

EXHIBIT A-1

Attach as Exhibit A-1, a regulatory compliance chart setting forth each Core Principle and providing citations to the Applicant’s relevant rules, policies, and procedures that address each Core Principle, and a brief summary of the manner in which Applicant will comply with each Core Principle.

Core Principles Compliance Chart for Forum Clearing LLC (“Applicant”)

Capitalized terms used, but not defined herein, have the meanings assigned to them in the Applicant’s Rulebook, attached as Exhibit A-2.

DERIVATIVES CLEARING ORGANIZATION CORE PRINCIPLES REQUIREMENT	EXPLANATION AND CITATIONS TO RELEVANT RULES, POLICIES AND PROCEDURES
Core Principle A — Compliance (§ 39.10)	
(i) In general. — To be registered and to maintain registration as a derivatives clearing organization, a derivatives clearing organization shall comply with each core principle described in this paragraph and any requirement that the Commission may impose by rule or regulation pursuant to section 12a(5) of this title.	The Applicant is applying for registration as a derivatives clearing organization (“DCO”) by submitting Form DCO and exhibits attached thereto (collectively, the “Application”). The Application materials demonstrate that the Applicant complies with each Core Principle set forth in CEA section 5b(c)(2) (“Core Principles”) and applicable requirements under Part 39 of the CFTC regulations.
(ii) Discretion of derivatives clearing organization. — Subject to any rule or regulation prescribed by the Commission, a derivatives clearing organization shall have reasonable discretion in establishing the manner by which the derivatives clearing organization complies with each core principle described in this paragraph.	As demonstrated in this Application, the Applicant has drafted its Rulebook (attached as Exhibit A-2), Compliance Manual (attached as Exhibit A-11(g)) and ancillary policies and procedures provided in Exhibits A-11(h)-(l) and Exhibit I, and has designed its clearing operations to comply with each Core Principle described in Section 5b, 7 USC § 7a-1 of the CEA, and any requirement that the CFTC may impose by rule or regulation pursuant to section 8a(5) of the CEA. The Applicant will clear transactions in Contracts listed for trading on the designated contract market (“DCM”) operated by its affiliate, ForumEX LLC, which is applying for designation as a designated contract market. The Applicant intends to operate on a non-intermediated model and will require Clearing Participants to fully collateralize their positions. Consistent with that model, the Applicant will only clear transactions in Contracts for which the maximum loss of a position may be calculated on a fully-collateralized basis. The Applicant has a Risk Management Policy (Exhibit D-1(a)) that establishes the general

	policy parameters for monitoring and managing the risks to which the Applicant is exposed, including risks specific to its normal operations as a DCO. This Policy, together with Exhibit I – Enterprise Risk Management of the Application and the supporting appendices (ERM.01–ERM.26), address the Applicant’s enterprise risk management program as required by Regulation 39.10(d).
Core Principle B — Financial Resources (§ 39.11)	
(i) In general. — Each derivatives clearing organization shall have adequate financial, operational, and managerial resources, as determined by the Commission, to discharge each responsibility of the derivatives clearing organization. (ii) Minimum amount of financial resources. — Each derivatives clearing organization shall possess financial resources that, at a minimum, exceed the total amount that would — (I) enable the organization to meet its financial obligations to its members and participants notwithstanding a default by the member or participant creating the largest financial exposure for that organization in extreme but plausible market conditions; and (II) enable the derivatives clearing organization to cover the operating costs of the derivatives clearing organization for a period of 1 year (as calculated on a rolling basis).	(i) Section III (Financial, Operational and Managerial Resources) of the Compliance Manual (Exhibit A-11(g)) provides that the Applicant will maintain adequate financial, operational and managerial resources pursuant to Regulation 39.11(a). Section III further provides that the Applicant will maintain sufficient financial resources to cover its exposures with a high degree of confidence, will identify and adequately manage its general business risks, and will hold sufficient liquid resources to cover potential business losses that are not related to Clearing Participant Defaults, so that the Applicant can continue to provide services as a going concern. The Applicant’s financial resources consist of Applicant’s capital, held in cash or cash equivalents. (ii) (I) Rule 6.6 (Opening Positions and Position Close Out) requires each position to be fully collateralized before acceptance for clearing, and Rules 6.5(a) (Acceptance for Clearance) and 6.6(a) require the Applicant to collect, from each Clearing Participant's Available Funds, the amount necessary to fully collateralize the position before it is opened. Under the Risk Management Policy (Exhibit D-1(a), “fully collateralized” means the Applicant holds sufficient prefunded cash, at all times, to cover the maximum potential loss of each position. Because collateral held for every position always equals its maximum potential loss, even a default by the Clearing Participant with the largest exposure cannot produce a shortfall under any market conditions, including extreme but plausible conditions. This is confirmed by Regulation 39.11(c)(1) itself, which requires monthly stress testing to calculate the financial resources needed to meet § 39.11(a)(1)'s default-coverage requirement but expressly exempts fully collateralized positions from that testing, since the collateral model already guarantees compliance by construction. (II) The Applicant will begin operations with fifteen (15) months’ cash or cash equivalents at Merchants Bank of Indiana as discussed in Exhibit B-3 (Operating Resources).

