

EXHIBIT A-1

DCO CORE PRINCIPLES COMPLIANCE CHART

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.

| <u>Core Principle</u> | <u>Brief Compliance Summary</u> | <u>Citation(s) to Rules, Policies and/or Procedures</u> |
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| <p><u>CORE PRINCIPLE A - COMPLIANCE</u></p> <p>(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 8a(5).</p> <p>(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.</p> | <p>The Clearinghouse has applied for registration as a derivative clearing organization (“<u>DCO</u>”) by submitting Form DCO (the “<u>Application</u>”) and the required exhibits. Once registered, the Clearinghouse will comply with the DCO Core Principles set forth in the Commodity Exchange Act (“<u>CEA</u>”) and all applicable rules of the Commodity Futures Trading Commission (“<u>Commission</u>” or “<u>CFTC</u>”).</p> <p>As demonstrated in its Application, the Clearinghouse has implemented policies, procedures and controls that include, among others, a Compliance Policies and Procedures Manual (the “<u>Manual</u>”), Business Continuity Plan, Risk Management Policy, Code of Conduct, Settlement Policy, Treasury Policy and Procedures, Financial Resources Reporting Policy, and other information security policies (“<u>Operational Policies</u>”), as well as the DCO’s Rulebook (the “<u>Rules</u>”) and</p> | <p><u>CEA Section 5b(c)(2)(A)</u></p> <p>This Application, including all exhibits and attachments.</p> |

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| | <p>other policies and procedures designed to instruct the activities of Clearing Members, directors, officers, and employees. In addition, the Operational Policies and the Rules have been designed to ensure the Clearinghouse’s compliance with the CEA and CFTC’s rules.</p> <p>Capitalized terms that are used in this Exhibit A-1 without definition have the meaning ascribed to those terms in the Rules.</p> | |
| <p><u>CORE PRINCIPLE B – FINANCIAL RESOURCES</u></p> <p>(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.</p> <p>(iii) MINIMUM AMOUNT OF FINANCIAL RESOURCES. Each derivatives clearing organization shall possess financial resources that, at a minimum, exceed the total amount that would –</p> <p>(I) enable the organization to meet its financial obligations to its members and participants notwithstanding a default</p> | <p>The Clearinghouse will maintain sufficient financial, operational, and managerial resources to discharge each responsibility of the DCO.</p> <p>The Clearinghouse will maintain a guaranty fund and will maintain sufficient financial resources to meet its financial obligations notwithstanding a default by any Clearing Member. In addition, the Clearinghouse will maintain sufficient financial resources to cover the operating costs of the DCO for a period of one year (as calculated on a rolling basis). The Clearinghouse’s CFO and other finance personnel possess knowledge of the CFTC’s financial resources requirements to enable the Clearinghouse to satisfy the</p> | <p><u>CEA Section 5b(c)(2)(B)</u></p> <p>All exhibits filed under B-1, B-2, B-3 and B-4</p> <p>Exhibit B-2(5)(a) - Clearinghouse Guaranty Fund Policies & Procedures</p> <p>Financial Statements</p> |

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| <p>by the member or participant creating the largest financial exposure for that organization in extreme but plausible market conditions; and</p> <p>(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).</p> | <p>CFTC’s financial resources requirements.</p> <p>As set forth in the Operational Policies, the Clearinghouse will report the DCO’s financial resources to the CFTC.</p> | |
| <p><u>CORE PRINCIPLE C – PARTICIPANT AND PRODUCT ELIGIBILITY</u></p> <p>(i) IN GENERAL. Each derivatives clearing organization shall establish –</p> <p>(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</p> <p>(II) appropriate standards for determining the eligibility of agreements, contracts, and transactions submitted to the derivatives clearing organization for clearing.</p> <p>(ii) REQUIRED PROCEDURES. Each derivatives clearing organization shall establish and implement</p> | <p>The Clearinghouse has established transparent and objective Clearing Member eligibility criteria that allows for open access to the Clearinghouse. The eligibility criteria is set forth in Chapter 3 of the Rules.</p> <p>All Persons must satisfy an application process to become approved as a Clearing Member and comply with all Rules.</p> <p>Any violation of the Rules may result in a Disciplinary Action against the relevant Clearing Member. As specified in Chapter 6 of the Rules, the Clearinghouse maintains the ability to suspend, sanction and otherwise discipline Clearing Members who violate any Rule.</p> <p>In addition, as set forth in the Clearinghouse’s Compliance Policies and Procedures Manual, the</p> | <p><u>CEA Section 5b(c)(2)(C)(i)(I)</u></p> <p>Exhibit C-1(1) - Clearing Member Agreement</p> <p>Chapter 3 of the Rules; Rules 802; 803</p> <p><u>CEA Section 5b(c)(2)(C)(i)(II)</u></p> <p>Exhibits C-1 and C-2</p> <p>Rule 502</p> <p>Exhibit C-2(a) - Product Listing Requirement Policies</p> <p><u>CEA Section 5b(c)(2)(C)(ii)</u></p> <p>Exhibits C-1 and C-2</p> <p>Exhibit C-1(5)-Monitoring the Financial Status of Clearing Members</p> <p>Exhibit C-1(1) - Clearing Member Agreement</p> |

