privileges of such Participant pursuant to Rule 305(c)(iv).</p>	

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<p><b>Core Principle 7—Financial integrity of transactions.</b></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 Act</p>	<p>Transactions executed on the SEF Trading System cleared if they are required to be cleared pursuant the CFTC’s clearing mandate. trueEX will offer clearing on all other transactions to the extent they are clearable by the applicable clearing house. It is intended that almost all transactions executed on the SEF Trading System will be cleared; however, trueEX will allow a transaction to be settled by the two parties at their discretion if not subject to mandatory clearing. (Rule 801)</p> <p>All Participants and their Customers must provide a Clearing guarantee before being granted access to effect transactions on trueEX (Rule 809).</p> <p>All Participants and their Customers must be ECPs in order to transact on the SEF Trading System. trueEX Rule 401 requires Participants to confirm their status, as well as the status of any Customer of such Participant as an ECP prior being granted access to the SEF Trading System and provide to the Exchange, on an annual basis, written verification that such Participant and any Customer of such Participant is an ECP.</p> <p>Because trueEX is also a DCM, it requires Participants that are registered with the Commission and Clearing Firms to meet certain financial requirements. (Rule 404), which is explicitly required under DCM Core Principles. This rule</p>	<p>Exhibit M Rule 801, 809, 401 Exhibit N Participant Agreement</p>

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	<p>extends to the SEF as all Participants and Clearing Firms are eligible to transact on the trueEX Platform (which encompasses both the SEF and DCM Trading Systems).</p>	
<p><b>Core Principle 8—Emergency Authority.</b></p> <p>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>	<p>The Rulebook sets forth procedures for decision-making and emergency intervention in the market. Rule 214 of the Rulebook permits the ROC (or the CCO, if he or she determines that an Emergency Rule must be implemented before a meeting of the ROC may be reasonably convened) to adopt Emergency Rules that authorize or require the Exchange, Board, any Committee of the Board, or an Officer to take certain Emergency Actions. Such Emergency Actions include those under: Rule 214(a)(iv), which grants authority to liquidate or transfer open positions in any Contracts (subject to CFTC approval where a swap is traded on more than one platform); Rule 214(a)(i), which grants authority to suspend or curtail trading in any Contract; and Rule 214(a)(vii), which grants authority to require Participants to meet special margin requirements. Other Emergency Actions under Rule 214 provide for authority to: extend or shorten the last trading date for a Contract; provide alternative settlement mechanisms for any Contract (including by altering the settlement terms or conditions or fixing settlement price); extend, shorten or change the trading hours or expiration</p>	<p>Exhibit M Rule 214, 215 and 618</p>

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	<p>date of any Contract; or temporarily modify or suspend any provision of the Obligations. Emergency Actions under Rule 214 may be taken directly or through third party providers of clearing or regulatory services.</p> <p>Under Rule 214(d), the Exchange is required to use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating any Emergency Rule, and where prior notification is not possible or practicable, is required to notify the CFTC as soon as is possible or reasonably practicable. Under Rule 214(e), any decision to take Emergency Action shall be documented by the Exchange (and this documentation will describe the process for minimizing conflicts of interest applied to the decision and reasons for exercising emergency authority under Rule 214).</p> <p>In addition, certain circumstances may require disciplinary actions that do not conform to the full set of procedures provided for in Chapter 6. Such disciplinary actions (including suspensions) may be conducted under Rule 618 when the CCO reasonably believes that such Emergency Disciplinary Action is necessary to protect the best interest of the marketplace served by the Exchange.</p> <p>Emergency Actions taken pursuant to Rule 214 and Emergency Disciplinary Actions taken pursuant to</p>	

