

BLOOMBERG SEF LLC RULEBOOK

SECURITY-BASED SWAP EXECUTION FACILITY

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CHAPTER 1. DEFINITIONS

When used in the Rules the following terms shall have the respective meanings as follows:

“**AAA**” has the meaning set forth in Rule 701(a).

“**Account**” means a Person (including a Prime Broker) that (i) granted in Writing (standalone or as part of a broader instrument) to an Account Manager investment or trading authority to send RFQs, place Orders and execute Trades pursuant to the Rules on behalf and in the name of such Person; and (ii) is a Counterparty to a Trade. The definition of “Account” shall not include any investor, shareholder or any other Person with beneficial ownership in the Account.

“**Account Manager**” means a Person that acts as an agent and attorney-in-fact to buy or sell SB Swaps pursuant to the Rules in the name and on behalf of another Person. An Account Manager may also be a Participant.

“**Affected Person**” means an applicant for Participant status whose admission application is declined or conditioned, or a Person whose status as a Participant is terminated as set forth in Rule 303(f).

“**Affiliate**” means, with respect to any Person, any Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“**Alleged Error Trade**” has the meaning set forth in Rule 516.A(b)(i).

“**Allocation**” means the process by which an Account Manager, having facilitated an SB Swap transaction on behalf of several Accounts, allocates a portion of the executed SB Swap transaction to the Accounts.

“**Appeals Panel**” means a Disciplinary Committee appointed by the CCO pursuant to Rule 620 to conduct hearings in connection with appeals of any decisions of the Disciplinary Panel pursuant to Chapter 6 of the Rules.

“**Applicable Law**” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or Self-Regulatory Organization applicable to such Person, including the Exchange Act, the CEA and SEC or CFTC Regulations.

“**Authorized Representative**” means any Person who is authorized by a Participant to represent the Participant in SBSEF-related matters pursuant to Rule 307.

“**Authorized Trader**” means any natural Person associated with a Participant who (i) has Trading Access to the SBSEF operated by BSEF using a Participant ID and (ii) is assigned a valid Trader ID.

“**Board**” means the board of directors of BSEF constituted from time to time in accordance with the Operating Agreement.

“**Broker-Dealer**” means a “**Broker**” or “**Dealer**”, as those terms are defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Exchange Act, registered with the SEC.

“**BSEF**” means Bloomberg SEF LLC, a Delaware limited liability company.

“**Bunched Orders**” means a single Order placed by an Account Manager for two or more of its Accounts pursuant to the Rules as described in Rule 528.

“**CCO**” means the individual appointed by the Board as BSEF’s chief compliance officer in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“**CEA**” means the U.S. Commodity Exchange Act, as amended from time to time.

“**CFTC**” means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

“**CFTC Regulations**” means the rules and regulations promulgated by the CFTC, as amended, which apply to the operation of a SEF.

“**Chief Technology Officer**” means the individual with the duties and responsibilities related to supervision of technology of BSEF.

“**Claim**” has the meaning set forth in Rule 901.

“**Cleared SB Swap**” means an SB Swap that is subject to the mandatory clearing requirement of Section 3C(h) of the Exchange Act or any SB Swap that is intended by a Participant to be submitted to a Clearing House for clearing contemporaneously with execution.

“**Clearing Account Identifier**” means a unique identifier assigned to a Participant or Account by a Clearing House.

“**Clearing Exception**” means an exception from the clearing requirement set forth in Section 3C(a) of the Exchange Act because one counterparty to the transaction is entitled to the exception from the clearing requirement set forth in Section 3C(g) of the Exchange Act.

“**Clearing Exception Form**” means documentation submitted by a Participant demonstrating its eligibility (or the eligibility of its relevant Client or Customer, if applicable) for a Clearing Exception.

“**Clearing Exempt Transaction**” means a Trade exempt from the clearing requirement set forth in Section 3C(g) of the Exchange Act because one Counterparty to the Trade is entitled to and has elected to use a Clearing Exception.

“**Clearing House**” means a Registered Clearing Agency or a clearing agency that has obtained an exemption from SEC clearing agency registration requirements that provides clearing services with respect to any or all of the SB Swaps traded pursuant to the Rules.

“**Clearing House Rules**” means the certificate of incorporation, the by-laws or the operating agreement and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by a Clearing House relating to any or all of the SB Swaps.

“Clearing Member” means a member of a Clearing House that is authorized to clear Trades in any or all SB Swaps for a Participant or its Accounts or Customers. Each Clearing Member must sign documentation required by BSEF.

“Client” means an Account.

“CLOB” means an Order Book that will match Orders pursuant to pre-determined, non-discretionary methods. All bids and offers entered into the CLOB must be firm. The CLOB supports the following Order types:

- (a) Market Order (Fill-Or-Kill; Immediate-or-Cancel)
- (b) Limit Order (Fill-Or-Kill; Immediate-Or-Cancel; Good-Til-Date/Time).

“Closing Price” means the last price of a Trading Day posted on the Daily Market Data Report for a specific SB Swap.

“Compliance Department” means all SBSEF Officials and/or agents of BSEF (including Regulatory Services Provider personnel) that assist BSEF with the implementation, surveillance and enforcement of the Rules and other Obligations.

“Confirmation” has the meaning set forth in Rule 523(a).

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by contract, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“Correcting Trade” means a Trade submitted for clearing to a Clearing House, with the same terms and conditions as an Error Trade other than any corrections to any operational or clerical error and the time of execution.

“Counterparty” means a Participant or a Participant’s Account or Customer whose Legal Entity Identifier is reported by BSEF to an SBSDR as a counterparty to a Trade.

“Covered Interest” means:

- (a) An SB Swap that trades pursuant to the Rules;
- (b) A security of an issuer that has issued a security that underlies an SB Swap;
- (c) A derivative based on a security that falls within (b).

“Covered Package Transaction” means a Package Transaction that has at least one or more of the following components:

- (a) An SB Swap that is not subject to the clearing requirement under Section 3C of the Exchange Act;
- (b) Not an SB Swap other than:

- (i) A U.S. Treasury security;
 - (ii) A contract for the purchase or sale of a commodity for future delivery;
 - (iii) An agency mortgage-backed security;
 - (iv) The issuance of a bond in the primary market; or
- (c) A swap over which the SEC does not have exclusive jurisdiction such as a mixed swap (as defined in Section 3a(68) of the Exchange Act).

“CTI” has the meaning set forth in Rule 524.B.

“Customer” means any Person that utilizes a Participant as an agent in connection with trading SB Swaps pursuant to the Rules for that Person’s account, including, for purposes of this Rulebook, a Broker-Dealer registered with the SEC.

“Customer Account” means an account carried by a Participant on behalf of a Customer.

“Daily Market Data Report” has the meaning set forth in Rule 809.

“Derivatives Clearing Organization” has the meaning set forth in Section 1a(15) of the CEA.

“Director” means a member of the Board.

“Disciplinary Committee” means any Person or committee of Persons, or any subcommittee thereof, that complies with the requirements applicable to a disciplinary committee, hearing panel and major disciplinary committee under SEC Regulation 242.834(d), that is authorized by BSEF to issue disciplinary charges, conduct disciplinary proceedings, settle disciplinary charges, impose disciplinary sanctions, or to hear appeals thereof in cases involving any violation of the Rules, except those cases where the Person or committee is authorized summarily to impose minor penalties for violating rules regarding decorum, attire, the timely submission of accurate records for clearing or verifying each Trading Day’s transactions executed pursuant to the Rules, or other similar activities.

“Disciplinary Panel” means a Disciplinary Committee appointed by the CCO pursuant to Rule 613(b) to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 601(b)), to make findings, render decisions, and impose sanctions pursuant to Chapter 6 of the Rules.

“Disclaiming Party” has the meaning set forth in Rule 901(a).

“Dispute” has the meaning set forth in Rule 701.

“ECP” means an eligible contract participant, as defined in Section 3(a)(65) of the Exchange Act (which relies on the definition in Section 1a(18) of the CEA).

“Eligibility Criteria” means the criteria set forth in Rule 301(a).

“Emergency” means any occurrence or circumstance that, in the opinion of the Board, any committee of the Board or the President, Vice President or the Chief Technology Officer under circumstances and pursuant to procedures that are specified by the Rules, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the

liquidation of or delivery pursuant to, any SB Swaps including: (a) any manipulative or attempted manipulative activity; (b) any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; (c) any circumstances which may materially affect the performance of SB Swaps or transactions, including failure of the payment system or the bankruptcy or insolvency of any Participant; (d) any action taken by any governmental body, or any other SBSEF, market or facility which may have a direct impact on trading or clearing and settlement; or (e) any other circumstance which may have a severe, adverse effect upon the functioning of the SBSEF operated by BSEF.

“Emergency Rules” has the meaning set forth in Rule 212(a).

“Error Trade” means a Trade submitted for clearing to a Clearing House that contains an operational or clerical error, including incorrect leg sequencing.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Fill-Or-Kill” means that an Order must be immediately fully filled or cancelled.

“Final Disciplinary Action” means any decision by or settlement with BSEF in a disciplinary matter, or access denial action, which cannot be further appealed with BSEF.

“Financial Entity” has the meaning set forth in Section 3C(g)(3) of the Exchange Act.

“Financial Interest in a Significant Action” means having a direct and substantial financial interest in the result of deliberations or a vote based upon either SBSEF or non-SBSEF positions. A direct and substantial financial interest includes positions held in SB Swaps in the accounts of, Controlled by, or affiliated with an Interested Person or any other types of direct and substantial financial positions of an Interested Person that could reasonably be expected to be affected by deliberations or a vote.

