

Governance Policy

The policies set out below will apply to ICAP Global Derivatives Limited (the “**Company**”). The Governance Policy is not intended to supersede or interpret any Applicable Law. It does not purport to be a comprehensive governance framework for the Company and should be read in conjunction with the Company’s Articles of Association and Company’s Facility Rulebook (the "Facility Rulebook").

1 Glossary

Defined terms unless otherwise defined in this Governance Policy have the meaning given to them in the Facility Rulebook.

Applicable Law	means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person (as defined in the Facility Rulebook), including but not limited to the FCA's rules, the Act and Commission Regulations.
Articles of Association	means the Company's Articles of Association
The Board	means the Company's board of directors
Chief Compliance Officer	means the Company's Chief Compliance Officer
Commission Regulations	means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended
Emergency	has the meaning set out in the Facility Rulebook at clause 104
Facility	means the venue provided by the Company for the execution of Contracts, as set out in the Facility Rulebook.
Hearing Panel	has the meaning set out in this Governance Policy
Nomination Committee	has the meaning set out in this Governance Policy
Participation Committee	has the meaning set out in this Governance Policy
Public Directors	means any person who qualifies as a “public director” within the meaning set forth in the Commission Regulations.
Public Panellist	has the meaning set out in this Governance Policy
Respondent	means any person who is charged with a Rule violation, set out in the Facility Rulebook
Regulatory Oversight Committee	has the meaning set out in this Governance Policy
Review Panel	has the meaning set out in this Governance Policy
Trading Privilege Holders	means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 of the Facility Rulebook (including an Intermediary), but does not include an Authorised Trader.

1. OVERVIEW

The Board has the power by itself or through agents, and is authorized and empowered on behalf and in the name of the Company, to perform all acts and enter into other undertakings that it may in its discretion deem necessary or advisable in order to promote the sound and efficient operation of the Facility (except such as otherwise required by Applicable Law), including, but not limited to, the following:

- (a) ensuring that the Company complies with all statutory, regulatory and self-regulatory responsibilities under Applicable Law;

- (b) reviewing, approving and monitoring major strategic, financial and business activities, the Company's budget and the Company's financial performance;
- (c) evaluating risks and opportunities facing the Company and proposing options for addressing such issues;
- (d) overseeing and reviewing recommendations from the Company's committees and the Chief Compliance Officer; and
- (e) having the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders.

1.2 The Board, (or committee thereof or other delegated body) acting in accordance with the Articles of Association, may from time to time cause the Company to enter into such agreements with domestic or foreign self-regulatory associations, other associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as the Board may consider necessary or appropriate or as Applicable Law may require.

1.3 Each director is expected to comply with all Applicable Law and Company policies, and promote compliance by the Company and all of its employees. The Board will discharge its responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory requirements that promotes the sound and efficient operation of the Company and its swap execution activities.

2. **COMPOSITION**

2.1 The Board will consist of no less than five, and up to twelve, directors appointed in accordance with the Articles of Association. This paragraph shall take effect from the date that the Company receives approval from the Commission as being registered as a SEF.

2.2 The identities of all directors will be published on the Company's website and will be available to the public.

3. **QUALIFICATIONS**

3.1 In order to fulfil their responsibilities, directors (including Public Directors) will be selected based on their experience, qualifications, attributes and skills and the understanding that their leadership will play an integral role in fulfilling the Company's business objectives and legal obligations.

3.2 Each director shall be familiar with, and comply with, to the extent applicable, the provisions contained in the Company's Facility Rulebook.

3.3 Each director, including each Public Director, shall be of sufficiently good repute and have sufficient expertise in the Facility's scope or intended scope of financial services (including any ancillary services valuable for the Facility to fulfil its core mission). No director will have a history of disciplinary offenses that would be disqualifying under Applicable law, including Commission Regulation § 1.63(b).

4. **CONFLICTS OF INTEREST**

4.1 Each director is required to act in the best interests of the Company and to refrain from any conduct that would be, or gives the appearance of being, a conflict of interest.