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| <p>procedures to verify, on an ongoing basis, the compliance of each participation and membership requirement of the derivatives clearing organization.</p> <p>(iii) REQUIREMENTS. The participation and membership requirements of each derivatives clearing organization shall –</p> <p>(I) be objective;</p> <p>(II) be publicly disclosed; and</p> <p>(III) permit fair and open access.</p> | <p>Clearinghouse has established a product review process for determining eligibility of agreements, contracts, or transactions submitted to the Clearinghouse for clearing.</p> | <p><u>CEA Section 5b(c)(2)(C)(iii)</u></p> <p>Exhibits C-1 and C-2</p> <p>Exhibit C-1(1) - Clearing Member Agreement</p> <p>The Clearinghouse website has a publicly disclosed rulebook.</p> |
| <p><u>CORE PRINCIPLE D – RISK MANAGEMENT</u></p> <p>(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.</p> <p>(ii) MEASUREMENT OF CREDIT EXPOSURE.—Each derivatives clearing organization shall—</p> <p>(I) not less than once during each business day of the derivatives clearing organization, measure the credit</p> | <p>The Clearinghouse intends to operate under a traditional clearing model in which Clearing Members will be required to be futures commission merchants (“FCMs”) registered and in good standing with the CFTC.</p> <p>The Clearinghouse Risk Management Program includes:</p> <ul style="list-style-type: none"> • governance overseen by the Risk Committee, which is part of the Board; • Clearing Member application process to ensure the applicants have sufficient capital, liquidity, and experience to clear the products being offered; | <p><u>CEA Section 5b(c)(2)(D)</u></p> <p>All exhibits filed under D-1, D-2, D-3 and D-4</p> <p>Chapter 8 of the Rules</p> <p>Exhibit C-1(5) - Monitoring the Financial Status of Clearing Members</p> <p>Exhibit G - Default Rules and Procedures</p> <p>Exhibit G(a) - Default Management Plan</p> |

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| <p>exposures of the derivatives clearing organization to each member and participant of the derivatives clearing organization; and</p> <p>(II) monitor each exposure described in subclause (I) periodically during the business day of the derivatives clearing organization.</p> <p>(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—</p> <p>(I) the operations of the derivatives clearing organization would not be disrupted; and (IV) non-defaulting members or participants would not be exposed to losses that non-defaulting members or participants cannot anticipate or control.</p> <p>(iv) MARGIN REQUIREMENTS.—The margin required from each member and participant of a derivatives clearing organization shall be sufficient to cover</p> | <ul style="list-style-type: none"> • A margin methodology that provides Margin requirements based on the historical volatility of the products and the use of PC-SPAN for Clearing Members to leverage an industry available margin system that already interacts with back office systems; and • a Guaranty Fund that is funded by the Clearinghouse but has assessment powers if required. | <p>Exhibit F-3(1) - Investment Standards Policy</p> <p>Exhibit O(a)(2-4) - Risk Committee Charter</p> |