“Good-til-Date/Time” means that an Order has an expiration time and date.

“Governmental Body” means (a) any U.S. or non-U.S. federal, national, state or local court or (b) any U.S. or non-U.S. federal, national, state or local entity that is (i) a governmental authority, (ii) a regulatory body or (iii) a self-regulatory body.

“ICE” means ICE Clear Credit LLC.

“Immediate-Or-Cancel” means that an Order may be filled partially, but an Order must be actioned immediately, or else cancelled. Any remaining portion will be cancelled.

“Interested Person” has the meaning set forth in Rule 210(a).

“Investment Adviser” has the meaning set forth in Section 202(a)(11) of the Investment Advisers Act of 1940.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“ISV” means an independent software vendor.

“**LCH**” means Banque Centrale de Compensation or LCH.Clearnet SA.

“**Legal Entity Identifier**” or “**LEI**” means a unique identification code assigned or issued to an entity by an internationally recognized standards-setting system (IRSS) as set forth in SEC Regulation 242.903(a). The SEC has recognized the Global Legal Entity Identifier System as an IRSS that satisfies the requirements of SEC Regulation 242.903(a).

“**Linked SB Swap**” has the meaning set forth in Rule 535(e).

“**Local Law**” has the meaning set forth in Rule 810(a).

“**Major SB Swap Participant**” has the meaning set forth in Section 3(67) of the Exchange Act.

“**Material Non-Public Information**” means “**material information**” that is also “**nonpublic information**,” as such terms are interpreted for the purpose of SEC Regulation 240.10b5, which means any information that is not generally available to the investing public and would be considered important by a reasonable Person in deciding whether to buy or sell a particular Covered Interest.

“**NFA**” means the National Futures Association.

“**No-Bust Range**” means the price of an SB Swap that is no more than 30% higher or lower than the Closing Price for such SB Swap for the previous Trading Day.

“**Non-Cleared SB Swap**” means an SB Swap that is not a Cleared SB Swap.

“**Non-Cleared SB Swap Agreement**” means an underlying previously-negotiated freestanding agreement that governs the performance and settlement of a Non-Cleared SB Swap and applicable credit support and default provisions, including, without limitation, ISDA master agreements, other master agreements, terms supplements and master confirmation agreements incorporating industry definitions.

“**Notice of Charges**” means a notice sent by the Compliance Department pursuant to Rule 607.

“**Notice to Participants**” means a communication sent by or on behalf of BSEF to all Participants as described in Rule 309.

“**Obligation**” means each Rule, order or procedure issued by BSEF, including any Notice to Participants, and other requirement implemented by BSEF under the Rules.

“**Officer**” has the meaning set forth in Rule 208.

“**Offsetting Trade**” means a Trade submitted for clearing to a Clearing House, with terms and conditions that economically reverse an Error Trade that was accepted for clearing.

“**Opening Price**” means the first price of a Trading Day posted on the Daily Market Data Report for a specific SB Swap.

“**Operating Agreement**” means the currently effective operating agreement of BSEF.

“Order” means (i) a firm response to a Request for Quote, (ii) a response to a Resting Quote, (iii) the display of a quote on an Order Book or (iv) a firm offer to enter into an SB Swap.

“Order Book” means a trading protocol on the SBSEF Platform that allows all Participants to enter multiple bids and offers, observe or receive bids and offers entered by other Participants, and transact on such bids and offers in accordance with the Rules for a specific Order Book.

“Package Transaction” means a transaction involving two or more component transactions:

- (a) that is executed between two or more Counterparties;
- (b) where the component transactions are priced or quoted as one economic transaction with simultaneous or near-simultaneous execution of all components;
- (c) that has at least one component that is a Required Transaction; and
- (d) where the execution of each component is contingent upon the execution of all other component transactions.

“Participant” means any Person that has been granted, and continues to have, Trading Privileges under the Rules and has signed the Participant Documentation. Subject to Applicable Law, a Participant may trade for its own account or for or on behalf of a Customer or Account. An ISV cannot be a Participant.

“Participant Documentation” means the agreements and any other documents (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a Person may access the SBSEF operated by BSEF as a Participant.

“Participant ID” means each unique identification code assigned to a Participant by BSEF for access to the SBSEF operated by BSEF.

“Permitted Transaction” means any transaction involving an SB Swap that is not subject to the Trade Execution Requirement.

“Person” means a natural person or an entity.

“Pre-Execution Communication” means a communication between two Participants to discern interest in the execution of an SB Swap prior to execution of the SB Swap on the SBSEF operated by BSEF, including any communication that involves discussion of the size, side of market, or price of an Order or a potentially forthcoming Order; provided that any communication between two Participants that involves an agreement between the parties to an SB Swap that legally binds the parties to such SB Swap shall not be considered a Pre-Execution Communication.

“President” means the individual appointed by the Board as BSEF’s chief executive officer in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“Prime Broker” means a Person that acts as a credit counterparty for Non-Cleared SB Swaps executed pursuant to the Rules in the name and on behalf of such Person by its client or an agent of its client that is a Participant and that has authorized a Participant to send RFQs, place Orders or enter into Trades in the name and on behalf of such Person.

“Prime Broker Trade” means a Trade in a Non-Cleared SB Swap where one Counterparty is a Prime Broker and the other is a Participant with which the Prime Broker has a Non-Cleared SB Swap Agreement.

“Public Director” means a Person that meets the qualifications described in Rule 207(e).

“Recipient Participant” means a Participant that has received an RFQ from a Requesting Participant.

“Registered Clearing Agency” means a clearing agency registered under Section 3(a)(23)(A) of the Exchange Act.

“Regulation SBSR” means SEC Regulations 242.900-242.909.

“Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 204.

“Regulatory Services Agreement” means an agreement between BSEF and the Regulatory Services Provider whereby the Regulatory Services Provider provides market surveillance and trade practice surveillance functions as well as other compliance-related services to the SBSEF operated by BSEF.

“Regulatory Services Provider” means the NFA, the organization which provides regulatory services to the SBSEF operated by BSEF pursuant to a Regulatory Services Agreement, and as described in SEC Regulation 242.819(e).

“Reporting Side” means the Side of a security-based swap identified by SEC Regulation 901(a)(2). “Side” has the meaning set forth in SEC Regulation 900(hh).

“Request for Quote” or “RFQ” means an electronic message disseminated on the SBSEF Platform for the purposes of soliciting bids or offers for a specific SB Swap.

“Request for Quote Functionality” means RFQT or RFQS. All RFQs and responses to RFQs will disclose the name of the Person with which the Authorized Trader who placed an Order or sent an RFQ is associated with in BSEF’s records.

“Requesting Participant” means a Participant that initiates an RFQ.

“Required Cross Transaction” means a Required Transaction (other than a Block Trade or a Covered Package Transaction) in which a Participant that is a broker or a dealer seeks to either (i) execute against its Customer’s Order acting as a principal or (ii) execute two of its Customers’ Orders against each other, in each case following some form of pre-arranging or pre-negotiating.

“Required Transaction” means any transaction involving an SB Swap that is subject to the trade execution requirement of Section 3C(h) of the Exchange Act.

“Resting Quote” means any firm or bid or offer displayed on the CLOB.

“RFQS” means a functionality of the SBSEF Platform that allows a Requesting Participant to request a continuous stream of indicative quotes in an SB Swap from other Participants. At any time during the continuous stream, a Requesting Participant may send an Order to buy and/or sell an SB Swap to a Participant that provided an indicative quote. A Requesting Participant must provide to BSEF a standing instruction regarding RFQS recipients that will be applied by BSEF to all RFQS for such Requesting Participant. The SBSEF Platform will automatically display to a Requesting Participant a continuous stream of indicative quotes from all Participants indicated in the standing instruction upon Requesting Participant’s access to the SBSEF Platform. The Requesting Participant may send an Order to a Recipient Participant requesting execution at the price indicated in the indicative response.

“RFQT” means a functionality of the SBSEF Platform that allows a Requesting Participant to send an RFQ to buy and/or sell an SB Swap to any Participant(s), to which all such Participants may respond with a firm or indicative quote. The Requesting Participant may accept a firm response to an RFQ from a Recipient Participant or send an Order to a Recipient Participant requesting execution. For RFQT, if the SBSEF Platform receives from the same Recipient Participant that provided the initial price accepted by a Requesting Participant an updated response to an RFQ after the Requesting Participant’s acceptance and before the execution of a Trade by BSEF (a **“Revised Price”**); and

- (a) If the firm Revised Price is better for the Requesting Participant than the firm initial price the Requesting Participant accepted, then the Trade will be executed by the SBSEF Platform at such Revised Price;
- (b) If the firm Revised Price is worse for the Requesting Participant than the firm initial price the Requesting Participant accepted, then the acceptance of the initial price by the Requesting Participant will be rejected by the SBSEF Platform.

“Rules” means the rules of the SBSEF operated by BSEF and interpretations, resolutions, orders, directives and procedures thereunder as in effect from time to time.

“SBSDR” means a security-based swap data repository, as defined in Section 3a(75) of the Exchange Act.

“SBSDR Reportable Trade” means (i) any Trade in a Cleared SB Swap or (ii) any Trade that a registered SBSEF is required to report under SEC Regulation 242.901(a)(2)(ii)(E)(4).

“SB Swap” has the meaning set forth in Section 3a(68) of the Exchange Act and as further defined by the SEC, which is listed on the SBSEF operated by BSEF in accordance with SEC Regulation 242.

“SB Swap Contract Specification” means, with respect to any SB Swap, the Rules or other trading protocols containing specifications for such SB Swap, as adopted, amended, supplemented or otherwise modified from time to time by BSEF.