Core Principle C — Participant and Product Eligibility (§ 39.12)

(i) In general. — Each derivatives clearing organization shall establish — (I) appropriate admission and continuing eligibility standards (including sufficient financial resources and operational capacity to meet obligations arising from participation in the derivatives clearing organization) for members of, and participants in, the derivatives clearing organization; and (II) appropriate standards for determining the eligibility of agreements, contracts, or transactions submitted to the derivatives clearing organization for clearing.

(ii) Required procedures. — Each derivatives clearing organization shall establish and implement procedures to verify, on an ongoing basis, the compliance of each participation and membership requirement of the derivatives clearing organization.

(iii) Requirements. — The participation and membership requirements of each derivatives clearing organization shall — (I) be objective; (II) be publicly disclosed; and (III) permit fair and open access.

(i) (I) Rule 4.3 (Eligibility) of the Applicant’s Rulebook establishes the Applicant’s eligibility criteria for Clearing Participants, requiring (a) legal capacity and authority; (b) any prescribed financial criteria the Applicant may determine to set; (c) a mechanism acceptable to the Applicant for transferring funds; and (d) sufficient technical and operational capabilities. Because the Applicant operates a fully collateralized model, it does not impose differentiated financial requirements based on capital or creditworthiness on Clearing Participants.

(II) Section II.D (Product Review) of the Compliance Manual attached as Exhibit A-11(g) sets forth six core eligibility considerations for Contracts submitted for clearing: (a) full collateralization feasibility; (b) Contract design and market characteristics; (c) pricing transparency and data quality; (d) risk measurement and lifecycle processing capability; (e) operational capacity; and (f) collateral and custody compatibility. The Chief Technology Officer (“CTO”) leads the technical and risk analysis of proposed Contracts, and the Chief Regulatory and Risk Officer (“CRRO”) leads the regulatory analysis. The Applicant’s approval is a condition precedent to listing any Contract for clearing. The Applicant will only clear Contracts that are fully collateralized.

(ii) The Market Regulation Department will conduct clearing-level and financial surveillance of the Clearing Participants on an ongoing basis, consistent with Section XVI (Surveillance) of the Compliance Manual, by using in-house systems to monitor real-time credit checks, wire transfers, and trading activity. Continuing eligibility of Clearing Participants will also be enforced under Rules 4.2(a)(5) and 4.2(c) (Participant Obligations and Consents) of the Rulebook, which require Clearing Participants to promptly disclose insolvency, regulatory proceedings and other material adverse developments affecting its continuing eligibility.

(iii) (I) Rule 4.3 (Eligibility) establishes objective eligibility criteria, and applications are considered in a fair, non-discriminatory, and non-anti-competitive manner pursuant to Rule 4.5(a). The Applicant offers one class of Clearing Participant status, subject to uniform criteria and surveillance.

(II) The Rulebook, including Rule 4.3 (Eligibility) eligibility criteria, is a public document and will be posted on the Applicant's website.