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| <p>potential exposures in normal market conditions.</p> <p>(v) REQUIREMENTS REGARDING MODELS AND PARAMETERS.— Each model and parameter used in setting margin requirements under clause (iv) shall be—</p> <p>(I) risk-based; and</p> <p>(II) reviewed on a regular basis.</p> | | |
| <p><u>CORE PRINCIPLE E - SETTLEMENT PROCEDURES</u></p> <p>Each derivatives clearing organization shall—</p> <p>(i) complete money settlements on a timely basis (but not less frequently than once each business day);</p> <p>(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);</p> <p>(iii) ensure that money settlements are final when effected;</p> | <p>The Clearinghouse maintains regular daily settlement procedures to ensure that completes settlements on a timely basis (no less frequently than once daily). All settlements are final when effected, and the Clearinghouse maintains records of all flow of funds associated with all settlements.</p> <p>The Clearinghouse maintains policies and procedures to ensure that it enters into settlement arrangements only with financial institutions that meet certain credit and operational criteria.</p> | <p><u>CEA Section 5b(c)(2)(E)(i)</u> Exhibits E-1, E-2 and E-3 Rule 509</p> <p><u>CEA Section 5b(c)(2)(E)(ii)</u> Exhibits E-1, E-2 and E-3 Rule 813</p> <p><u>CEA Section 5b(c)(2)(E)(iii)</u> Exhibits E-1, E-2 and E-3 Rule 509;</p> <p><u>CEA Section 5b(c)(2)(E)(iv)</u> Exhibits E-1, E-2 and E-3 Section 8 of the Recordkeeping</p> |

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| <p>(iv) maintain an accurate record of the flow of funds associated with each money settlement;</p> <p>(v) possess the ability to comply with each term and condition of any permitted netting or offset arrangement with any other clearing organization;</p> <p>(vi) regarding physical settlements, establish rules that clearly state each obligation of the derivatives clearing organization with respect to physical deliveries; and</p> <p>(vii) ensure that each risk arising from an obligation described in clause (vi) is identified and managed.</p> | | <p>Exhibit K(a) - Recordkeeping Policies</p> <p>Exhibit K(b) - Recordkeeping Procedures</p> <p><u>CEA Section 5b(c)(2)(E)(v)</u></p> <p>Exhibits E-1, E-2 and E-3</p> <p>CEA Section 5b(c)(2)(E)(vi)</p> <p>Exhibits E-1, E-2 and E-3</p> <p>Rule 1102 Participant and Clearing Member Delivery Obligations</p> <p><u>CEA Section 5b(c)(2)(E)(vii)</u></p> <p>Exhibits E-1, E-2 and E-3</p> <p>Chapter 11 Digital Asset Delivery in general, and Rules</p> |
| <p><u>CORE PRINCIPLE F - TREATMENT OF FUNDS</u></p> <p>(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.</p> <p>(ii) HOLDING OF FUNDS AND ASSETS – Each derivatives clearing</p> | <p>The Clearinghouse has established policies and procedures that are designed to protect and ensure the safety of Clearing Member, Participant and Customer funds and assets, including Margin, while mitigating risks and employing industry best practices and safeguards.</p> <p>Rule 304 provides that Clearing Member funds and assets, including</p> | <p><u>CEA Section 5b(c)(2)(F)(i)</u></p> <p>Exhibits F-1, F-2 and F-3</p> <p>Rule 304</p> <p>Exhibit D-4 – Collateral</p> <p>Exhibit F-3(1) - Investment Standards Policy</p> |

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| <p>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.</p> <p>(iii) PERMISSIBLE INVESTMENTS – Funds and assets invested by a derivatives clearing organization shall be held in instruments with minimal credit, market, and liquidity risks.</p> | <p>Margin, shall be segregated and treated as belonging to Clearing Members.</p> <p>Funds and assets, including Margin, of Clearing Members will be held in segregated Customer Accounts, while Customer Margin will be held in accordance with the CEA and CFTC Rule 1.20 in an account identified as “Customer Segregated.” Both member property accounts and Customer Accounts will remain segregated from the Clearinghouse’s operating funds.</p> <p>The Clearinghouse maintains internal settlement bank selection criteria and periodically monitors each settlement bank to ensure that the bank(s) continues to satisfy the criteria.</p> <p>The Clearinghouse maintains rules to ensure that any action taken with respect to Clearing Member and Customer funds and assets is carefully monitored and subject to multiple layers of oversight and/or approval.</p> <p>Funds and assets belonging to Customers that are invested by the Clearinghouse will be held in instruments that comply with CFTC Rules 1.25 and 39.15(e). Non-Customer funds and assets belonging to Clearing Members that are invested by the Clearinghouse will be held in</p> | <p><u>CEA Section 5b(c)(2)(F)(ii)</u> Exhibits F-1, F-2 and F-3</p> <p>Exhibit D-4 – Collateral Exhibit F-3(1) - Investment Standards Policy</p> <p><u>CEA Section 5b(c)(2)(F)(iii)</u> Exhibits F-1, F-2 and F-3 Rules 819; 820 Exhibit D-4 – Collateral Exhibit F-3(1) - Investment Standards Policy</p> |