“SB Swap Dealer” has the meaning set forth in Section 3a(71) of the Exchange Act.

“SBSEF” means a security-based swap execution facility, as defined in Section 3a(77) of the Exchange Act.

“SBSEF Action” and **“SBSEF Actions”** have the meanings set forth in Rule 210(a).

“SBSEF Activity” means activity for which a Participant is subject to the Rules, which is purportedly conducted subject to the Rules, or which should have been conducted subject to the Rules.

“SBSEF Data” has the meaning set forth in Rule 803(a).

“SBSEF Employee” means any Person hired or otherwise employed on a salaried or contract basis by BSEF to support the SBSEF operated by BSEF, but does not include:

- (a) Any Board member compensated by BSEF solely for Board activities; or
- (b) Any committee member compensated by BSEF solely for committee activities; or
- (c) Any consultant hired by BSEF to support the SBSEF operated by BSEF.

“SBSEF Official” means any Director or Officer or SBSEF Employee, the Regulatory Services Provider personnel or any individual rendering similar services to BSEF under a services or similar agreement.

“SBSEF Platform” means the electronic trading system of the SBSEF established and operated by BSEF, or any successor thereto, that is made available by BSEF to Participants for trading SB Swaps.

“SBSEF Proceeding” has the meaning set forth in Rule 210(a).

“SEC” means the U.S. Securities and Exchange Commission or any successor regulatory body.

“SEC Business Day” means the intraday period of time starting at 8:15 a.m. and ending at 4:45 p.m. eastern standard time or eastern daylight-saving time, whichever is currently in effect in Washington, DC, on all days except Saturdays, Sundays, and Federal holidays in Washington, DC.

“SEC Regulations” means the rules and regulations promulgated by the SEC, as amended, which apply to the operation of an SBSEF.

“Self-Regulatory Organization” shall, unless otherwise provided, have the meaning set forth in Section 3(a)(26) of the Exchange Act or CFTC Regulation 1.3 and, in addition, shall include a Derivatives Clearing Organization and a registered futures association.

“Settlement Agreement” means any agreement consenting to the imposition of sanctions by a Self-Regulatory Organization, a court of competent jurisdiction, the SEC or the CFTC.

“Significant Action” includes any of the following types of actions or rule changes by BSEF that can be implemented without the SEC’s prior approval:

- (a) Any actions or rule changes which address an Emergency; and
- (b) Any changes in margin levels that are designed to respond to extraordinary market conditions such as an actual or attempted corner, squeeze, congestion, or undue concentration of positions, or that otherwise are likely to have a substantial effect on prices in any SB Swap traded pursuant to the Rules or cleared by a Clearing House; but does not include any rule not submitted for prior SEC approval because such rule is unrelated to the terms and conditions of any SB Swap traded pursuant to the Rules.

“Supervised Persons” means any directors, officers, employees or agents of any Participant.

“TER Recipient Participant” means, with respect to any Requesting Participant sending any RFQ to more than one Participant for an SB Swap subject to the Trade Execution Requirement via the Request for Quote functionality of the SBSEF Platform, a Participant other than the Requesting Participant that (x) is not an Affiliate of or Controlled by the Requesting Participant and (y) is not an Affiliate of or Controlled by any other TER Recipient Participant receiving the same RFQ from the Requesting Participant.

“Trade” means an SB Swap executed pursuant to the Rules.

“Trade Execution Requirement” or **“TER”** has the meaning set forth in Section 3c(h) of the Exchange Act.

“Trader ID” means a unique identifier assigned or issued to each Authorized Trader which enables BSEF to identify the individual entering RFQs or Orders into the SBSEF Platform either manually or via automated method.

“Trading Access” means the right granted to a Person to send RFQs or place Orders and/or enter into transactions for certain or all SB Swaps to the SBSEF Platform or execute SB Swaps subject to the Rules.

“Trading Day” means a day on which the SBSEF operated by BSEF is open for trading.

“Trading Hours” means, for any Trading Day, the hours as may be published by BSEF in a Notice to Participants from time to time.

“Trading Privileges” means Trading Access or the right granted to a Person to use the SBSEF Platform for execution of SB Swaps. No Person may exercise Trading Privileges on behalf of a Participant during any suspension of such Participant’s Trading Privileges.

“Trading Profile” means, with respect to each Participant, Account or Customer, each account through which the Participant will trade SB Swaps and through which BSEF will monitor, as applicable, Participants’ trading activity in SB Swaps, and each account through which the Participant will present an SB Swap for clearing to a Clearing House.

“Unique Transaction Identifier” or **“UTI”** means a unique identification code assigned by BSEF to a Trade in accordance with SEC Regulation 242.900(qq).

“U.S. Person” has the meaning set forth in SEC Regulation 240.3a71-3(a)(4).

“Vice President” means the individual appointed by the Board in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“Written” or **“Writing”** means printing, lithography, photography, and other modes of representing or reproducing words or data in a visible form, including electronic transmissions.

* * * * *

The following rules of construction shall apply to the Rules:

- (a) the headings in the Rules are for convenience only and do not affect the construction of the Rules;
- (b) all references to time in the Rules are to local time in New York, New York, except where expressly provided otherwise;
- (c) in the Rules, words denoting a singular number include the plural number where the context permits and vice versa;
- (d) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms;
- (e) forms of the word “include” mean that the inclusion is not limited to the items listed;
- (f) “or” is disjunctive but not exclusive;
- (g) references in the Rules to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder; and
- (h) all Notices to Participants filed with the SEC under SEC Regulation 242.806 or SEC Regulation 242.807 and posted by the SBSEF operated by BSEF on BSEF’s website constitute a Rule of the SBSEF operated by BSEF.

CHAPTER 2. BSEF GOVERNANCE

RULE 201. Board

(a) The Board shall manage the business and affairs of BSEF in accordance with the Operating Agreement. At all times the Board must be composed of at least 20%, but no less than two, Public Directors, and 20% of Persons who meet the requirements of SEC Regulation 242.834(e). The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board or any panel of the Officers.

(b) The Board may act (including to appoint Public Directors, to the extent provided in the Operating Agreement) only by the decision of a majority in number of the members of the Board, either by vote at a meeting or by Written consent without a meeting.

(c) Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement and the procedures included therein and shall serve until their successor is duly appointed, or until their earlier resignation or removal, with or without cause.

(d) The members of the Board, including each Public Director, shall be of sufficiently good repute, have sufficient expertise in financial services and have the ability to exercise sound judgment regarding BSEF's affairs.

(e) The percentage of Public Directors required to serve on the Board or any committee thereof pursuant to this Chapter 2 shall be modified to comply with Applicable Law, in each case, as in effect from time to time.

RULE 202. Ownership and Voting Limitations

(a) No Participant shall either alone or together with any officer, principal, or employee of the Participant:

(i) Own, directly or indirectly, 20% or more of any class of voting securities or of other voting interest in BSEF; or

(ii) Directly or indirectly vote, cause the voting of, or give any consent or proxy with respect to the voting of, any interest that exceeds 20% of the voting power of any class of securities or of other ownership interest in BSEF.

(b) BSEF shall have the right to:

(i) Deny effect to the portion of any voting interest held by a Participant in excess of the limitations in paragraph (a) of this Rule;

(ii) Compel a Participant who possesses a voting interest in excess of the limitations in paragraph (a) of this Rule to divest enough of that voting interest to come within those limitations; and

(iii) Request a Participant to provide information relating to its ownership and voting interests in BSEF owned or controlled, directly or indirectly, by the Participant.

RULE 203. [Reserved]

RULE 204. Regulatory Oversight Committee

(a) The Regulatory Oversight Committee is a standing committee of the Board and shall consist only of Public Directors, established by the Board. Each member of the Regulatory Oversight Committee shall serve until the due appointment of their successor, or until their earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Director. A member of the Regulatory Oversight Committee may serve for multiple terms. The Regulatory Oversight Committee shall report to the Board.

(b) The Regulatory Oversight Committee shall oversee BSEF's regulatory and compliance program on behalf of the Board. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of BSEF, in accordance with SEC Regulations and CFTC

Regulations. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the Rules, the Operating Agreement and as the Board may delegate to it from time to time.

(c) Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have authority to:

(i) Monitor BSEF's regulatory and compliance program for sufficiency and effectiveness;

(ii) Oversee all facets of BSEF's regulatory and compliance program, including trade practice and market surveillance, audits, examinations conducted by the Regulatory Services Provider and other regulatory responsibilities with respect to Participants, Customers, Accounts and Clearing Members (including ensuring compliance with any financial integrity, financial reporting, sales practice, recordkeeping and other requirements), and the conduct of investigations by the Regulatory Services Provider;

(iii) Review the size and allocation of the regulatory budget and resources and the number, hiring and termination, and compensation of compliance personnel;

(iv) Assist BSEF in minimizing actual and potential conflicts of interest;

(v) Recommend changes that would ensure fair, vigorous, and effective compliance; and

(vi) Review compliance proposals and advise the Board as to whether and how such changes may impact compliance.

(d) The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate.

(e) In performing its oversight of BSEF's regulatory and compliance program, the Regulatory Oversight Committee shall consult with the CCO. Nothing in this Rule 204, however, shall abrogate or modify the duties of the CCO as set forth in SEC Regulation 242.831 and Rule 209.

RULE 205. Additional Committees and Panels

(a) The Board may create such additional standing committees of the Board as it may from time to time deem necessary or advisable.

(b) In addition to the standing committees, the Board may from time to time constitute and appoint, by Rule or resolution, special committees of the Board and designate their composition, responsibilities and powers.