- 4.2 No director, member of any committee, or officer or other person authorized to exercise authority on behalf of the Company will knowingly participate in any inquiry, investigation or any disciplinary proceeding, suspension, Emergency or other executive action (each, an "Executive Proceeding") if such person has a conflict of interest between such person's position acting on behalf of the Company and such person's personal interests (each, an "Interested Person"). Conflicts of interest include, but are not limited to, instances where an Interested Person (A) is named as a Respondent or potential Respondent in an Executive Proceeding, (B) is an employer, employee or fellow employee of a Respondent or potential Respondent in an Executive Proceeding, (C) has any other significant, ongoing business relationship with a Respondent or potential Respondent in an Executive Proceeding, excluding relationships limited to executing transactions opposite each other or to clearing transactions through the same clearing members, (D) has a family relationship with a Respondent or potential Respondent in an Executive Proceeding or (E) has a direct and substantial financial interest in the result of the deliberations or vote of any Executive Proceeding based upon either Facility or non-Facility positions. For purposes of this subparagraph, a "family relationship" exists between a Respondent or potential Respondent in an Executive Proceeding and a potential Interested Person if one person is the other's spouse (including a domestic partner or partner in a civil union), co-habitator, former spouse, parent, stepparent, child or other legal dependent, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
- 4.3 A director must disclose all information required under Applicable Law in relation to any conflict of interest. This includes, in the case of any conflict of interest resulting from a financial interest in the result of the deliberations or vote in any Executive Proceeding based upon either Facility or non-Facility positions, that the potential Interested Person shall disclose to the Board or committee, as applicable, the financial interest and related position information (including information regarding positions held by such person, positions held by individuals of such person's family and positions held by a firm with which such person is affiliated) that is known to such person with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, including but not limited to:
- (A) gross positions held in such person's personal accounts or "controlled accounts," as defined in Commission Regulation § 1.3(j);
 - (B) gross positions held in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such person's affiliated firm;
 - (C) gross positions held in accounts in which such person is a principal, as defined in Commission Regulation § 3.1(a);
 - (D) net positions held in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such person's affiliated firm; and
 - (E) any other types of positions, held in such person's personal accounts or the proprietary accounts of such person's affiliated firm, that the Company reasonably expects could be affected by the significant action.
- 4.4 Prior to any deliberation or vote on the merits of any topic being considered by the Board or a committee of the Board, a director with a potential conflict of interest must disclose the potential conflict of interest to the Chairman of the Board or the chairman of the relevant committee and may choose to abstain and recuse himself from the deliberations and voting. The director is encouraged to consult with the Company Secretary and any necessary internal or external advisors in advance of the topic being discussed or voted upon.

- 4.5 The directors, or committee, as applicable, will determine whether any person who discloses a potential conflict of interest who does not choose to abstain from deliberations and voting in any Executive Proceeding is an Interested Person prohibited from participation in any Executive Proceeding. Such determination will be based upon a review of the information provided by such potential Interested Person and any other source of information that is held by or reasonably available to them and upon any Applicable Law.
- 4.6 Save for where Applicable Law prohibits it, any person determined to be an Interested Person who would otherwise be required to abstain from deliberations and voting pursuant to this section, may participate in deliberations, but not voting, if the Board, or committee, as applicable, after considering the factors specified below, determines by a majority vote (excluding the relevant Interested Persons) that (A) such Interested Person's participation in the deliberations is necessary to achieve a quorum or the Interested Person has unique or special expertise, knowledge or experience in the matter being considered; and (B) such participation would be consistent with the public interest.
- 4.7 All Public Directors will be prohibited from having "material relationships", as defined from time to time in the Commission Regulations (a "Material Relationship") with the Company which reasonably could affect the independent judgment or decision-making of such director. Material Relationships are currently defined to include the following:
- (a) the director, or an immediate family member of the director, may not be an officer or employee of the Company or its affiliate;
 - (b) the director, or an immediate family member of the director, may not be a Member (as defined in Section 1a(34) of the Commodity Exchange Act and any regulation promulgated thereunder) of the Company, or a director, officer or employee of a Company Member;
 - (c) the director, or an immediate family member of the director, may not be an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of the Company serves; and
 - (d) the director, or an immediate family member of the director, or an entity with which the director or such immediate family member is a partner, an officer, an employee or a director, may not receive more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Company, any affiliate thereof, any Member of the Company or any affiliate of such Member.
- 4.8 Notwithstanding the foregoing, (a) compensation for services as a director of the Company or as a director of an affiliate of the Company shall not count toward the \$100,000 threshold specified in clause (d) of this definition, nor shall compensation for services rendered by such individual prior to becoming a director of the Company, so long as such compensation is or was in no way contingent, conditioned or revocable; and (b) a Public Director may also serve as a director of an affiliate of the Company if he or she otherwise meets the requirements set forth in clauses (a) through (d) of this definition.
- 4.9 Each of the preceding disqualifying circumstances is subject to a one-year look back. Public Directors will have an affirmative duty to investigate from time to time, and promptly disclose, the existence and nature of any such Material Relationships to the Board. The Board must make such findings of any material relationship upon the nomination or appointment of the proposed Public Director and as often as necessary in light of all circumstances relevant to such director, but in no case less than annually.