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| | instruments that comply with CFTC Rule 39.15(e). | |
| <p><u>CORE PRINCIPLE G - DEFAULT RULES AND PROCEDURES</u></p> <p>(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—</p> <p>(I) become insolvent; or</p> <p>(II) otherwise default on the obligations of the members or participants to the derivatives clearing organization.</p> <p>(ii) DEFAULT PROCEDURES – Each derivatives clearing organization shall—</p> <p>(I) clearly state the default procedures of the derivatives clearing organization;</p> <p>(II) make publicly available the default rules of the derivatives clearing organization; and</p> <p>(III) ensure that the derivatives clearing organization may take timely action—</p> <p>(aa) to contain losses and liquidity pressures; and</p> | <p>The Rules define and address defaults, which include Clearing Member insolvency and a failure to satisfy obligations owed to the Clearinghouse.</p> <p>The Rules related to default risk management are designed to reduce the likelihood of a Clearing Member Default and the potential for a material disruption to the market and other Clearing Members.</p> <p>In addition, the Clearinghouse’s default procedures supplement the Rules.</p> | <p><u>CEA Section 5b(c)(2)(G)</u></p> <p>Chapter 8 of the Rules</p> <p>Rule 814</p> <p>Exhibit D-1 - Risk Management Program</p> <p>Exhibit D-2(4) - Margin Methodology</p> <p>Exhibit C-1(5)-Monitoring the Financial Status of Clearing Members</p> <p>Exhibit G - Default Rules and Procedures</p> <p>Exhibit G(a) - Default Management Plan</p> <p>Exhibit G(d) - Process to Address Shortfalls</p> |

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| (bb) to continue meeting each obligation of the derivatives clearing organization. | | |
| <p><u>CORE PRINCIPLE H – RULE ENFORCEMENT</u></p> <p>Each derivatives clearing organization shall—</p> <p>(i) maintain adequate arrangements and resources for—</p> <p>(I) the effective monitoring and enforcement of compliance with the rules of the derivatives clearing organization; and</p> <p>(II) the resolution of disputes;</p> <p>(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</p> <p>(iii) report to the Commission regarding rule enforcement activities and sanctions imposed against members and participants as provided in clause (ii).</p> | <p>The Clearinghouse has the authority and ability to enforce its Rules. Pursuant to Rule 301, any Person initiating or executing a transaction in contracts to be cleared by the Clearinghouse, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Clearinghouse and agrees to be bound by and comply with the Rules of the Clearinghouse in relation to such transactions and contracts, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.</p> <p>The Clearinghouse’s Compliance Department monitors the Clearinghouse market and evaluates Clearing for Clearing Members ongoing eligibility under the Rules of the Clearinghouse, specifically with respect to Chapter 8, which outlines, in part, ongoing responsibilities of Clearing Members and financial requirements of FCM Clearing Members.</p> <p>Chapter 6 sets forth in a transparent manner the disciplinary procedures to which the Clearinghouse adheres in the</p> | <p><u>CEA Section 5b(c)(2)(H)(ii)</u></p> <p>Exhibit H</p> <p>Rule 601</p> <p>Chapter 6 of the Rules</p> <p>Exhibit A-11(g) - Bitnomial Compliance Manual</p> <p>Exhibit A-11(g-1) - Investigation and Enforcement Procedure</p> <p><u>CEA Section 5b(c)(2)(H)(iii)</u></p> <p>Exhibit H</p> <p>Chapter 7 of the Rules</p> <p>Exhibit A-11(g-3) - Enforcement Notification Procedure</p> |