(c) BSEF may create additional committees of BSEF, or panels, for such purposes as may from time to time be necessary or advisable. Members of each such committee or panels may be members of the Board, Supervised Persons of Participants or such other individuals as may be qualified to serve on such committee or panel.

RULE 206. Power of the Board to Review Decisions

The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board.

RULE 207. Eligibility

(a) A Director must meet the qualifications set forth from time to time in the Operating Agreement and in applicable SEC Regulations and CFTC Regulations.

(b) An individual may not serve as a Director or serve on any committee established by the Board, a Disciplinary Panel or an Appeals Panel if the individual:

(i) Was found within the prior three (3) years by a final decision of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the SEC to have committed a disciplinary offense (as defined in SEC Regulation 242.819(i)(6)(ii));

(ii) Entered into a Settlement Agreement with an SBSEF, a court of competent jurisdiction, or the SEC within the prior three (3) years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(iii) Currently is suspended from trading on any SBSEF, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation or owes any portion of a fine or penalty imposed pursuant to either:

(A) A finding by a final decision of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the SEC that such Person committed a disciplinary offense; or

(B) A Settlement Agreement with an SBSEF, a court of competent jurisdiction or the SEC in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.

(iv) Currently is subject to an agreement with the SEC, an SBSEF or a Self-Regulatory Organization not to apply for registration with the SEC or for membership in any Self-Regulatory Organization;

(v) Currently is subject to or has had imposed on them within the prior three (3) years a SEC registration revocation or suspension in any capacity for any reason or has been convicted within the prior three (3) years of any felony;

(vi) Currently is subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration or appeals panel, or governing board of any SBSEF or Self-Regulatory Organization;

(vii) Within the prior three (3) years has been found by a final decision of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the CFTC to have committed a disciplinary offense;

(viii) Within the prior three (3) years has been found, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization, to have committed a disciplinary offense (as defined in CFTC Regulation 1.63);

(ix) Within the prior three (3) years has entered into a Settlement Agreement in which any of the findings or, in the absence of such findings, any of the acts charged, included a disciplinary offense;

(x) Has been suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either:

(A) A finding of a disciplinary offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or

(B) A Settlement Agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(xi) Currently is subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;

(xii) Currently is, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC; or

(xiii) Has been convicted of any felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA.

(c) Any Director, member of a committee established by the Board or any member of a Disciplinary Panel, an Appeals Panel, any individual nominated to serve in any such role, or any individual authorized by the Regulatory Oversight Committee to take summary action shall immediately notify the President if such individual meets one or more of the disqualification criteria in Rule 207(b).

(d) For purposes of this Rule, the terms “disciplinary offense” and “final decision” have the meanings set forth in SEC Regulation 242.819(i)(6) and CFTC Regulation 1.63(a).

(e) To qualify as a Public Director, a Director must be found, by the Board on the record, to have no material relationship with BSEF or any of its Affiliates. A “material relationship” is one that reasonably could affect the independent judgment or decision making of such individual as a Director. In addition, an individual shall not be considered a “Public Director” if any of the following circumstances exist:

(i) Such Director is an Officer or an SBSEF Employee, or an officer or an employee of an Affiliate of BSEF;

(ii) Such Director is a Participant, or a director, an officer or an employee of a Participant; or

(iii) Such Director, or an entity with which the Director is a partner, an officer or a director, receives more than \$100,000 in combined annual payments for legal, accounting, or consulting services from BSEF or any Affiliate of BSEF. Compensation for services as a director of BSEF or as a director of an Affiliate of BSEF does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director of BSEF, so long as such compensation is in no way contingent, conditioned or revocable.

(f) Any of the relationships set forth in sub-paragraphs (e)(i) through (iii) of this Rule apply to the “immediate family” of such Director, i.e., spouse, parents, children and siblings.

(g) A Public Director may also serve as a director of an Affiliate of BSEF if they otherwise meet the requirements in paragraphs (e) and (f) of this Rule.

RULE 208. Officers

The Board shall appoint a President, a CCO, one or more vice presidents, a secretary, a treasurer, and such other officers of BSEF (all of the foregoing, collectively, the “**Officers**”) as it may deem necessary or appropriate from time to time, in accordance with the Operating Agreement. The Officers shall have such powers and duties in the management of BSEF as the Board may prescribe from time to time in accordance with the Operating Agreement. Each Director and Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to BSEF.

RULE 209. CCO

(a) The Board shall appoint and approve the CCO. The Board shall approve the compensation of the CCO. Removal of the CCO shall require the approval of a majority of the Board. BSEF shall notify the SEC of the removal of the CCO and the appointment of any new CCO, whether interim or permanent, within two (2) SEC Business Days of such removal or appointment.

(b) The individual designated to serve as CCO shall have the background and skills appropriate for fulfilling the responsibilities of the position. No individual that would be disqualified from serving on the Board or a committee pursuant to the criteria set forth in Rule 207(b) may serve as a CCO. In determining whether the background and skills of a potential CCO are appropriate for fulfilling the responsibilities of the role of the CCO, BSEF has the discretion to base its determination on the totality of the qualifications of the potential CCO, including, but not limited to, compliance experience, related career experience, training, potential conflicts of interest, and any other relevant factors to the position. The CCO may not be a member of BSEF’s legal department and may not serve as its general counsel.

(c) The CCO shall report directly to the Board. The CCO shall meet with the Board at least annually. The CCO shall also meet with the Regulatory Oversight Committee at least quarterly. Each such meeting may occur in person or telephonically. The CCO shall provide any information regarding the regulatory and compliance program of BSEF that is requested by the Board, President, Vice President or any other Officer or the Regulatory Oversight Committee.

(d) The position of CCO shall carry with it the authority and resources to develop, in consultation with the Board or an Officer, the policies and procedures of BSEF and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in the Exchange Act and

the SEC Regulations. The CCO shall have supervisory authority over all staff acting in furtherance of the CCO's obligations.

(e) The CCO's duties shall include, but are not limited to, the following:

(i) Overseeing and reviewing compliance of the SBSEF operated by BSEF with Section 3D of the Exchange Act and SEC Regulations;

(ii) Taking reasonable steps, in consultation with the Board or an Officer of BSEF, to resolve any material conflicts of interest that may arise, including, but not limited to: (1) conflicts between business considerations and compliance requirements; (2) conflicts between business considerations and the requirement that BSEF provide fair, open, and impartial access as set forth in SEC Regulation 242.819(c); and (3) conflicts between BSEF's management and members of the Board;

(iii) Establishing and administering Written policies and procedures reasonably designed to prevent violations of the Exchange Act and SEC Regulations;

(iv) Taking reasonable steps to ensure compliance with the Exchange Act and SEC Regulations;

(v) Establishing procedures reasonably designed to handle, respond, remediate, retest, and resolve noncompliance issues identified by the CCO through any means, including any compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;

(vi) Establishing and administering a compliance manual designed to promote compliance with the Exchange Act and SEC Regulations and a Written code of ethics for the SBSEF operated by BSEF designed to prevent ethical violations and to promote honesty and ethical conduct by SBSEF Employees;

(vii) Supervising the regulatory and compliance program of the SBSEF 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 (including taking reasonable steps to ensure compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);

(viii) Supervising the effectiveness and sufficiency of any regulatory services provided to the SBSEF operated by BSEF by the Regulatory Services Provider in accordance with SEC Regulation 242.819(e); and

(ix) Complying with SEC Regulation 242.831(i) and related filing requirements specified therein.

RULE 210. Conflicts of Interest

(a) A Director, Officer, Disciplinary Panel, Appellate Panel, Disciplinary Committee or any other panel or committee member or other Person authorized to exercise BSEF's authority concerning any inquiry, investigation or any disciplinary or appeals proceeding, summary suspension or other

summary actions (any such action, an “**SBSEF Action**” and, collectively, “**SBSEF Actions**”), or Emergency actions taken pursuant to Rule 212 (each such SBSEF Action or Emergency action, an “**SBSEF Proceeding**”) who knows or reasonably should have known that they have a “material conflict of interest” between their position as a Director, Officer, panel or committee member or other Person authorized to exercise BSEF’s authority concerning any SBSEF Proceeding and their personal interests (each, an “**Interested Person**”) may not participate in any deliberations or vote of a Board, committee or panel or exercise any authority in any SBSEF Proceeding involving their personal interest, except as described in Rule 210(e). An Interested Person cannot participate in any deliberations or vote if a determination to impose such restriction is based on factors set forth in Rule 210(b)(i) through (iv) or Rule 210(b)(vi).

(b) For purposes of Rule 210(a), a “material conflict of interest” includes a Director’s, Officer’s, panel or committee member’s or other Person’s:

(i) Being named as a respondent, potential respondent, witness, or potential witness, in an SBSEF Proceeding;

(ii) Being an employer, employee, fellow employee or an Affiliate of a respondent or potential respondent in an SBSEF Proceeding;

(iii) Having any significant, ongoing business relationship with a respondent or potential respondent in an SBSEF Proceeding, not including relationships limited to executing SB Swaps opposite of each other or to clearing SB Swaps through the same Clearing Member;

(iv) Having a family relationship with a respondent or potential respondent in an SBSEF Proceeding (including the individual’s spouse, co-habitator, former spouse, parent, step-parent, child, step-child, sibling, step-brother, step-sister, grandparent, grandchild, uncle, aunt, nephew, niece and in-laws (including father- and mother-in-law, grandparent-in-law, son- or daughter-in-law, and brother- or sister-in-law);

(v) Having a Financial Interest in a Significant Action; and/or

(vi) Other circumstances regarding a Person’s personal interests.

