

Appendix A

Rule/Section	Explanation	Core Principle or other CEA Provision, Commission Regulation and/or Commission Staff Letter
VI.B.1; VI.B.2; VI.B.5; VI.C; VII.C; VII.D	Add the Chief Operating Officer and the Vice President of Operations as an administrator for purposes of conducting certain administrative tasks relating to treasury operations and the deposit and withdrawal of collateral.	DCO Core Principle D DCO Core Principle E DCO Core Principle F SEF Core Principle 2 SEF Core Principle 7 SEF Core Principle 13

Core Principle Review

The Exchange has reviewed the derivatives clearing organization core principles (“DCO Core Principles”) as set forth in the Commodity Exchange Act and identified that the proposed amendments (the “Proposed Amendments”) may have some bearing on the following principles. Capitalized terms used by not defined herein have the respective meanings given to them in the LedgerX LLC Rulebook.

DCO Core Principle D – Risk Management. The Proposed Amendments would ensure that the Exchange has the ability to manage its risks and responsibilities as a DCO, through the use of appropriate policies and procedures. Specifically, the Proposed Amendments help ensure that the Exchange has adequate human capital resources available to handle various administrative requirements related to treasury management and the deposit and withdrawal of collateral.

DCO Core Principle E – Settlement Procedures. DCO Core Principle E requires a DCO to complete money settlements on a timely basis, but not less frequently than once each business day, and ensure that money settlements are final when effected. The Proposed Amendments are consistent with this requirement and would help ensure that the Exchange has adequate human capital resources available to maintain continuity of settlement operations and to comply with Core Principle E and CFTC Regulation 39.14.

DCO Core Principle F – Treatment of Funds. The Exchange has determined that the Proposed Amendments are consistent with the requirement under this Core Principle to establish standards and procedures designed to protect and ensure the safety of member and participant funds and assets.

SEF Core Principle 2 – Compliance with Rules. The Proposed Amendments are consistent with the Exchange’s obligations to monitor and enforce compliance with the rules of the contract market, including the terms and conditions of any contracts to be traded and any limitations on access to the contract market. Core Principle 2 also requires that a SEF

establish procedures to capture and retain all audit trail information that may be used in establishing whether rule violations have occurred. The Proposed Amendments are consistent with this Core Principle and would help the Exchange ensure that adequate human capital resources are available to confirm that all audit trail information relating to collateral movements is captured.

SEF Core Principle 7 – Availability of General Information. The Proposed Amendments will be added to the Exchange’s public website concurrently with its submission to the Commission.

SEF Core Principle 13 – Financial Resources. SEF Core Principle 13 requires that a SEF have adequate financial, operational and managerial resources to discharge each responsibility. The Proposed Amendments are consistent with this Core Principle and would help the Exchange ensure that adequate human capital resources are available to confirm that each responsibility may be discharged on a timely basis.