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	Rule 618 are subject to Conflicts of Interest provisions in Rule 215.	
<p><b>Core Principle 9—Timely publication of trading information.</b></p> <p>(a) <i>In general.</i> 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) <i>Capacity of swap execution facility.</i> 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>Pursuant to Rule 804, trueEX will publish information on its website daily regarding price and trading volume as required by Part 16 of the CFTC Regulations. Information on settlement prices will be provided by each applicable clearing house. The trueEX website will provide a link to the appropriate location on each clearing house’s website.</p> <p>As required under Parts 43 and 45, trueEX will transmit trade information to a swap data repository within the time frames specified in the rules and will maintain all such records in accordance with these requirements.</p>	Exhibit M Rule 544, 804, 904

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<p><b>Core Principle 10— Recordkeeping and reporting.</b></p> <p>(a) <i>In general.</i> A swap execution facility shall:</p> <p>(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;</p> <p>(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</p> <p>(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.</p> <p>(b) <i>Requirements.</i> The Commission shall adopt data collection and reporting requirements for swap execution facilities that are</p>	<p>trueEX’s recordkeeping program satisfies the relevant criteria set forth in § 1.31 of the CFTC Regulations. Under Rule 217, the Exchange will (i) retain complete and accurate books and records of accounts of trueEX, including all books and records required to be maintained pursuant to the CEA, and the CFTC Regulations, and (ii) retain all such books and records for at least five (5) years, and makes such books and records readily accessible for inspection by the CFTC and the DOJ during the first two (2) years of such five-year period. Rule 217 also provides specific recordkeeping obligations applicable to swaps; under Rule 217, all records required to be kept relating to swap transactions must be retained with respect to each swap throughout the life of the swap and for a period of at least five years following the final termination of the swap; during that period, each record related to a swap transaction shall be (i) readily accessible via real time electronic access throughout the life of the swap and for the two years following the final termination of the swap, and (ii) for the remaining three years of the five year period following the final termination of the swap, such record shall be retrievable within three business days. Rule 522 speaks to audit trail information that must be captured on all Orders entered into the SEF Trading System. This is discussed in more detail in Core Principle 2 above. Exhibit S also provides further detail with respect to trueEX recordkeeping</p>	<p>Exhibit M Rule 217, 311, 502 and 522 Exhibit S</p> <p>See also materials submitted in connection with Core Principle 2 (Compliance with Rules) with respect to audit trail.</p>

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<p>comparable to corresponding requirements for derivatives clearing organizations and swap data repositories.</p>	<p>responsibilities.</p> <p>Under Rule 311, the Exchange may record conversations and retain copies of electronic communications with Subject Persons. Under Rule 502(a), the Exchange may adopt further procedures to record and account for Contracts and Exchange Activity.</p>	
<p><b>Core Principle 11—Antitrust considerations.</b></p> <p>Unless necessary or appropriate to achieve the purposes of the Act, the swap execution facility shall not:</p> <p>(a) Adopt any rules or take any actions that result in any unreasonable restraint of trade; or</p> <p>(b) Impose any material anticompetitive burden on trading or clearing.</p>	<p>trueEX’s Rules have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading.</p> <p>In particular, access to the Exchange 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, provided they meet the eligibility standards (ie are Eligible Contract Participants). Under Rule 207, the Exchange Access Committee inter alia, (i) will have sole authority to approve rules that would result in different categories or classes of Participants receiving disparate access to the Exchange, and (ii) will be mandated not to, and not to permit trueEX 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. As both a DCM and a SEF, trueEX does have the right however to deny access per Rule</p>	<p>Exhibit M Rule 207, Rule 302, Rule 804</p>