(c) Before considering any SBSEF Proceeding, an Interested Person must disclose in Writing to the CCO the material facts concerning their relationship or interest in an SBSEF Proceeding, as specified by Rule 210(c), as required by SEC Regulations 242.834(g)(1)(i)(B) and 242.834(g)(1)(ii)(B). Such Written disclosures shall be reviewed by the CCO to determine whether such Interested Person is subject to deliberations and voting restrictions under Rule 210(a), as required by SEC Regulations 242.834(g). Such disclosure requirement under SEC Regulation 242.834(g)(1)(ii)(B) does not apply to Interested Persons that have a Financial Interest in a Significant Action who choose to abstain from deliberations and voting on a Significant Action.

(d) If the CCO determines that disclosure to the Board is appropriate, the Interested Person must, upon request, provide all facts to the CCO, the Board, members of any committee of the Board or panel, as applicable, considering the possible material conflict of interest. After all facts are provided, such Interested Person shall recuse themselves from the Board, the committee of the Board or the panel, as applicable, and shall not participate in the final deliberation or decision regarding the matter under consideration while the determination of a material conflict of interest is discussed and voted upon. The

remaining Board, committee or panel members, as applicable, and the CCO shall decide if a material conflict of interest exists, and the appropriate course of action.

(e) Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 210(a) solely as a result of having a Financial Interest in a Significant Action may participate in deliberations, prior to a vote on any Significant Action if the Interested Person recuses from voting and, if:

(i) The material facts about the Interested Person's Financial Interest in a Significant Action in the SBSEF Proceeding are disclosed to the Board;

(ii) The Board determines that participation by the Interested Person would be consistent with the public interest;

(iii) A majority of the Directors (excluding any Interested Persons) vote to allow the Interested Person to participate in deliberations on the SBSEF Proceeding;

(iv) The Interested Person's participation in deliberations is necessary for the deliberating body to achieve a quorum in the SBSEF Proceeding; and

(v) The Interested Person has unique or special expertise, knowledge, or experience in the SBSEF Proceeding under consideration.

(f) If a determination is made pursuant to Rule 210(e), as required by SEC Regulation 242.834(g)(1)(ii)(C), that an Interested Person may not participate in deliberations or may nonetheless participate in deliberations on a Significant Action prior to a vote, any such determination shall comply with SEC Regulation 242.834(g)(iii) and include a review of all material facts concerning the Interested Person's relationships and/or interest in the relevant matter or Significant Action and any other source of information that is held by or reasonably available to BSEF.

(g) Upon a determination whether the Interested Person is subject to deliberations and voting restrictions (or exemptions thereof) under Rule 210(a), as required by SEC Regulation 242.834(g), the minutes of the meeting of the Board, committee or panel or other records shall reflect the determination and the reason(s) for the determination. Such records must also include:

(i) The names of all members who attended the meeting in person or who otherwise were present by electronic means;

(ii) The name of any members who voluntarily recused themselves or were required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and

(iii) Information on the material facts that was reviewed for each member.

(h) If a determination is made pursuant to Rule 210(a) that all Directors are Interested Persons with respect to a matter subject to a vote by the Board, the President will appoint a panel of individuals who are not Interested Persons with respect to such matter, which will have the same authority and powers over such matter that the Board would have if the Directors were not Interested Persons with respect to such matter. If a determination is made pursuant to Rule 210(a) that the

President is an Interested Person, then the Vice President or the Regulatory Oversight Committee, if the Vice President is also an Interested Person, will appoint such panel of individuals who are not Interested Persons.

RULE 211. Restrictions on Certain Persons who Possess Material Non-Public Information: Improper Use or Disclosure of Material Non-Public Information

(a) No Director, Officer or member of any committee or panel established by the Board or a member of the Disciplinary Panel, Appellate Panel, or Disciplinary Committee shall use or disclose for any purpose other than the performance of their official duties and responsibilities as a Director, Officer or committee or panel member any Material Non-Public Information obtained as a result of the individual's duties and responsibilities as a Director, Officer or committee or panel member.

(b) Notwithstanding Rule 211(d), a Director, Officer or committee or panel member may disclose Material Non-Public Information acting in the course of such individuals' official duties to another SBSEF, court of competent jurisdiction, or representative of any agency or department of the federal or state government.

(c) No member of the Board or any Board or any other committee of BSEF, a member of the Disciplinary Panel, Appeals Panel or Disciplinary Committee, Officer, SBSEF Employee or agent, or consultant of BSEF, shall trade for such Person's own account, or for or on behalf of any other account, in any Covered Interest on the basis of any Material Non-Public Information obtained through the performance of such Person's official duties.

(d) No member of the Board or any Board or any other committee of BSEF, a member of the Disciplinary Panel, Appeals Panel or Disciplinary Committee, Officer, SBSEF Employee or agent, or consultant of BSEF, shall use or disclose, for any purpose other than the performance of such Person's official duties, any Material Non-Public Information obtained by such Person as a result of such Person's official duties.

(e) No SBSEF Employee shall:

(i) Trade, directly or indirectly, any Covered Interest; and/or

(ii) Disclose to any other Person any Material Non-Public Information which such SBSEF Employee obtains as a result of their employment at BSEF, where such SBSEF Employee has or should have a reasonable expectation that the information disclosed may assist another Person in trading any Covered Interest; provided, however, that such rules shall not prohibit disclosures made in the course of an SBSEF Employee's official duties, or disclosures made to another SBSEF, court of competent jurisdiction, or representative of any agency or department of the Federal or State government acting in their official capacity.

(iii) Exemptions from (e)(i) are permitted on a case-by-case basis in the following circumstances:

(A) Participation by an SBSEF Employee in a pooled investment vehicle (within the meaning of SEC Regulation 242.819(h)) where the SBSEF Employee has no direct or indirect control with respect to transactions executed for or on behalf of such vehicle or any account in which trading decisions and activities are performed by a third-

party money manager, in which the account owner does not retain discretion to direct or influence the trading of securities in that account;

(B) Trading by an SBSEF Employee in a derivative based on a pooled investment vehicle that falls within SEC Regulation 819(h)(3)(i);

(C) Trading by an SBSEF Employee in a derivative based on an index in which no Covered Interest constitutes more than 10% of the index;

(D) Trading by an SBSEF Employee, directly or indirectly, in a Covered Interest provided (1) approval is obtained from the Compliance Department by the SBSEF Employee, and (2) such SBSEF Employee represents that they are not trading on the basis of any Material Non-Public Information; or

(E) Trading by an SBSEF Employee under circumstances enumerated by BSEF in which BSEF determines trading is not contrary to Applicable Law, the public interest, or just and equitable principles of trade.

(f) No Person shall trade for such Person's own account, or for or on behalf of any other account, in any Covered Interest on the basis of any Material Non-Public Information that such Person knows was obtained in violation of this Rule from an SBSEF Employee, member of the Board or any Board or any other committee of BSEF, Officer, or consultant.

RULE 212. Emergency Rules

(a) In the event of an Emergency, BSEF shall adopt temporary emergency procedures and/or rules ("**Emergency Rules**") to provide for the exercise of Emergency authority. Implementation of Emergency Rules shall be done in consultation or cooperation with the SEC, as is necessary and appropriate, including the authority to order the liquidation or transfer of open positions in any SB Swap or curtail trading in an SB Swap. To comply with SEC Regulation 242.824, the Emergency Rules may require or authorize BSEF, the Board, any committee of the Board, the President, or any other Officer to take actions or adopt Emergency Rules that are reasonably designed to respond to the Emergency, including the following actions:

(i) Allow BSEF to intervene as necessary to maintain markets with fair and orderly trading and to prevent or address manipulation or disruptive trading practices, whether the need for intervention arises exclusively from SBSEF's market or as part of a coordinated, cross-market intervention;

(ii) Have the flexibility and independence to address Emergencies in an effective and timely manner consistent with the nature of the Emergency, as long as all such actions taken by BSEF are made in good faith to protect the integrity of the SBSEF;

(iii) Take market actions as may be directed by the SEC, including, in situations where an SB Swap is traded on more than one platform, Emergency action to order the liquidation or transfer of open interest as directed, or agreed to, by the SEC or the SEC's staff;

(iv) Include procedures and guidelines for decision-making and implementation of Emergency Rules that avoid conflicts of interest;

(v) Include alternate lines of communication and approval procedures to address Emergencies associated with real-time events; and

(vi) Allow the SBSEF to address perceived market threats, to impose or modify position limits, impose or modify price limits, impose or modify intraday market restrictions, impose special margin requirements, order the liquidation or transfer of open positions in any SB Swap, order the fixing of a settlement price, extend or shorten the expiration date or Trading Hours, suspend or curtail trading in any SB Swap, transfer Participant's SB Swaps and the margin, or alter any SB Swap's settlement terms or conditions, or, if applicable, provide for the carrying out of such actions through its agreements with its Clearing Houses or its Regulatory Services Provider.

(b) Before any Emergency Rule may be adopted and enforced, a required vote of the Board must approve the implementation of such Emergency Rule at a duly convened meeting requested by the President or any other Officer. Directors may attend such meeting telephonically. Each Director participating in such meeting shall be subject to Rule 210. If the President, Vice President or the Chief Technology Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the President, Vice President or the Chief Technology Officer shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that they deem necessary or appropriate to respond to such Emergency.