5. **RESIGNATION**

Any director or member of a committee may resign at any time by written notice to the Chairman or Secretary; provided that each such person shall in good faith provide the Chairman or Secretary such prior notice as may be reasonably necessary for the Board to identify and appoint a qualified person to fill the resulting vacancy. Such resignation shall be made in writing, and, unless specifically contingent upon its acceptance, shall take effect at the date or as of the effective date specified therein, and if no time be specified, at the time of its receipt by the Chairman or Secretary. The acceptance of a resignation shall not be necessary to make it effective. To the extent that any vacancy results in the number of Public Directors falling below the number required by the Articles of Association the Board shall act as expeditiously as reasonably practicable to appoint one or more Public Directors as may be required.

6. **VACANCIES**

If the office of any director, member of a committee or other officer becomes vacant by reason of death, resignation or for any other reason, a qualified individual will be appointed in accordance with the Articles of Association (without a proposal from the Nomination Committee), who shall hold office for the unexpired term and until his or her successor shall be duly chosen.

7. **COMPENSATION**

Compensation awarded to Public Directors and other nonexecutive directors shall not be linked to the Company's business performance.

8. **CERTIFICATION AND COMPLIANCE**

8.1 Each prospective director and director shall, before taking office, acknowledge his or her receipt and understanding of this Governance Policy, as well as upon any publication of a revised Governance Policy or amendment thereto. In addition, (i) upon request from the Company, the director shall certify that the qualification information he/she provided to the Company before being elected as a director has not changed materially, and (ii) from time to time the director shall provide an updated statement of qualification information that reflects any material changes.

8.2 Directors are required to report suspected violations of the Governance Policy or of any Applicable Law, rule or regulation by any director to the Board, the Regulatory Oversight Committee or the Chief Compliance Officer (who will subsequently relay any such suspected violations to the Board or the Regulatory Oversight Committee, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board or the Regulatory Oversight Committee, as applicable, shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Company's General Counsel if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Policy.

9. **SELF-REVIEW**

9.1 The Board shall review its performance and that of its individual directors on an annual basis. The Board, or a committee delegated such responsibility, shall establish criteria for the Board's evaluation, shall conduct the evaluation in accordance with such criteria, and shall make recommendations to improve deficiencies.

9.2 The Board shall make Public Director findings (including but not limited to determinations as to such Public Directors' Material Relationships) as often as necessary in light of all circumstances relevant to each Public Director, but in no case less than annually.

10. **COMMITTEES**

Nomination Committee

- 10.1 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Nomination Committee. The Nomination Committee shall be a Standing Committee of the Board, and shall be composed of at least fifty-one percent (51%) Public Directors. Each member of the Nomination Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Nomination Committee or as a Public Director, as applicable. A member of the Nomination Committee may serve for multiple terms. The chair of the Nomination Committee shall be a Public Director. The Nomination Committee shall: (i) identify individuals qualified to serve as directors, consistent with criteria specified by the directors and any composition requirements that Applicable Law requires and (ii) nominate individuals for designation as directors, whose appointment will be carried out in accordance with the Articles of Association.

Participation Committee

- 10.2 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Participation Committee. The Participation Committee shall be a Standing Committee of the Board, and shall be composed of at least thirty-five percent (35%) Public Directors. Each member of the Participation Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Participation Committee or as a Public Director, as applicable. A member of the Participation Committee may serve for multiple terms.
- 10.3 The Participation Committee shall: (i) determine the standards and requirements for initial and continuing participation eligibility; (ii) review appeals of staff denials of membership or participation applications; and (iii) approve rules that would result in different categories or classes of Participants receiving disparate access to the services offered by the Company. The Participation Committee shall not uphold any staff denial if the relevant application meets the standards and requirements that the Participant Committee sets forth from time to time, and the Participation Committee shall not restrict access or impose burdens on access to the Facility in a discriminatory manner, within each category or class of Members or Participants or between similarly situated categories or classes of Members or Participants.