	(III) Access criteria are applied in a fair and non-discriminatory manner that is not anti-competitive, consistent with Rule 4.5(a) (Approval) of the Applicant's Rulebook.
Core Principle D — Risk Management (§ 39.13)	
(i) In general. — Each derivatives clearing organization shall ensure that the derivatives clearing organization possesses the ability to manage the risks associated with discharging the responsibilities of the derivatives clearing organization through the use of appropriate tools and procedures. (ii) Measurement of credit exposure. — Each derivatives clearing organization shall — (I) not less than once during each business day of the derivatives clearing organization, measure the credit exposures of the derivatives clearing organization to each member and participant of the derivatives clearing organization; and (II) monitor each exposure described in subclause (I) periodically during the business day of the derivatives clearing organization. (iii) Limitation of exposure to potential losses from defaults. — Each derivatives clearing organization, through margin requirements and other risk control mechanisms, shall limit the exposure of the derivatives clearing organization to potential losses from defaults by members and participants of the derivatives clearing organization to ensure that — (I) the operations of the derivatives clearing organization would not be disrupted; and (II) nondefaulting members or participants would not be exposed to losses that nondefaulting members or participants cannot anticipate or control. (iv) Margin requirements. — The margin required from each member and participant of a derivatives clearing organization shall be sufficient to cover potential exposures in normal market conditions.	(i) Rule 6.5(a) (Acceptance for Clearance) and Rule 6.6(a) (Opening Positions and Position Close Out) together require that every position be fully collateralized before acceptance and continuously thereafter, providing the Applicant's principal tool for managing the risks associated with its clearing responsibilities. (ii) Rule 6.5(b) (Acceptance for Clearance) requires that, prior to matching a Participant's order, the sufficiency of the Participant's funds for the position be confirmed, and that the Applicant confirm the required trade details prior to acceptance for clearing. Because this credit check occurs on a per-order basis rather than at fixed intervals, it necessarily satisfies the requirement to measure credit exposure not less than once per business day and to monitor exposures periodically throughout the day. (iii) Rule 6.6(a) (Opening Positions and Position Close Out) requires the Applicant to calculate the Original Margin requirement and confirm sufficient Available Funds before establishing an opening position, rejecting the Order in its entirety if funds are insufficient. Section IV (Default) of the Compliance Manual confirms that the Applicant does not maintain or mutualize a Default fund and, given its fully collateralized model, does not require non-Defaulting Clearing Participants to contribute to the resolution of another Clearing Participant's Default, ensuring that the Applicant's operations are not disrupted and that nondefaulting Clearing Participants are not exposed to losses they cannot anticipate or control. (iv) Rule 6.6(a) (Opening Positions and Position Close Out) requires that the Original Margin collected be the amount necessary to provide full collateralization of the position, a standard that by its terms exceeds what would be required to cover potential exposures in normal market conditions alone. (v) Section 4.a (Collateral Model Review and Validation) of the Risk Management Policy attached as Exhibit D-1(a) provides that the Applicant's collateral and risk methodologies are periodically reviewed and validated to ensure continued accuracy and alignment with product

(v) Requirements regarding models and parameters. — Each model and parameter used in setting margin requirements under clause (iv) shall be — (I) risk-based; and (II) reviewed on a regular basis.	design and risk characteristics, and that the CRRO is responsible for determining and validating the maximum potential loss associated with each contract prior to acceptance for clearing.
Core Principle E — Settlement Procedures (§ 39.14)	
Each derivatives clearing organization shall — (i) complete money settlements on a timely basis (but not less frequently than once each business day); (ii) employ money settlement arrangements to eliminate or strictly limit the exposure of the derivatives clearing organization to settlement bank risks (including credit and liquidity risks from the use of banks to effect money settlements); (iii) ensure that money settlements are final when effected; (iv) maintain an accurate record of the flow of funds associated with each money settlement; (v) possess the ability to comply with each term and condition of any permitted netting or offset arrangement with any other clearing organization; (vi) regarding physical settlements, establish rules that clearly state each obligation of the derivatives clearing organization with respect to physical deliveries; and (vii) ensure that each risk arising from an obligation described in clause (vi) is identified and managed.	(i) Rule 6.5(a) (Acceptance for Clearance) and Rule 6.7(a) (Settling at Expiration) provide that each open Contract is settled daily at the Expiration Time on each Trading Day, at which time gains and losses are realized into the Participant's Account and positions are re-established through the Auto-Roll Forward. (ii) Rule 6.4(a) (Settlement Bank) requires the Applicant to designate at least one Settlement Bank for the purpose of holding Participant Property. Because the Applicant's model requires each Participant to have funds sufficient to cover the maximum possible loss on its positions at all times under Rule 6.5(a) (Acceptance for Clearance), settlement obligations are satisfied from prefunded Available Funds rather than through post-trade collection, limiting the Applicant's exposure to settlement bank credit and liquidity risk. (iii) Rule 6.5(h) (Acceptance for Clearance) provides that all payments and collections in connection with the clearing and settlement of Contracts are irrevocable and unconditionally deposited with, and exclusively within the control of, the Applicant when credited or debited on its books, subject only to correction of manifest error, ensuring that money settlements are final when effected. (iv) Section VII.B (Flow of Funds) of the Compliance Manual provides that all required flow of funds are handled as book-entry transfers within the Forum Clearing System at the fixed Daily Settlement time. Rule 11.1(a) (Regulatory Records Retention) requires the Applicant to keep complete and accurate books and records, including all records required under the CEA and CFTC Regulations, in a form and manner acceptable to the CFTC, and Section XIII (Recordkeeping) of the Compliance Manual identifies all cleared transactions as a category of records the Applicant must maintain. (v) The Applicant does not currently maintain any netting or offset arrangements with any other clearing organization. However, the Applicant's legal framework, as set forth in the Rulebook and the Participant and Clearing Participant Agreement (Exhibit C-1(a)), governs novation, netting, collateral, default, and settlement finality, and provides the foundation for compliance with any such arrangement the Applicant may enter into in the future.