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| | <p>event that a Clearing Member is suspected of violating Clearinghouse rules. The Compliance Department is responsible for investigating and prosecuting suspected Rule violations.</p> <p>Chapter 7 of the Rules sets forth dispute resolution requirements for certain disputes between Clearing Members or disputes involving Customers.</p> | |
| <p><u>CORE PRINCIPLE I – SYSTEM SAFEGUARDS</u></p> <p>Each derivatives clearing organization shall—</p> <p>(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;</p> <p>(ii) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allows for—</p> <p>(I) the timely recovery and resumption of operations of the derivatives clearing organization; and</p> | <p>The Clearinghouse will utilize the information technology resources of the Exchange, which have been robustly developed through operational testing over the past seven years.</p> <p>The Clearinghouse continually monitors for actual or threatened risks. The Clearinghouse’s technology systems offer security to prevent system outages and cyber-attacks. The Clearinghouse’s technology staff conducts periodic audits to verify the integrity of the Clearinghouse’s technology systems.</p> <p>The Clearinghouse maintains policies and procedures designed to identify and reduce operational and technological risk, and senior management meet together on frequent basis to discuss implementation and remediation plans. Senior management will submit reports to the Risk Management Committee,</p> | <p><u>CEA Section 5b(c)(2)(I)(i)</u></p> <p>Exhibits I(a), I(b), I(c), I(d), I(e), I(f), I(g), I(h), I(i), I(j), I(k), and I(l)</p> <p>Exhibit A-11(g-2) Market Suspension and Emergency Procedures</p> <p>Exhibit D-1 - Risk Management Program</p> <p>Exhibit D-2(4) - Margin Methodology</p> <p>Exhibit C-1(5) - Monitoring the Financial Status of Clearing Members</p> <p><u>CEA Section 5b(c)(2)(I)(ii)</u></p> <p>Exhibits I(a), I(b), I(c), I(d), I(e), I(f), I(g), I(h), I(i), I(j), I(k), and I(l)</p> <p>Rule 512</p> |

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| <p>(II) the fulfillment of each obligation and responsibility of the derivatives clearing organization; and</p> <p>(iii) periodically conduct tests to verify that the backup resources of the derivatives clearing organization are sufficient to ensure daily processing, clearing, and settlement.</p> | <p>which is responsible for overseeing firm-wide risk and advising officers on procedures to detect and prevent risks.</p> <p>The Clearinghouse has established a Business Continuity Plan to be activated in the event of an emergency or other circumstances warranting activation of such plan. As set forth in the Business Continuity Plan, the Clearinghouse maintains emergency procedures and backup facilities to provide for the timely recovery and resumption of operations of the Clearinghouse in event of an emergency.</p> <p>Additionally, the Clearinghouse will maintain policies and procedures to provide for operational redundancy. Internal operational procedures are set forth in a comprehensive manner in the Operational Policies. Finally, the Clearinghouse’s managerial resources are sufficient to perform the functions of each vital area of the DCO, with appropriate cross-training to ensure that resources will remain satisfactory in the event of an absence or unavailability.</p> | <p><u>CEA Section 5b(c)(2)(I)(iii)</u></p> <p>Exhibits I(a), I(b), I(c), I(d), I(e), I(f), I(g), I(h), I(i), I(j), I(k), and I(l)</p> |
| <p><u>CORE PRINCIPLE J - REPORTING</u></p> <p>Each derivatives clearing organization shall provide to the Commission all</p> | <p>The Clearinghouse will submit to the CFTC all required reports, including daily open interest and other contract-specific information reports, and quarterly and annual financial reports.</p> | <p><u>CEA Section 5b(c)(2)(J)</u></p> <p>Exhibit J(a) - Reporting Policies</p> <p>Exhibit J(b) - Reporting Procedures</p> |

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| <p>information that the Commission determines to be necessary to conduct oversight of the derivatives clearing organization.</p> | <p>The Clearinghouse’s Chief Compliance Officer will submit an annual compliance report as required by CFTC Rule 39.10.</p> <p>The Compliance Policies and Procedures Manual sets forth internal procedures for compliance with reporting obligations and all departments are aware of applicable reporting obligations.</p> | <p>Exhibit A-11(g-5) - CFTC Daily Reporting Procedure</p> <p>Exhibit A-11(g-6) - Daily Financial Review Procedure</p> <p>Website (www.bitnomial.com)</p> <p>CFTC Reporting Templates</p> |
| <p><u>CORE PRINCIPLE K - RECORDKEEPING</u></p> <p>Each derivatives clearing organization shall maintain records of all activities related to the business of the derivatives clearing organization as a derivatives clearing organization—</p> <p>(i) in a form and manner that is acceptable to the Commission; and</p> <p>(ii) for a period of not less than 5 years.</p> | <p>The Clearinghouse’s Recordkeeping Policy describes the Clearinghouse’s recordkeeping program, which is compliant with CFTC Rule 1.31. In addition, Rule 208, provides that the Clearinghouse will keep, or cause to be kept, complete and accurate books and records of accounts of the Clearinghouse, including, without limitation, all books and records required to be maintained pursuant to the CEA, and the CFTC Rules. The Clearinghouse will retain all such books and records for at least five years, and shall make such books and records readily accessible for inspection by the CFTC and the U.S. Department of Justice.</p> | <p><u>CEA Section 5b(c)(2)(K)</u></p> <p>Exhibit K</p> <p>Recordkeeping Policy</p> <p>Rule 208</p> <p>Exhibit A-11(g-7) - Bitnomial Internal Audit Trail</p> |
| <p><u>CORE PRINCIPLE L – PUBLIC INFORMATION</u></p> | <p>The Clearinghouse will make certain information public through its website</p> | <p><u>CEA Section 5b(c)(2)(L)</u></p> |