Regulatory Oversight Committee

- 10.4 The Regulatory Oversight Committee shall be a Standing Committee of directors.
- 10.5 The Regulatory Oversight Committee shall be composed of two or more of the Company's Public Directors, as such term is defined from time to time in the Commission Regulations. Directors other than Public Directors shall not be appointed to the Regulatory Oversight Committee.
- 10.6 The Regulatory Oversight Committee members and Regulatory Oversight Committee Chairman shall be appointed by the Chairman of the Board, subject to the approval of the Board, at a meeting of the Board. Each appointee will serve until the due appointment of his or her successor or his or her resignation or removal as a member of the Regulatory Oversight Committee or as a Public Director, with or without cause, by a majority vote of the Board. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.7 Each member of the Regulatory Oversight Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a

member of the Regulatory Oversight Committee or as a Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.

- 10.8 The Regulatory Oversight Committee shall meet at least four times each year and at such other times as it deems necessary to fulfil its responsibilities. The Committee may meet in joint session with any other committee of the Board from time to time to discuss areas of common interest and significant matters.
- 10.9 The Regulatory Oversight Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board it may deem necessary or advisable for the orderly conduct of its business. Minutes of its meetings shall be maintained on behalf of the Regulatory Oversight Committee and approved by the Regulatory Oversight Committee.
- 10.10 Unless the Board provides otherwise the Regulatory Oversight Committee can make, alter or repeal rules for the conduct of its business. In the absence of such rules, each meeting of the Regulatory Oversight Committee shall be called, notice of each such meeting be given or waived and the business of the Regulatory Oversight Committee conducted or its action taken as nearly as may be in the same manner as is provided in the Articles of Association with respect to the meetings or for conduct of business or the taking of actions by the Board.
- 10.11 The Regulatory Oversight Committee shall:
- (a) monitor the Facility's self-regulatory program for sufficiency, effectiveness, and independence;
 - (b) oversee all facets of the Facility's self-regulatory program, including trade practice, market surveillance, audits, examinations and other regulatory responsibilities with respect to Participants, and the conduct of investigations;
 - (c) review the size and allocation of the Facility's regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
 - (d) review the performance of the Chief Compliance Officer, and make recommendations with respect to such performance to the directors;
 - (e) review all regulatory proposals prior to implementation and advise the directors as to whether and how such changes may impact regulation
 - (f) recommend changes to the Facility's self-regulatory program that would ensure fair, vigorous, and effective regulation;
 - (g) prepare an annual report to the directors and the Commission assessing the self-regulatory program of the Facility and including a description of the program, the expenses of the program, the staffing and structure of the program, a catalogue of investigations and disciplinary actions taken during the year, and a review of the performance of the Review Panel, Hearing Panel, and Chief Compliance Officer; and
 - (h) perform such other duties as the directors may delegate to it from time to time. In addition, the Regulatory Oversight Committee may impose controls on the Facility to reduce the potential risk of market disruption, including but not limited to market restrictions that pause or halt trading in specified market conditions.

Disciplinary Panels

- 10.12 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Review Panel, which shall consist of no less than five (5) panelists. The Review Panel shall also include at least one person who would not be disqualified from serving as a Public Director under the Commission Regulations (the "Public Panelist"). Such Public Panelist shall serve as the chair of the Review Panel. No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest.
- 10.13 The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted. In any case where the Review Panel concludes, by majority vote, that a Violation may have occurred, the relevant Participant shall be advised of that fact and the matter shall be referred to the Hearing Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.