	(vi)-(vii) The Applicant does not clear physically-settled Contracts. All Contracts cleared by the Applicant settle in cash against the final value of the Underlying at the Expiration Time on each Trading Day, with gains and losses realized as book-entry transfers within the Forum Clearing System. Because the Applicant does not engage in physical deliveries, the requirements of clauses (vi) and (vii) are not applicable to the Applicant's operations.
Core Principle F — Treatment of Funds (§ 39.15)	
(i) Required standards and procedures. — Each derivatives clearing organization shall establish standards and procedures that are designed to protect and ensure the safety of member and participant funds and assets. (ii) Holding of funds and assets. — Each derivatives clearing organization shall hold member and participant funds and assets in a manner by which to minimize the risk of loss or of delay in the access by the derivatives clearing organization to the assets and funds. (iii) Permissible investments. — Funds and assets invested by a derivatives clearing organization shall be held in instruments with minimal credit, market, and liquidity risks.	(i) Rule 6.2(c) (Participant Clearing Account) provides that funds held in Participant Clearing Accounts are considered Participant Property (as defined in the Bankruptcy Code). Rule 6.2(d) requires the Applicant to account for, segregate, and maintain at a Settlement Bank all funds held in Participant Clearing Accounts, except for a limited proprietary account permitted under Rule 6.2(e) for fees, investment proceeds, and Participant fund advances. Section VIII (Segregation) of the Compliance Manual requires that Participant Property not be commingled with the Applicant's own operating funds and that the Applicant obtain acknowledgment letters from each Settlement Bank confirming that such funds are segregated for the benefit of Clearing Participants. (ii) Rule 6.4(a) requires the Applicant to designate at least one Settlement Bank for the purpose of holding Participant Property. Section IX (Settlement Bank Policy) of the Compliance Manual assigns the Board, in consultation with the CRRO and Chief Financial Officer, responsibility for the selection and ongoing monitoring of Settlement Banks, including periodic assessment of concentration risk. (iii) Rule 6.11(a) (Investment of Participant Funds) requires that all Participant Property invested by the Applicant be held in instruments complying with CFTC Regulations 1.25 and 39.15(e), including U.S. government securities, municipal securities, U.S. agency obligations, FDIC-insured certificates of deposit, and FDIC-insured interest-bearing deposit accounts. Rule 6.11(b) provides that such investments are held for the account and risk of the Applicant, and Rule 6.11(c) requires that investment selections be made by the Chief Executive Officer or designee and periodically reviewed by the Board.
Core Principle G — Default Rules and Procedures (§ 39.16)	

(i) In general. — Each derivatives clearing organization shall have rules and procedures designed to allow for the efficient, fair, and safe management of events during which members or participants — (I) become insolvent; or (II) otherwise default on the obligations of the members or participants to the derivatives clearing organization. (ii) Default procedures. — Each derivatives clearing organization shall — (I) clearly state the default procedures of the derivatives clearing organization; (II) make publicly available the default rules of the derivatives clearing organization; and (III) ensure that the derivatives clearing organization may take timely action — (aa) to contain losses and liquidity pressures; and (bb) to continue meeting each obligation of the derivatives clearing organization.	(i) Rule 6.12(a) (Default) defines a Clearing Participant Default as a Clearing Participant's failure to meet its Contract obligations, insolvency, failure to pay amounts owed, or an ACH deposit failure leaving Available Funds insufficient for full collateralization. (ii)(I) Rule 6.12(b) sets forth the Default management sequence: disabling Clearing Privileges, coordinating with the DCM, affording a cure period not to exceed two Business Days, and, if uncured, transferring positions and balances for managed close-out. (ii)(II) Public availability of default rules. Section IV (Default) of the Compliance Manual confirms that the Applicant's Default rules and procedures are made publicly available in accordance with CFTC Regulation 39.21. The Applicant's Rulebook will be posted on its website. (ii)(III) Timely action to contain losses and continue meeting obligations. Because positions are fully collateralized under Rule 6.5(a) (Acceptance of Clearance) at all times, a Clearing Participant Default cannot create a funding shortfall, allowing the Applicant to contain losses and continue meeting its obligations without a mutualized default fund.
Core Principle H — Rule Enforcement (§ 39.17)	
Each derivatives clearing organization shall — (i) maintain adequate arrangements and resources for — (I) the effective monitoring and enforcement of compliance with the rules of the derivatives clearing organization; and (II) the resolution of disputes; (ii) have the authority and ability to discipline, limit, suspend, or terminate the activities of a member or participant due to a violation by the member or participant of any rule of the derivatives clearing organization; and (iii) report to the Commission regarding rule enforcement activities and sanctions imposed against members and participants as provided in clause (ii).	(i)(I) Rule 9.1 (Market Surveillance) requires the Applicant to record and store, for not less than five (5) years, a record of all data entered into the Applicant, and to conduct market surveillance and trade practice surveillance using that data. The Market Regulation Department is responsible for surveillance of all trading and clearing activity. Rule 9.2 (Investigations Generally) grants the Market Regulation Department authority to examine the books and records of Persons under investigation and requires investigations to be completed within twelve (12) months absent significant reason for extension. (II) Rule 10.1 (General) requires Participants to arbitrate disputes arising in connection with their Forum business through binding arbitration administered by the American Arbitration Association, except that controversies involving Rule violations are instead subject to Chapter IX (Rule Enforcement and Disciplinary Process). (ii) Rule 9.3 (Notice of Suspected Violations and Disciplinary Actions) authorizes the Market Regulation Department, upon finding reasonable cause to believe a violation occurred, to issue