(c) Whenever BSEF, the Board, any committee of the Board, or the President, Vice President or the Chief Technology Officer takes actions necessary or appropriate to respond to an Emergency (including the actions set forth in paragraph (a) above), an authorized representative of BSEF will post a Notice to Participants regarding such Emergency, as soon as practicable. When the Board, any committee of the Board or the President, Vice President or the Chief Technology Officer determines that the Emergency is no longer in effect, permitting the SBSEF operated by BSEF to resume normal functioning; any such actions responding to an Emergency will be terminated.

(d) BSEF will use reasonable efforts to notify the SEC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not reasonably possible or practicable, BSEF will promptly notify the SEC, but in all circumstances within twenty-four (24) hours of the implementation, modification or termination of such Emergency Rule. Such notification to the SEC shall meet the requirements of SEC Regulation 242.824(c).

(e) Upon taking any action in response to an Emergency, BSEF will document the decision-making process in Writing related to such action, as required by SEC Regulation 242.824. Such Written documentation will be kept for at least five (5) years following the date on which the Emergency ceases to exist or to affect the SBSEF operated by BSEF, and all such Written documentation will be provided to the SEC upon request.

RULE 213. Information-Sharing Agreements

(a) BSEF shall enter into information-sharing agreements or other arrangements or procedures necessary to allow BSEF to obtain any necessary information to perform any monitoring of trading and Trade processing, provide information to other markets, the SEC or any other Governmental Body with jurisdiction over BSEF upon request and which allow BSEF to carry out such international

information-sharing agreements as the SEC may require. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, BSEF may:

- (i) Provide market surveillance reports to the SEC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its obligations under Section 3D(d)(4) of the Exchange Act, to other markets;
- (ii) Share information and documents concerning current and former Participants to the SEC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its obligations under Section 3D(d)(4) of the Exchange Act, to other markets;
- (iii) Share information and documents concerning ongoing and completed investigations to the SEC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its obligations under Section 3D(d)(4) of the Exchange Act, to other markets; and/or
- (iv) Require its current or former Participants to provide information and documents to BSEF at the request of the SEC any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its obligations under Section 3D(d)(4) of the Exchange Act, to other markets.

(b) BSEF may enter into any information-sharing arrangement with any Person or body (including the SEC, the NFA, any Self-Regulatory Organization, any SBSEF, or Clearing House, or any Governmental Body) if BSEF (i) believes that such entity exercises a legal or regulatory function under any law or regulation, or a function comprising or associated with the enforcement of a legal or regulatory function, or (ii) considers such arrangement to be in furtherance of the purpose or duties of BSEF under Applicable Law.

(c) BSEF may disclose any information provided by or relating to Participants, Account Managers, Authorized Traders, Supervised Persons, Clearing Members, Customers or Accounts or their agents, or Trades of Participants or of their Customers or Accounts, including the content of Participant Documentation, to any Governmental Body, to the Regulatory Services Provider (whether for the purpose of supporting the provision of services by the Regulatory Services Provider or for the purpose of supporting the Regulatory Services Provider's performance of its obligations and responsibilities as a registered futures association), to an SBSDR where BSEF reports Trades, to any other Person or entity as required by Applicable Law or as necessary to conclude a Participant's Trades, submit a Participant's Trades for clearance to a Clearing House or perform services requested by a Participant, and to any Person providing services to BSEF. BSEF will not disclose any proprietary data or personal information of any Participant, Account Manager, Authorized Trader, Supervised Person, Clearing Member, Customer or Account without a corresponding confidentiality agreement between such Person and BSEF, unless the Person requesting such information is a Governmental Body.

RULE 214. Regulatory Services Agreement with the Regulatory Services Provider

(a) BSEF has contracted with the Regulatory Services Provider to provide certain regulatory services to BSEF pursuant to a Regulatory Services Agreement. In accordance with the Regulatory Services Agreement, the Regulatory Services Provider may perform certain surveillance, investigative, and regulatory functions under the Rules and BSEF may provide information to the Regulatory Services

Provider in connection with the performance by the Regulatory Services Provider of those functions, which such information may be used by the Regulatory Services Provider for the purpose of performing its obligations and responsibilities as a Regulatory Services Provider or as a Self-Regulatory Organization.

(b) BSEF shall retain exclusive authority in all substantive decisions made by any Regulatory Services Provider, including, but not limited to, decisions involving the cancellation of Trades, the issuance of disciplinary charges against Participants, and denials of access to the SBSEF operated by BSEF for disciplinary reasons. BSEF shall document in Writing any instances where its actions differ from those recommended by the Regulatory Services Provider, including the reasons for the course of action recommended by the Regulatory Services Provider and the reasons why BSEF chose a different course of action, as required by SEC Regulation 242.819(e)(3) and shall keep such Written documentation in its books and records.

RULE 215. Delivery and Service of SEC Communications for Non-U.S. Person Participants

In accordance with SEC Regulation 242.819(k), BSEF will serve as an agent of a non-U.S. Person Participant or a Customer of a non-U.S. Person Participant for whom SB Swaps were executed or a non-U.S. Person Participant's Authorized Trader for purposes of accepting delivery and service of any communication issued by or on behalf of the SEC to the non-U.S. Person Participant, the Customer of the non-U.S. Person Participant or the non-U.S. Person's Authorized Trader, in each case with respect to any SB Swap traded pursuant to the Rules.

CHAPTER 3. PARTICIPANTS

RULE 301. Eligibility Criteria for Becoming a Participant

(a) To be eligible for admission as a Participant, an applicant warrants to BSEF that it meets the following criteria:

- (i) Is an ECP, and each Account or Customer on whose behalf it wishes to trade pursuant to the Rules is an ECP, in each case eligible to enter into the SB Swaps it wishes to trade pursuant to the Rules;
- (ii) Is of good reputation and business integrity;
- (iii) Is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade SB Swaps;
- (iv) Has not filed for bankruptcy;
- (v) Is not an SBSEF Official, agent or Affiliate of BSEF or a Person described in Rule 202(a)(i) or 202(a)(ii);
- (vi) Is not prohibited from using the services of BSEF for any reason whatsoever;
- (vii) Holds all registrations required under Applicable Law, if any;

(viii) Is not subject to statutory disqualification under Section 3(a)(39)(A)-(F) of the Exchange Act;

(ix) Satisfies any other criteria that BSEF may require from a Participant for BSEF to carry out its rulemaking and adjudicatory functions and act pursuant to BSEF's duties under the Exchange Act, comply with Applicable Law or provide the SBSEF operated by BSEF;

(x) Is not an ISV or an automated trading system;

(xi) Is not seeking to become a Participant as a branch of a Person; and

(xii) Satisfies "know your customer"/due diligence checks and restricted list searches, including, but not limited to, searches against the Specially Designated Nationals and Blocked Persons list that is maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

(b) Once admitted, the Participant shall continue to meet all applicable Eligibility Criteria in this Rule 301.

(c) With respect to Cleared SB Swaps, each Participant that is an Account Manager, or Broker-Dealer must ensure that each of its, as applicable, Accounts or Customers has a clearing account with a Clearing Member that is a member of the Clearing House accepting for clearance Cleared SB Swaps traded pursuant to the Rules and provide BSEF with evidence of such relationship. With respect to Non-Cleared SB Swaps, each Participant that is an Account Manager or Broker-Dealer must ensure that each of its, as applicable, Accounts or Customers complies with Rule 534, if applicable. Upon BSEF's prior Written request, each Participant that is an Account Manager must provide BSEF with Written representation or proof of authority to place RFQs or Orders and execute Trades pursuant to the Rules on behalf or in the name of each Account.

(d) With respect to Cleared SB Swaps, each Participant that is not an Account Manager must either be a Clearing Member of a Clearing House where the Cleared SB Swaps are cleared or have a clearing account with a Clearing Member with respect to such Cleared SB Swap and provide BSEF with evidence of such relationship. With respect to Non-Cleared SB Swaps, each Participant that is not an Account Manager must comply with Rule 534, if applicable.

(e) Each Participant must establish Trading Profile(s). In addition to all information required by BSEF, information in each Trading Profile shall at a minimum be sufficient to allow BSEF to present a Trade for clearing to a Clearing House and report a Trade to an SBSDR. Further, each Participant must ensure information provided to any external party which stages Trades for clearing is correct and up-to-date, and promptly provide such information to BSEF.

(f) Participants that do not have a relationship with a Clearing Member as set forth in paragraphs (c) or (d) of this Rule 301 are prohibited from entering RFQs or Orders in Cleared SB Swaps pursuant to the Rules.

(g) Upon request of BSEF, a Participant shall promptly provide to BSEF or its Regulatory Services Provider, information about the Participant, its Customers, Accounts, Clearing Members and Authorized Traders as BSEF requests related to or in connection with SBSEF Activity.

RULE 302. Authorized Traders

- (a) Each Participant shall nominate or designate one or more Authorized Traders, who will conduct SBSEF Activity on behalf of the Participant.
- (b) Each Authorized Trader:
- (i) Must be a natural Person;
 - (ii) Must satisfy any other requirements as may be prescribed by BSEF from time to time; and
 - (iii) Must have a Trader ID.
- (c) A Participant that authorizes a third party to trade on its behalf on the SBSEF operated by BSEF for its Trading Profile(s) on a discretionary basis pursuant to a power of attorney or other instrument must identify or approve a specific natural Person as its Authorized Trader with respect to such Participant's Trading Profile(s).
- (d) Without limiting the foregoing, each Authorized Trader will abide by applicable Rules and Applicable Law, and each Participant will ensure on an ongoing basis that:
- (i) None of its Authorized Traders is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto);
 - (ii) Each of its Authorized Traders is technically proficient;
 - (iii) Each of its Authorized Traders conducts business in a fair and equitable manner;
- and
- (iv) Each of its Authorized Traders conducts business in accordance with the Rules.
- (e) By agreeing to become an Authorized Trader, such individual agrees to be bound by the duties and responsibilities of an Authorized Trader under the Rules and to be subject to, and comply with, the Rules and Obligations. Among other duties and responsibilities that BSEF may impose, an Authorized Trader must:
- (i) Have the authority, at BSEF's request, to adjust or withdraw any Order submitted under any Trader ID assigned to them; and
 - (ii) Ensure that any SBSEF Activity conducted under any Trader ID assigned to them complies with all the Rules and Obligations.
- (f) To nominate or designate an Authorized Trader, a Participant must follow the procedures established by BSEF. BSEF may establish criteria that individuals must fulfill to become an Authorized Trader. Any such criteria will be set out in the Rules and/or Participant Documentation. BSEF will not accept the registration as an Authorized Trader of any individual who is an SBSEF Official.
- (g) BSEF will maintain a list of all appointed Authorized Traders for each Participant.