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| <p>(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.</p> <p>(ii) AVAILABILITY OF INFORMATION</p> <p>-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.</p> <p>(iii) PUBLIC DISCLOSURE – Each derivatives clearing organization shall disclose publicly and to the Commission information concerning—</p> <p>(I) the terms and conditions of each contract, agreement, and transaction cleared and settled by the derivatives clearing organization;</p> <p>(II) each clearing and other fee that the derivatives clearing organization charges the members and participants of the derivatives clearing organization;</p> | <p>as required by CFTC rules. The Clearinghouse’s procedures for making information public are incorporated in the Operational Policies.</p> | <p>Exhibit L</p> <p>Public Exhibit L-1 – Public Information Policy</p> <p>Website (www.bitnomial.com)</p> |

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| <p>(IV) the margin-setting methodology, and the size and composition, of the financial resource package of the derivatives clearing organization;</p> <p>(V) daily settlement prices, volume, and open interest for each contract settled or cleared by the derivatives clearing organization; and</p> <p>(VI) any other matter relevant to participation in the settlement and clearing activities of the derivatives clearing organization.</p> | | |
| <p><u>CORE PRINCIPLE M - INFORMATION-SHARING</u></p> <p>Each derivatives clearing organization shall—</p> <p>(i) enter into, and abide by the terms of, each appropriate and applicable domestic and international information-sharing agreement; and</p> <p>(ii) use relevant information obtained from each agreement described in clause (i) in carrying out the risk management program of the derivatives clearing organization.</p> | <p>The Clearinghouse has not entered into any information sharing agreements (domestic or international) with entities besides those between the Exchange and the Clearinghouse.</p> | <p><u>CEA Section 5b(c)(2)(M)</u></p> <p>Exhibit M</p> <p>Rule 209</p> |
| <p><u>CORE PRINCIPLE N – ANTITRUST CONSIDERATIONS</u></p> | <p>The Clearinghouse promotes a culture of compliance, including compliance</p> | <p><u>CEA Section 5b(c)(2)(N)</u></p> <p>Exhibit N</p> |

| <u>Core Principle</u> | <u>Brief Compliance Summary</u> | <u>Citation(s) to Rules, Policies and/or Procedures</u> |
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| <p>Unless necessary or appropriate to achieve the purposes of this chapter, a derivatives clearing organization shall not—</p> <p>(i) adopt any rule or take any action that results in any unreasonable restraint of trade; or</p> <p>(ii) impose any material anticompetitive burden.</p> | <p>with antitrust laws and Core Principle N.</p> <p>The Clearinghouse will not adopt rules or take other actions that result in unreasonable restraint of trade or impose any material anticompetitive burden unless such action is appropriate to achieve the purposes of the Act. Prior to adopting any new or revised rule, or when taking other actions, The Clearinghouse’s Legal Department will consider, as appropriate, whether such rule or action is the least anticompetitive means of achieving its objective.</p> | <p>Exhibit A-11(e) - Clearinghouse Code of Business Conduct and Ethics</p> <p>Exhibit N-1 Antitrust Policy</p> |
| <p><u>CORE PRINCIPLE O – GOVERNANCE FITNESS STANDARDS</u></p> <p>(i) GOVERNANCE ARRANGEMENTS – Each derivatives clearing organization shall establish governance arrangements that are transparent—</p> <p>(I) to fulfill public interest requirements; and</p> <p>(II) to permit the consideration of the views of owners and participants.</p> <p>(ii) FITNESS STANDARDS – Each derivatives clearing organization shall</p> | <p>The Clearinghouse has established governance arrangements that are transparent and that fulfill the requirements imposed by the CEA and the CFTC’s rules promulgated thereunder.</p> <p>The Board will be comprised of three directors, including at least 35% of whom shall be Public Directors. Directors, officers and disciplinary committee members must satisfy eligibility criteria as set forth in Rule 202. Conflicts of interest are addressed pursuant to Rule 207. All Clearinghouse officers, employees and consultants are subject to a Code of Conduct policy that</p> | <p><u>CEA Section 5b(c)(2)(O)(i)</u></p> <p>Exhibit O</p> <p>Exhibit O(a)(2-4) - Risk Committee Charter</p> <p><u>CEA Section 5b(c)(2)(O)(ii)</u></p> <p>Exhibit O</p> <p>Rules 202, 203, 204, 205</p> <p>Chapter 2 of the Rules</p> <p>Exhibit A-11(e) - Clearinghouse Code of Business Conduct and Ethics</p> |