	a notice of charges proposing a penalty, and Rule 9.4 (Responding to Investigations) sets forth a Respondent's options to contest, settle, or accept the charges. The Compliance Manual's disciplinary sanctions schedule provides for escalating fines and referral to the Disciplinary Committee for repeat violations, and separately authorizes the Applicant to suspend, revoke, limit, condition, restrict, or qualify a Clearing Participant's privileges for Rulebook violations. (iii) Section XIV.C(16) (Event-Specific Reports) of the Compliance Manual requires the Applicant to provide notice to the CFTC no later than two Business Days after imposing sanctions against a Clearing Participant, including any summary fines, suspension, revocation, limitation, or restriction of Clearing Privileges imposed under Rules 9.3 (Notice of Suspected Violations and Disciplinary Actions) and 9.5 (Disciplinary Action) or Section XI (Disciplinary Procedures) of the Compliance Manual.
Core Principle I — System Safeguards (§ 39.18)	
Each derivatives clearing organization shall — (i) 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 are reliable, secure, and have adequate scalable capacity; (ii) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allows for —(I) the timely recovery and resumption of operations of the derivatives clearing organization; and (II) the fulfillment of each obligation and responsibility of the derivatives clearing organization; and (iii) periodically conduct tests to verify that the backup resources of the derivatives clearing organization are sufficient to ensure daily processing, clearing, and settlement.	(i) Section XII (System Safeguards) of the Compliance Manual requires the Applicant to establish and maintain a program of risk analysis and oversight with respect to its operations and automated systems, to identify and minimize sources of operational risk through appropriate controls, procedures, and automated systems that are reliable, secure, and have adequate scalable capacity. Certain operational, development, capacity, and security controls are performed on the Applicant's behalf under the Shared Services Agreement with Forum Markets Group, Inc., with the Chief Information Security Officer and Chief Technology Officer supervising delivery of those services. (ii) Rule 3.15 (Emergency Rules and Actions) authorizes an Officer to take actions necessary or appropriate to respond to an Emergency, requires the CRRO to document the decision-making process for any such action, and requires CFTC notification within 24 hours of any temporary Emergency Rule implemented, modified, or terminated. The Disaster Recovery and Business Continuity Policy establishes a next-business-day Recovery Time Objective for critical systems and a five-minute Recovery Point Objective for core data, supporting the timely recovery and resumption of operations and fulfillment of the Applicant's obligations following a disruption. (iii) The Disaster Recovery and Business Continuity Policy (Appendix V.05) and the Business Continuity – Disaster Recovery Plan and Procedure (Appendix V.05(a)) requires semi-annual functional testing of failover and recovery capabilities, including fault injection and tabletop