(h) BSEF may, in its sole discretion terminate, revoke or suspend an Authorized Trader and shall promptly notify the Participant in Writing of such action. Upon such termination, revocation or suspension, BSEF will disable access of such Authorized Trader.

(i) To request the termination of the designation of an Authorized Trader, the Participant or the Authorized Trader must notify BSEF following the procedures established by BSEF. BSEF will terminate access of such Authorized Trader immediately upon receipt of such notice from Participant.

RULE 303. Participant Application, Termination and Suspension

(a) Any Person who desires to become a Participant shall (i) submit signed Participant Documentation; (ii) agree in Writing to abide by the Rules; (iii) provide such information and documentation as may be requested by BSEF; and (iv) follow the application procedures established by BSEF.

(b) The admission of an Applicant to Participant status shall be subject to:

(i) Passing required relevant “know your customer”/due diligence checks, sanctions and anti-money laundering checks (including providing such additional information as BSEF may require to satisfy such checks); and

(ii) Satisfaction of the Eligibility Criteria.

(c) In considering an application from a potential Participant, BSEF may require additional information from the applicant, or conduct an investigation to verify information submitted by the applicant, or both.

(d) If BSEF decides to admit an applicant as a Participant, it shall promptly notify the applicant and state in such notice the date on which the applicant shall become a Participant.

(e) BSEF may deny an application for admission as a Participant or terminate the Participant status of any Person if:

(i) Such Person is unable to satisfactorily demonstrate its ability to satisfy on a continuous basis the Eligibility Criteria as set forth in Rule 301(a) to become or remain a Participant;

(ii) Such Person is unable to satisfactorily demonstrate its capacity to adhere to all applicable Rules;

(iii) Such Person’s acting or continued acting as such would bring BSEF into disrepute or cause the SBSEF operated by BSEF to fail to be in compliance with Applicable Law as determined by BSEF in its sole discretion; or

(iv) For such other good cause as BSEF may reasonably determine.

(f) If BSEF decides to deny an application for admission as a Participant or terminate a Person’s status as a Participant, BSEF shall promptly notify such Affected Person thereof in Writing sent to the address provided by the applicant or maintained in BSEF’s registry of Participants. Such Affected Person may, within seven (7) calendar days, request in Writing that BSEF provide the reasons

for the denial or termination of Participant status. Within fourteen (14) calendar days after receiving such Written request, BSEF shall send in Writing to the Affected Person the reasons for the denial, conditioning or termination. Within fourteen (14) calendar days of receiving BSEF's Written response, the Affected Person may request in Writing that BSEF reconsider its determination, and may provide any relevant representations or other information that such Affected Person believes to be relevant to the reconsideration.

(g) BSEF may suspend a Participant that did not execute any Trades pursuant to the Rules for a period of two (2) years or longer. Such suspension should continue until the affected Participant (i) requests the lifting of the suspension in Writing, and (ii) executes any additional Participant Documentation required to access the SBSEF operated by BSEF as of the date of the request to lift the suspension.

RULE 304. Trading Privileges of a Participant

(a) Upon admission as a Participant, the Participant must execute such Participant Documentation, as required from time to time by BSEF, and such Participant Documentation must remain in effect for the Participant to access the SBSEF Platform.

(b) Admission as a Participant entitles the Participant only to Trading Privileges and does not confer any right of ownership in, or right to attend or vote at meetings of, BSEF, or right to share in the profits, of BSEF. A Participant may not transfer or assign its status as a Participant.

RULE 305. Limitation of Trading Privileges and Trading Access

(a) Notwithstanding anything in the Rules to the contrary, the CCO may, after consultation with the Regulatory Oversight Committee, if practicable, suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Participant or the Trading Access of an Authorized Trader, and may take other summary action against any Participant or any of its Supervised Persons or any Authorized Trader in accordance with the Rules; provided, however, that the CCO must reasonably believe that the business, conduct or activities of the Participant, Authorized Trader or Supervised Person in question is not in the best interests of BSEF, including based on any of the following: (i) statutory disqualification from registration as provided in Section 3(a)(39)(A)-(F) of the Exchange Act; (ii) non-payment of fees, costs, charges, fines or arbitration awards; or (iii) the reasonable belief that immediate action is necessary to protect the public or the best interests of BSEF. BSEF may deny or limit Trading Privileges of a Participant or Trading Access of any Authorized Trader upon default of the Participant, Customer or Account, as applicable, on any SB Swap with respect to such Participant, Customer or Account.

(b) Whenever practicable, the Compliance Department, acting on behalf of the CCO, shall provide prior Written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, BSEF will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Compliance Department, acting on behalf of the CCO, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party.

(c) The summary action will become final upon the expiration of twenty (20) calendar days after the notice of action is served on the respondent.

(d) At the request of BSEF, a respondent against whom a summary action is brought pursuant to this Rule 305 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, BSEF or in connection with the enforcement of any Rule.

(e) A Participant may appeal any decision taken by BSEF under this Rule 305 as provided in Rule 620; provided, however, that any such decision by BSEF to deny or otherwise limit applicant's Trading Privileges or Trading Access shall continue in effect during such review.

RULE 306. Assessments and Fees

BSEF shall set the times and amounts of any assessments or fees to be paid by Participants, which assessments or fees shall be paid to BSEF when due. If a Participant fails to pay when due any such assessments or fees levied on such Participant, and such payment obligation remains unsatisfied for thirty (30) calendar days after its due date, BSEF may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant as it deems necessary or appropriate.

RULE 307. Authorized Representatives

Each Participant shall designate one or more Authorized Representatives who will represent the Participant before BSEF and its committees and receive notices on behalf of the Participant. The Authorized Representative shall be empowered by the Participant to act on its behalf and BSEF shall be entitled to rely on the actions of the Authorized Representative as binding on the Participant. Each Participant must provide BSEF with current contact and other requested information for each of its Authorized Representatives so that BSEF is able to immediately contact the Authorized Representatives.

RULE 308. Recording of Communications

BSEF may record conversations and retain copies of electronic communications between SBSEF Officials and Participants, their Account Managers, Authorized Traders, Supervised Persons or other agents. Any such recordings may be retained by BSEF or the Regulatory Services Provider in such manner and for such periods of time as BSEF or the Regulatory Services Provider may deem necessary or appropriate.

RULE 309. Notices to Participants

BSEF shall publish a Notice to Participants with respect to each addition to, modification of, or clarification of, the Rules or of any action to implement any of the Rules, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof. For purposes of publication in accordance with the first sentence of this Rule, it shall be sufficient (without limiting the discretion of BSEF as to any other reasonable means of communication) if a Notice to Participants is published on BSEF's website. Any Notice to Participants shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons.

RULE 310. Communications between BSEF and Participants

Each Participant must provide BSEF with its current electronic mail address and telephone number and the electronic mail address and telephone number of any of its Authorized Traders and

immediately (and in any event within twenty-four (24) hours) update this information whenever it changes. All communications between BSEF and the Participant will be transmitted by electronic mail and/or posted on BSEF's website, except as otherwise specified by BSEF. The Participant shall be responsible for conveying such communications to its Authorized Traders and/or to its Account Managers. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from BSEF to the Participant or any of its Account Managers, Authorized Traders, Supervised Persons or any Person to whom it has given Trader ID(s). All communications made to a Participant shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons of such Participant.

RULE 311. Application of the Rules and Jurisdiction

(a) **ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION ON OR PURSUANT TO THE RULES OF THE SBSEF OPERATED BY BSEF, OR ANY PARTICIPANT, AUTHORIZED TRADER, CLEARING MEMBER OR OTHER PERSON ACCESSING OR ENTERING ANY RFQ OR ORDER OR SUBMITTING ANY SB SWAP INTO THE SBSEF OPERATED BY BSEF OR EXECUTING ANY TRADE PURSUANT TO THE RULES (i) IS BOUND BY, AND SHALL COMPLY WITH, THE RULES AND OBLIGATIONS, THE CLEARING HOUSE RULES, SB SWAP CONTRACT SPECIFICATIONS AND APPLICABLE LAW WHICH APPLIES TO THEIR TRADING PURSUANT TO THE RULES, IN EACH CASE TO THE EXTENT APPLICABLE TO ITS SBSEF ACTIVITY, (ii) SUBMITS TO THE JURISDICTION OF BSEF WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT, AUTHORIZED TRADER OR OTHER PERSON, AND (iii) AGREES TO ASSIST BSEF IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH BSEF, THE SEC AND ANY GOVERNMENTAL BODY WITH JURISDICTION OVER BSEF OR THE SBSEF OPERATED BY BSEF IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING.**

(b) Any Person whose access to the SBSEF operated by BSEF is suspended for any period remains subject to the Rules, the Obligations and BSEF's jurisdiction throughout the period of suspension. Any Person whose access to the SBSEF operated by BSEF is revoked or terminated shall remain bound by the Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of BSEF with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant prior to such revocation or termination.