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| <p>establish and enforce appropriate fitness standards for—</p> <p>(I) directors;</p> <p>(II) members of any disciplinary committee;</p> <p>(II) members of the derivatives clearing organization;</p> <p>(III) any other individual or entity with direct access to the settlement or clearing activities of the derivatives clearing organization; and</p> <p>(VI) any party affiliated with any individual or entity described in this clause.</p> | <p>establishes standards of conduct for such individuals.</p> <p>Clearing Members must satisfy eligibility criteria as set forth in Chapter 8 of the Rules.</p> | |
| <p><u>CORE PRINCIPLE P - CONFLICTS OF INTEREST</u></p> <p>Each derivatives clearing organization shall—</p> <p>(i) establish and enforce rules to minimize conflicts of interest in the decision-making process of the derivatives clearing organization; and</p> <p>(ii) establish a process for resolving conflicts of interest described in clause (i).</p> | <p>The Clearinghouse maintains policies related to conflicts of interest, including a conflicts of interest policy for directors, officers, committee members and other Clearinghouse personnel that is set forth in the Rules.</p> <p>Specifically, Rule 207 describes the procedures to which an individual must adhere in the event such individual has a financial interest conflict or is a named party in interest in any matter that is before the individual for deliberation.</p> | <p><u>CEA Section 5b(c)(2)(P)</u></p> <p>Exhibit P</p> <p>Rule 207</p> <p>Exhibit A-11(e) - Clearinghouse Code of Business Conduct and Ethics</p> |

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| <p><u>CORE PRINCIPLE Q – COMPOSITION OF GOVERNING BOARDS</u></p> <p>Each derivatives clearing organization shall ensure that the composition of the governing board or committee of the derivatives clearing organization includes market participants.</p> | <p>The Clearinghouse ensures that the views of the public and market participants are incorporated into the Clearinghouse’s governance structure. The Clearinghouse has incorporated market participants into the governance structure, and at least one member of the Board must be affiliated with a market participant and one representative on the Risk Committee must be affiliated with a market participant.</p> <p>Additionally, the Risk Committee must contain at least one independent participant.</p> | <p><u>CEA Section 5b(c)(2)(Q)</u></p> <p>Exhibit Q</p> <p>Risk Management Committee Charter</p> |
| <p><u>CORE PRINCIPLE R - LEGAL RISK</u></p> <p>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.</p> | <p>The Clearinghouse has established an effective and enforceable legal framework. The Clearinghouse has entered into agreements with outside service providers for the provision of services that are essential to the Clearinghouse’s ability to perform clearing operations in compliance with the CEA and the CFTC’s rules promulgated thereunder. The Clearinghouse can lawfully enforce the Rules against Clearing Members.</p> <p>Pursuant to Rule 301, any person initiating, executing, or benefiting from transactions cleared at the Clearinghouse agrees to be bound by</p> | <p><u>CEA Section 5b(c)(2)(R)</u></p> <p>Rule 301</p> <p>Chapter 8 of the Rulebook</p> <p>Exhibit R</p> <p>Exhibit C-1(1) - Clearing Member Agreement</p> |

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| | <p>the Rules and the published policies of the Clearinghouse and submits to the jurisdiction of the Clearinghouse.</p> <p>Additionally, anyone submitting an application to become a Clearing Member will be bound by the terms contained in the application. The Rules constitute a legally binding and enforceable agreement between the Clearinghouse and each Clearing Member.</p> | |