	exercises that simulate outages and measure recovery against defined RTO and RPO targets. The Policy establishes a next-business-day Recovery Time Objective for critical systems and a five-minute Recovery Point Objective for core data, with annual review of business continuity and disaster recovery plans. Section XII.D (System Safeguards Policies and Procedures) of the Compliance Manual separately requires capacity and performance planning procedures to ensure the Forum Clearing System can handle anticipated trading volumes with adequate headroom.
Core Principle J — Reporting (§ 39.19)	
Each derivatives clearing organization shall provide to the Commission all information that the Commission determines to be necessary to conduct oversight of the derivatives clearing organization.	Rule 11.1(b) (Regulatory Records Retention) requires the Applicant, upon request, to provide any information to the CFTC, the SEC, or the Department of Justice, or any representative of a prudential regulator, as authorized under Applicable Law, in the manner and form required. Rule 11.2(a) further requires the Applicant to record and report to the CFTC all data required to be reported under applicable CFTC Regulations, in the form and manner required. Section XIV (Regulatory Reporting) of the Compliance Manual establishes the Applicant's regulatory reporting program, under which the CRRO is the primary CFTC contact responsible for the Applicant's compliance with this Core Principle. Section XIV.A provides for quarterly financial resources reports, Section XIV.B provides for an annual CRRO report and audited year-end financial statements and Section XIV.C identifies enumerated event-specific reporting obligations, including notifications tied to declines in financial or liquidity resources, Clearing Participant Default, key personnel changes, and other material events.
Core Principle K — Recordkeeping (§ 39.20)	
Each derivatives clearing organization shall maintain records of all activities related to the business of the derivatives clearing organization as a derivatives clearing organization — (i) in a form and manner that is acceptable to the Commission; and (ii) for a period of not less than 5 years.	(i) Rule 11.1(a) (Regulatory Records Retention) requires the Applicant to keep, or cause to be kept, complete and accurate books and records, including all records required under the CEA and CFTC Regulations, in a form and manner acceptable to the CFTC. The <i>Recordkeeping Policy</i> (Exhibit A-11(k)) requires that all electronic records be maintained in native file format with sequential identification of any subsequent versions, and the CRRO is responsible for supervising the storage of all electronic and paper records. Section XIII (Recordkeeping) identifies the categories of records the Applicant must maintain, including all cleared transactions, information required to be created or reported under Part 39, rules and procedures submitted under Parts 39 and 40, data submitted by Clearing Participants, and records evidencing Board or committee review of system safeguards testing materials.

	(ii) Rule 11.1(a) requires the Applicant to retain all books and records for a period of not less than five (5) years, with the first two (2) years maintained in a readily accessible location.
Core Principle L — Public Information (§ 39.21)	
(i) In general. — Each derivatives clearing organization shall provide to market participants sufficient information to enable the market participants to identify and evaluate accurately the risks and costs associated with using the services of the derivatives clearing organization. (ii) Availability of information. — Each derivatives clearing organization shall make information concerning the rules and operating and default procedures governing the clearing and settlement systems of the derivatives clearing organization available to market participants. (iii) Public disclosure. — Each derivatives clearing organization shall disclose publicly and to the Commission information concerning — (I) the terms and conditions of each contract, agreement, and transaction cleared and settled by the derivatives clearing organization; (II) each clearing and other fee that the derivatives clearing organization charges the members and participants of the derivatives clearing organization; (III) the margin-setting methodology, and the size and composition, of the financial resource package of the derivatives clearing organization; (IV) daily settlement prices, volume, and open interest for each contract settled or cleared by the derivatives clearing organization; and (V) any other matter relevant to participation in the settlement and clearing activities of the derivatives clearing organization.	(i) Rule 4.8(a) (Public Communication) requires the Applicant to publish complete and current copies of the Rules and Contract Specifications on its website, including the terms and conditions for available Contracts, together with any other information relevant to participation in the clearing and settlement activities of the Applicant. Section XVIII (Public Disclosure of DCO Information) of the Compliance Manual further requires disclosure of any clearing and other fee that the Applicant charges its Clearing Participants, as well as disclosure that the Applicant does not employ a margin-setting methodology and does not maintain a financial resource package for use in the event of a Clearing Participant Default because it clears only fully collateralized positions. Taken together, these disclosures provide market participants with sufficient information to identify and evaluate accurately the risks and costs associated with using the Applicant's services. (ii) Rule 4.8(a) (Public Communication) further requires publication of Notices to Participants regarding each addition to, modification of, or clarification of the Rules and fees, and Rule 4.8(a)(6) requires that the location on the Applicant's website designated for public communications be clearly labeled and readily available to the general public. Section IV (Default) of the Compliance Manual confirms that the Applicant's Default rules and procedures are made publicly available in accordance with CFTC Regulation 39.21. (iii)(I) Rule 4.8(a)(1) (Public Communication) requires publication of complete and current copies of the Rules and Contract Specifications, including the terms and conditions for available Contracts. (II) Rule 4.8(a)(3) (Public Communication) requires publication of Notices to Participants regarding fees, and Rule 5.13(a) (Fees) requires that fees charged in connection with clearing be posted on the Applicant's website. (III) Because the Applicant clears only fully collateralized positions and does not utilize initial or variation margin, Section XVIII (Public Disclosure of DCO Information) of the Compliance