Hearing Panel

- 10.14 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Hearing Panel, which shall consist of no less than five (5) panelists. The Hearing Panel shall include at least one person who is a Public Panelist. Such Public Panelist shall serve as the chair of the Hearing Panel.
- 10.15 No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest. Within ten (10) days of being notified of the appointment of a Hearing Panel, a Respondent (as defined in Chapter Five of the Company's Facility Rulebook) may seek to disqualify any individual named to the Hearing Panel on account of a conflict of interest or other reasonable grounds, by serving written notice to the appropriate staff of the Company and providing a copy thereof to the chair of the Hearing Panel. By not filing a timely request for disqualification, the Respondent will be deemed to have waived any objection to the composition of the Hearing Panel. The appropriate staff of the Company will decide the merits of any request for disqualification within his or her sole discretion and such decision will not be subject to appeal. The Hearing Panel shall conduct the formal hearings on Violations referred to it by the Review Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.
- 10.16 In designating the members of a Review Panel or Hearing Panel, the directors shall endeavour to appoint a panel that is not dominated or subject to disproportionate influence by any group or class of Participants. The Board shall consider the objection of any Participant who believes this objective is not satisfied, and the Board shall determine whether a change is necessary or advisable to meet this objective.

11. COMPLIANCE FUNCTION.

- 11.1 The directors shall appoint and approve the Chief Compliance Officer of the Company, who shall be the Chief Compliance Officer of the Company. The Chief Compliance Officer shall not serve as general counsel of the Company, or as a member of the Company's legal department, and may not be disqualified from registration pursuant to sections 8a(2) or 8a(3) of the CEA. The Board shall approve the compensation of the Chief Compliance Officer and shall meet with the Chief Compliance Officer at least annually (which meeting may occur in person or by telephone). The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least quarterly. The appointment of the Chief Compliance Officer and the amount of the Chief Compliance Officer's compensation shall require the approval of a majority of the directors. In addition the Board will register with the FCA a Head of Compliance Oversight (CF10 -Controlled Function 10). Compliance with SEF Core Principles will be overseen by the Chief Compliance

Officer appointed by the Board, Compliance with FCA obligations will be overseen by Head of Compliance Oversight. References in this documents and any other related document to the Compliance Function is intended to mean, for CFTC related considerations, the CCO and, for FCA related considerations, the CF10. To the extent any of the activities concern both the CFTC and FCA, the CCO and the CF10 will co-operate to ensure compliance with the respective regulations.

- 11.2 The Compliance Function shall have the following duties, which list shall not be deemed exhaustive:
- (a) oversee and review the Facility's compliance with section 5h of the CEA and any related rules adopted by the Commission;
 - (b) Oversee and review compliance with the FCA Handbook and all requirements of a Part IV authorized firm;
 - (c) Oversee and review compliance with the rules and regulations of any other regulatory body to which the Facility and/or the Company is subject;
 - (d) in consultation with the Board, resolve any conflicts of interest that may arise;
 - (e) establish and administer written policies and procedures reasonably designed to prevent violation of Applicable Law;
 - (f) establish procedures for the remediation of noncompliance issues identified by the Compliance Function through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
 - (g) establish and follow appropriate procedures for handling, management response, remediation, retesting, and closing of noncompliance issues;
 - (h) establish a compliance manual designed to promote compliance with Applicable Law and administer a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
 - (i) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
 - (j) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by the NFA or any other registered futures association or other registered entity; and
 - (k) prepare and file any the annual compliance reports required by Commission Regulation 37.1500(d) as well as any other compliance reports that are required by Applicable Law.
- 11.3 The Compliance Function shall have supervisory authority over all staff acting in furtherance of the Compliance Function's obligations as determined by the relevant regulatory regime.
- 11.4 Removal of the Chief Compliance Officer shall require the approval of a majority of the directors. The directors shall immediately appoint an interim Chief Compliance Officer and shall appoint a permanent Chief Compliance Officer as soon as reasonably practicable thereafter. Where necessary, the Company shall make all notifications required under Applicable Law in relation to

any such appointment and termination, including that the Company shall notify the Commission of within (2) business days of (i) the departure of the Chief Compliance Officer and explain the reasons for the departure and (ii) the appointing of any new interim or permanent Chief Compliance Officer.

11.5 The Company shall notify the FCA immediately following the removal of the CF10. The Board shall immediately appoint an interim CF10.

12. **FINANCIAL RESOURCES**

The Company must maintain adequate financial operational, and managerial resources to discharge each responsibility of the Company. The Company shall maintain financial resources as required by Applicable Law, including Commission Regulations 37.1300-1307.