

204. Participation Committee

- (a) Not later than the compliance date of the CFTC Regulations applicable to the Company's governance as a SEF, the Board shall designate certain of its members to serve as the Participation Committee which shall:
 - (i) determine the standards and requirements for initial and continuing eligibility for being a Participant;
 - (ii) review appeals of initial denials of Participant applications; and
 - (iii) review for approval any new Rules or the amendment or repeal of existing Rules that may result in different categories of Participants receiving disparate access to the SEF.
- (b) At all times following the compliance date of the CFTC Regulations applicable to the Company's governance as a SEF, the Participation Committee shall include no fewer than the minimum number or percentage of Public Directors required by such CFTC Regulations. If required by CFTC Regulations, one of the Public Directors shall serve as the chair of the Participation Committee.
- (c) In reviewing appeals of initial denials of Participant applications, the Participation Committee shall not uphold any denial if the relevant application meets the standards and requirements that the Participation Committee has established.
- (d) The Participation Committee shall not, and shall not permit the Company to, restrict access or impose burdens on access to the SEF in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.

205. Regulatory Oversight Committee

- (a) The Board shall designate certain of its members to serve as the Regulatory Oversight Committee which shall:
 - (i) oversee the Company's regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants and their Authorized Users (including ensuring compliance with any financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;
 - (ii) monitor the Company's regulatory program for sufficiency, effectiveness and independence;
 - (iii) review the size and allocation of the regulatory budget and resources, and the number, hiring and termination, and compensation of regulatory personnel;
 - (iv) review the performance of the Chief Compliance Officer and make recommendations with respect to such performance to the Board;
 - (v) prepare ~~an annual report for the Board and the CFTC describing and present to the Board annually a written report (or oral report, provided the report is memorialized in Board minutes), which may include topics such as (1)~~ the Company's self-regulatory ~~program, which sets forth the regulatory~~ program's expenses, ~~describes its~~(2) the Company's self-regulatory program's staffing and structure, ~~catalogues~~(3) the investigations and disciplinary proceedings taken during the year, and ~~reviews~~(4) the performance reviews of Disciplinary Panels, Appeals Panels and the CCO;
 - (vi) recommend changes to the Company's regulatory program that would ensure fair, vigorous, and effective regulation;

- (vii) review all regulatory proposals, actions or changes prior to implementation and advise the Board as to whether and how such proposals, actions or changes may affect the Company's regulation and its conduct and governance standards; and
 - (viii) exercise any other functions expressly assigned to it in these Rules.
- (b) Not later than the compliance date of the CFTC Regulations applicable to the Company's governance as a SEF and at all times thereafter, the Regulatory Oversight Committee shall include no fewer than the minimum number or percentage of Public Directors required by such CFTC Regulations. If required by CFTC Regulations, one of the Public Directors shall serve as the chair of the Regulatory Oversight Committee. Each member of the Regulatory Oversight Committee shall serve for a term of two calendar years from the date of his appointment or for the remainder of the term to which he is appointed as a replacement, and until the due appointment of his successor, or until his earlier resignation or removal (as a member of the Regulatory Oversight Committee or as a member of the Board) for cause or dismissal pursuant to the LLC Agreement.

206. Swap Review Committee

- (a) In the event the Company registers with the SEC as a SB Swap execution facility, the Board shall designate certain of its members and Authorized Users of Participants to serve as the Swap Review Committee. In making such appointments, the Board shall provide for the fair representation of Participants and shall endeavor to ensure that no single class of Participant dominates such Committee. In general, the Swap Review Committee shall determine the SB Swaps that the Company will list for trading and the SB Swaps that will be delisted from trading pursuant to criteria established by the Company. More specifically, the Swap Review Committee shall:
- (i) determine, after taking into account all of the terms and conditions of a SB Swap and the markets for such swap and any relevant underlying securities, whether such SB Swap is readily subject to manipulation prior to the initiation of trading of any SB Swap; and
 - (ii) review on a quarterly basis each SB Swap executed pursuant to these Rules to determine whether the trading characteristics of such SB Swap justify a change to the SB Swap execution facility for such SB Swap. In making this determination, the Swap Review Committee shall consider whether (A) the liquidity in each SB Swap is at an appropriate level for the SB Swap execution facility and (B) such SB Swap would be more suited for trading on a different type of platform. The results of the foregoing reviews shall be reported promptly to the Chief Compliance Officer and annually to the Regulatory Oversight Committee.
- (b) At all times following the compliance date of applicable SEC Regulations, the Swap Review Committee shall meet the composition requirements prescribed by such SEC Regulations.

207. Reporting to the CFTC

If the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee or the Participation Committee, the Company shall submit a written report to the CFTC detailing: (i) the recommendation of or action proposed to be taken by the Regulatory Oversight Committee or the Participation Committee; (ii) the rationale for such recommendation or action; (iii) the rationale of the Board for rejecting such recommendation or superseding such action; and (iv) the course of action that the Board decided to take contrary to such recommendation or action.