	Manual requires the Applicant to disclose on its website that it does not employ a margin-setting methodology and does not maintain a financial resource package for use in the event of a Clearing Participant Default. (IV) Rule 4.8(a)(2) (Public Communication) requires publication of Daily Settlement prices, Final Settlement Prices, volume, open interest, and opening and closing ranges for actively traded Contracts, once daily. (V) Rule 4.8(a)(5) (Public Communication) requires publication of any other information relevant to participation in the clearing and settlement activities of the Applicant.
Core Principle M — Information Sharing (§ 39.22)	
Each derivatives clearing organization shall — (i) enter into, and abide by the terms of, each appropriate and applicable domestic and international information-sharing agreement; and (ii) use relevant information obtained from each agreement described in clause (i) in carrying out the risk management program of the derivatives clearing organization.	The Applicant does not anticipate entering into any information sharing agreements. However, the Applicant recognizes its obligation to share information with any other Commission-registered DCO or foreign entity fulfilling that role and will do so, if appropriate and to the extent required to comply with Applicable Law. Clearing Participants must promptly respond to any requests for information.
Core Principle N — Antitrust Considerations (§ 39.23)	
Unless necessary or appropriate to achieve the purposes of this chapter, a derivatives clearing organization shall not — (i) adopt any rule or take any action that results in any unreasonable restraint of trade; or (ii) impose any material anticompetitive burden.	(i) Rule 4.5(a) (Approval) requires the Applicant to apply Participant access criteria in a fair and non-discriminatory manner that is not anti-competitive. Section XX (Antitrust) of the Compliance Manual confirms that the Applicant will not adopt any rule or take any action that results in an unreasonable restraint of trade, except to the extent necessary or appropriate to achieve the purposes of the CFTC Regulations. (ii) Rule 7.5 (Limitations on Trading with Certain Information) prohibits a Participant with access to material non-public information concerning a Contract's Underlying from entering into or attempting to enter into any related trade. Section XX (Antitrust) of the Compliance Manual further provides that any fees the Applicant imposes shall be equal across classes and designed to be non-discriminatory and confirms that the Applicant will not impose any material anticompetitive burden, except to the extent necessary or appropriate to achieve the purposes of the CFTC Regulations. Collectively, these provisions ensure that the Applicant's rules and practices promote fair competition and open access, satisfying Core Principle N's requirement that the Applicant avoid unreasonable restraints of trade and material anticompetitive burdens.

Core Principle O — Governance Fitness Standards (§ 39.24)	
(i) Governance arrangements. — Each derivatives clearing organization shall establish governance arrangements that are transparent — (I) to fulfill public interest requirements; and (II) to permit the consideration of the views of owners and participants. (ii) Fitness standards. — Each derivatives clearing organization shall establish and enforce appropriate fitness standards for — (I) directors; (II) members of any disciplinary committee; (III) members of the derivatives clearing organization; (IV) any other individual or entity with direct access to the settlement or clearing activities of the derivatives clearing organization; and (V) any party affiliated with any individual or entity described in this clause.	(i) Rule 3.5(b) (DCO Board) requires the Applicant’s Board to ensure the Applicant's operations support market stability and protect Participants' legitimate interests, with major decisions of broad market impact disclosed publicly. Rule 3.5(f) requires the Board and its committees to permit consideration of the views of market participants. (ii)(I) Rule 3.6(c) (Eligibility) disqualifies an individual from serving as a Director, Officer, committee or panel member, or CRRO if, within specified look-back periods, the individual was found to have committed a disciplinary offense, entered into a related settlement agreement, is suspended or expelled from a self-regulatory organization, is subject to a CFTC registration revocation or suspension, has been convicted of certain CEA felonies, is disqualified from serving on another self-regulatory organization's governing board, or is subject to a statutory disqualification under CEA Section 8a(2). (II) Rule 3.8(a)(1) (The Disciplinary Committee) requires the Disciplinary Committee to consist of at least three members, including at least one individual who would not be disqualified from serving as a Public Director, and prohibits any member from also serving as compliance Personnel or from adjudicating another stage of the same proceeding. (III) Rule 4.3 (Eligibility) requires each Clearing Participant to have legal capacity and authority, satisfy any prescribed financial criteria, maintain an acceptable fund transfer mechanism, and possess sufficient technical and operational capabilities.(IV)-(V) Rule 4.3(b) permits Affiliates to become Clearing Participants on the same terms as other Clearing Participants, subject to conditions ensuring the Affiliate has no preferential access, no access to the Applicant's material non-public information, no capital contribution from the Applicant, and no access to systems beyond what other Clearing Participants receive.
Core Principle P — Conflicts of Interest (§ 39.25)	
Each derivatives clearing organization shall — (i) establish and enforce rules to minimize conflicts of interest in the decision-making process of the derivatives clearing organization; and (ii) establish a process for resolving conflicts of interest described in clause (i).	(i) Rule 3.11(a) (Conflicts of Interests) prohibits members of the Board or any disciplinary or oversight committee or subcommittee from participating in deliberations or voting on any matter in which they have an interest or a relationship with a named party in interest, including where the member is the named party, is an employer, employee, or fellow employee of a named party, is associated with a named party through a broker association, has any other significant ongoing business relationship with a named party (excluding relationships limited to