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	<p>302 to Participants that do not meet membership criteria and to restrict access to those Participants and Customers that do not meet the definition of Eligible Contract Participant to transact only on the DCM Trading System.</p> <p>Trade information will be disseminated to Participants and the public daily.</p>	
<p><b>Core Principle 12—Conflicts of interest.</b></p> <p>The swap execution facility shall:</p> <p>(a) Establish and enforce rules to minimize conflicts of interest in its decision-making process; and</p> <p>(b) Establish a process for resolving the conflicts of interest.</p>	<p>Rule 215 of the Rulebook establishes rules to minimize conflicts of interest and a process for resolving conflicts of interest. In addition, Rule 216 limits the use and disclosure of material non-public information gained through the performance of official duties by a direct and indirect owners of the Exchange, Directors, Officers, members of Committees, members of Disciplinary Panels and Appeal Panels, members of the Exchange Regulation Department, and other employees of the Exchange.</p> <p>As described in Rule 208, trueEX will have a Regulatory Oversight Committee (ROC) that is composed of 100% Public Directors. The ROC will oversee the Exchange’s regulatory program on behalf of the Board, which role includes assisting the CCO in minimizing actual and potential conflicts</p>	<p>Exhibit M Rules 208, 209, 215, 216, 610 and 616.</p>

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	<p>of interest under Rule 209.</p> <p>Disciplinary Panels involved in the enforcement and adjudication process described in connection with Core Principle 4 above are subject to rules regarding composition as to preclude any group or class of industry participants from dominating or exercising disproportionate influence under Rule 610. Under that Rule, each Disciplinary Panel will be chaired by a Public Participant and may include additional Public Participants.</p> <p>Rule 616 provides for appeal of a Hearing Panel’s decision to an Appeal Panel. Under that Rule, an Appeal Panel will be chaired by a Public Participant and may include additional Public Participants.</p>	
<p><b>Core Principle 13—Financial resources.</b></p> <p>(a) <i>In general.</i> The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility.</p> <p>(b) <i>Determination of resource adequacy.</i> The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the</p>	<p>trueEX will maintain financial resources that exceed the total amount that would enable it to cover its projected operating costs (taking into account both DCM and SEF registration) for a one-year period, as calculated on a rolling basis. Exhibits I-1 through I-4 includes a narrative describing that the value of the financial resources available to trueEX 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 available unencumbered liquid financial assets equal to at least six months projected operating costs, trueEX’s last quarterly DCM filing as of March 31, 2013, a current balance sheet as of May 31, 2013</p>	<p>Exhibits I-1 through I-4</p>

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<p>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 rolling basis.</p>	<p>and a detailed schedule of projected operating costs from July 1, 2013 through June 30, 2014. The projections in Exhibit I-4 take into account its activities as both a DCM and a SEF.</p>	
<p><b>Core Principle 14—System safeguards.</b>  The swap execution facility 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 automated systems, that:</p> <p>(1) Are reliable and secure; and  (2) Have adequate scalable capacity;</p> <p>(b) Establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for:</p> <p>(1) The timely recovery and resumption of operations; and</p>	<p>Materials submitted in Exhibit V, including 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, secure and have adequate scalable capacity.</p> <p>trueEX maintains a comprehensive business continuity / disaster recovery plan as explained in the Technology Questionnaire.</p> <p>The Exchange may take Emergency Actions under Rule 214. See Core Principle 8 (Emergency Authority).</p> <p>Under Rule 202, the members of the Board will, where applicable, have sufficient expertise in</p>	<p>Exhibit S;  Exhibit V including Exhibits V-1 through V-6</p> <p>Exhibit M Rule 214</p>

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<p>(2) The fulfillment of the responsibilities and obligations of the swap execution facility; and</p> <p>(c) Periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued:</p> <p>(1) Order processing and trade matching;</p> <p>(2) Price reporting;</p> <p>(3) Market surveillance; and</p> <p>(4) Maintenance of a comprehensive and accurate audit trail.</p>	<p>financial services and risk management.</p>	
<p><b>Core Principle 15—Designation of chief compliance officer.</b></p> <p>(a) <i>In general.</i> Each swap execution facility shall designate an individual to serve as a chief compliance officer.</p>	<p>The true EX Board has CCO that meets the qualifications and experience in Exhibit E. Rule 209 sets forth the responsibilities of the CCO as required by Core Principle 15 and Regulations 37.1500 and 37.1501</p>	<p>Exhibit M Rule 209</p>