	Contracts), or has a family relationship with a named party. Rule 3.11(a)(2) separately prohibits a Board, committee, or panel member from participating in deliberations or voting on any Significant Action if the member knowingly has a direct and substantial financial interest in the result of the vote. Rule 3.12 further prohibits any Board or committee member, Officer, or Personnel from using or disclosing material, non-public information obtained in connection with their duties for any purpose other than the performance of those duties. Rule 3.12(g) enforces the Rule 3.12 prohibition by requiring the violator to indemnify the Applicant and hold it harmless against any resulting losses, damages, or costs. (ii) Under Rule 3.11(a)(1)(b) and (c) (Conflicts of Interest), each member of a deliberating body must disclose to the CRRO whether the member has a relationship with a named party in interest, and the CRRO determines whether a conflicts restriction applies based on that disclosure and any other reasonably available information; if the conflict involves the CRRO the other members of the deliberating body make that determination. Rule 3.11(a)(2)(d) permits a member who would otherwise be required to abstain to participate in deliberations, but not voting, if the deliberating body determines that such participation is consistent with the public interest, considering whether the member's participation could unduly influence the outcome, whether it is necessary to achieve a quorum, and whether the member has unique or special expertise relevant to the matter. Rule 3.11(a)(2)(f) requires that meeting minutes document the names of all participating members, any recusal or abstention and the reason, the information reviewed, and any conflicts determination made. Directors must also annually submit a disclosure statement identifying any real, potential, or perceived conflicts of interest, including those involving any Affiliate, pursuant to Rule 3.11(a)(2)(g). Also see the Applicant's <i>Conflicts of Interest Policy</i> attached as Exhibit A-11(h).
Core Principle Q — Composition of Governing Board (§ 39.26)	
Each derivatives clearing organization shall ensure that the composition of the governing board or committee of the derivatives clearing organization includes market participants.	Rule 3.5(d) (DCO Board) requires that the minimum number of Directors on the Applicant's Board be five, at least 35% of whom shall be independent or market participant Directors, or such other percentage as may be required by CFTC Regulations. Rule 3.5(f) requires that the Applicant's Board be constituted, and any committees or subcommittees be constituted, to permit consideration of the views of market participants. Rule 3.6(i) (Eligibility) provides that Board members are selected based on their ability to demonstrate a clear understanding of financial organization and legal concepts necessary to the

	functioning of a DCO, as evidenced by their educational background, employment experience, board appointment history, and involvement in the securities and finance industries. Rule 3.9(a) (Ad Hoc Committees) further requires that at least 35% of the members of any ad hoc committee designated by the Applicant's Board be individuals who would qualify as market participant or independent Directors if they were Directors of the Applicant, ensuring that market participant representation extends to committee-level governance as well as the Board itself.
Core Principle R — Legal risk considerations (§ 39.27)	
Each derivatives clearing organization shall have a well-founded, transparent, and enforceable legal framework for each aspect of the activities of the derivatives clearing organization.	The Applicant's legal framework is delineated in the Rulebook and the Participant and Clearing Participant Agreement (Exhibit C-1(a)), which together govern novation, netting, collateral, default, and settlement finality. Rule 6.5(c) (Acceptance for Clearance) provides that if a pending match contains a material error or is otherwise not eligible for clearing, the Applicant shall not accept it and the match shall be <i>void ab initio</i>. If accepted, the Applicant is immediately substituted, through novation, as seller to the buying Participant and buyer to the selling Participant, who are released from their obligations to each other. Rule 6.2(d) (Participant Clearing Accounts) requires the Applicant to account for, segregate, and maintain at a Settlement Bank all funds held in Participant Clearing Accounts. The Participant and Clearing Participant Agreement (Exhibit C-1(a)) provides that each Participant pledges to the Applicant a first-priority, continuing security interest in, and right of setoff against, all collateral in its Participant Clearing Account. Rule 6.12 (Default) sets forth the Applicant's Default rules and procedures, including the events constituting Default, the cure period, and the Applicant's authority to disable Clearing Privileges and transfer or close out positions. Rule 6.5(h) (Acceptance for Clearance) provides that all payments and collections in connection with the clearing and settlement of Contracts are irrevocable and unconditionally deposited with, and exclusively within the control of, the Applicant when credited or debited on its books, subject only to correction of manifest error.

	Taken together, these provisions establish a well-founded, transparent, and enforceable legal framework governing novation, collateral, Default management, and settlement finality, thereby satisfying Core Principle R.
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