RULE 312. Description of Participant's Status

A Participant shall ensure that the form, content and context of any description of the Participant's status on the SBSEF operated by BSEF is not inconsistent with, and does not misrepresent, the Participant's capacity on the SBSEF operated by BSEF under the Rules or the Participant's registration, if any, under the Exchange Act, or under any other Applicable Law.

RULE 313. Dissolution of Participants

All rights and privileges of a Participant terminate upon, and all obligations of a Participant shall survive the dissolution of the Participant.

RULE 314. Withdrawal of Participant

(a) To withdraw from the SBSEF operated by BSEF, a Participant must notify BSEF of its withdrawal. Such withdrawal shall be accepted and effective immediately upon receipt of such notice by BSEF.

(b) When BSEF accepts the withdrawal of a Participant, all rights and privileges of such Participant will terminate (including the Trading Privileges). The accepted withdrawal of a Participant shall not affect the rights of BSEF under the Rules or relieve the former Participant of such Participant's obligations under the Rules before such withdrawal. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the Rules, the Obligations and the jurisdiction of BSEF for acts and omissions done or committed while a Participant, and shall comply in any SBSEF Proceeding under Chapter 6 as if the withdrawn Participant were still a Participant.

RULE 315. [Reserved]

RULE 316. Access

RULE 316.A. ECP Access

BSEF will provide its services to any ECP with access to its markets and BSEF services that is impartial, transparent and applied in a fair and non-discriminatory manner; provided, however, that each ECP complies with BSEF's Participant Documentation and the Eligibility Criteria set forth in the Rules.

RULE 316.B. ISV Access

BSEF will provide ISVs with access to the SBSEF Platform and data in a fair and non-discriminatory manner; provided, however, that each ISV shall comply with BSEF's criteria governing such access. Such access criteria shall be impartial and transparent.

RULE 317. [Reserved]

RULE 318. Legal Certainty for SBSEF Trades

A transaction entered into on or pursuant to the Rules shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of a violation by BSEF of the provisions of section 3D of the Exchange Act or the SEC Regulations.

RULE 319. Rights and Responsibilities after Suspension or Termination

(a) When the Trading Privileges of a Participant or the Trading Access of any Authorized Trader are suspended, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Participant, enter RFQs or Orders into the SBSEF Platform and receive Participant rates for fees, costs, and charges at Participant levels) will apply during the period of the suspension, except for the right of the Participant in question to assert claims against others as provided in the Rules or the right to Trading Access. Any such suspension will not affect the rights of creditors under the Rules or relieve the Participant in question of its, or their obligations under the Rules to perform any SB Swaps entered into before the suspension, or for any BSEF fees, costs, or charges incurred during the suspension.

(b) When the Trading Privileges of a Participant or the Trading Access of any Authorized Trader are terminated, all of a Participant's rights and Trading Privileges or an Authorized Trader's right to Trading Access will terminate, except for the right of the Participant in question to assert claims against others, as provided in the Rules. Any such termination will not affect the rights of creditors under the Rules. A terminated Participant may only seek to reinstate its Trading Privileges by applying for Trading Privileges pursuant to Rule 304. BSEF will not consider the application of a terminated Participant if such Participant continues to fail to appear at disciplinary or appeals proceedings without good cause or continues to impede the progress of disciplinary or appeals proceedings.

(c) A suspended or terminated Participant, Authorized Trader or Supervised Person remains subject to the Rules and the jurisdiction of BSEF for acts or omissions done or committed prior to the suspension or termination, and shall comply in any inquiry, investigation, disciplinary or appeals proceeding, summary suspension or other summary action as if the suspended or terminated Participant still had Trading Privileges or the terminated Authorized Trader still had Trading Access. BSEF may discipline a suspended Participant or Authorized Trader for any violation of a Rule or provision of Applicable Law committed by the Participant or Authorized Trader before, during or after the suspension.

(d) Upon the request of a Customer, in the event of the suspension or revocation of the Trading Privileges of a Participant, BSEF shall seek to facilitate the transfer of any Customer Accounts held by such Participant to other Participants with Trading Privileges.

CHAPTER 4. OBLIGATIONS OF PARTICIPANTS, ACCOUNT MANAGERS, AUTHORIZED TRADERS AND SUPERVISED PERSONS

RULE 401. Duties and Responsibilities

(a) Each Participant, Account Manager, Authorized Trader and Supervised Person shall:

(i) Ensure the facilities of the SBSEF operated by BSEF are used in a responsible manner and are not used for any improper purpose;

(ii) Ensure the facilities of the SBSEF operated by BSEF are used to only conduct SBSEF Activity;

(iii) Ensure that all SBSEF Activity conducted by the Participant, Account Managers, Authorized Traders and Supervised Persons is performed in a manner consistent with the applicable Rules and their respective Obligations;

(iv) Comply with all the Rules and Obligations and act in a manner consistent with each Rule and Obligation;

(v) Observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade while conducting or attempting to conduct any SBSEF Activity, or any aspect of any business connected with or concerning the SBSEF operated by BSEF;

(vi) Not mislead or conceal any material fact or matter in any dealings or filings with BSEF or in response to any SBSEF Proceeding;

(vii) Keep the Authorized Trader's Trader IDs, account numbers and passwords confidential; and

(viii) Not use the SBSEF Platform for the purposes of testing or workflow validation.

(b) Each Participant shall be responsible for promptly informing BSEF of any material changes to Eligibility Criteria information provided to BSEF by the Participant.

RULE 402. Required Disclosures to BSEF

Each Participant shall immediately notify the Compliance Department upon becoming aware of any of the following events:

(a) Any material change to the contact or other information provided to BSEF by the Participant, including, but not limited to, information relating to the status of Participant as a U.S. Person or a non-U.S. Person, relating to guarantees by any Person of any SB Swaps that a Participant executes on the SBSEF Platform or subject to the Rules or relating to any Person which exercises control over Participant's trading of any SB Swaps on or subject to the Rules;

(b) Any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Participant to effect transactions pursuant to the Rules or to timely perform the Participant's financial obligations under or in connection with SB Swaps of such Participant or SB Swaps of any Customer or Account of such Participant;

(c) Any refusal of admission of the Participant for membership in any Self-Regulatory Organization or SBSEF;

(d) Any expulsion, suspension or fine in excess of \$25,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant by any Self-Regulatory Organization or, with respect to SBSEF Activity, any relevant Governmental Body;

(e) Any revocation, suspension or conditioning of any registration or license of a Participant necessary to conduct SBSEF Activity granted by any relevant Governmental Body;

(f) (i) the commencement of any judicial or administrative proceeding against the Participant or any Authorized Trader or Supervised Person or (ii) the imposition of any fine in excess of \$25,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed, in each case of (i) and (ii), by any Self-Regulatory Organization, SBSEF, or, with respect to SBSEF Activity, any relevant Governmental Body;

(g) Any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by, any principals or senior officers of the Participant or any Authorized Trader for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, futures contract, swap, option, security, securities futures product or other financial instrument, or involving or arising from fraud or moral turpitude; and

(h) The Participant's or a 10% or greater owner of the Participant becoming the subject of a petition for bankruptcy;

(i) The appointment of a receiver, trustee or administrator for the Participant or a 10% or greater owner of the Participant;

(j) The presentment of a petition, or the passing of a resolution, for the Participant's or a 10% or greater owner of the Participant winding-up;

(k) The commencement of proceedings for the Participant's or the 10% or greater owner of the Participant dissolution; or

(l) The occurrence of an event of insolvency with respect to the Participant or the 10% owner or greater owner of the Participant.

RULE 403. Inspections by BSEF

(a) BSEF or the Regulatory Services Provider (or their respective authorized representatives), shall have the right with such prior reasonable advance notice as is practicable under the circumstances, in connection with determining whether all the Rules are being, will be, or have been complied with by the Participant, to:

(i) Inspect the books and records of the Participants relating to SBSEF Activity;

(ii) Inspect systems, equipment and software of any kind operated by the Participant in connection with SBSEF Activity and any data stored in any of the systems or equipment related to SBSEF Activity; and/or

(iii) Copy or reproduce any data to which BSEF has access under this Rule.

(b) Such books and records, systems, equipment, software and data shall be made available to BSEF and the Regulatory Services Provider and their respective authorized representatives during regular business hours and BSEF and the Regulatory Services Provider and their respective authorized representatives agree to adhere to Participant's reasonable logical and physical access and security procedures.

(c) Each Participant and Authorized Trader shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide to BSEF under the Rules and Applicable Law.

(d) The Compliance Department may require a Participant to furnish (periodically or on a particular occasion) information concerning the Participant's SBSEF Activity.

RULE 404. Minimum Financial and Related Reporting Requirements

Each Participant that is registered with any Self-Regulatory Organization shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements.

RULE 405. Position Liquidation upon Default

Upon default of any SB Swap by a Participant, Customer or Client, BSEF shall have the right to arrange the liquidation of all or some SB Swap positions of such Participant, Customer or Client, as applicable, opened via trading pursuant to the Rules.

RULE 406. Authority to Impose Restrictions

Whenever a Participant is subject to the early warning requirements set forth in the SEC Regulations, including, but not limited to, SEC Regulation 240.17a-11, the President, or their designee, may impose such conditions or restrictions on the business and operations of such Participant as the President, or their designee, may deem necessary or appropriate for the protection of Customers, other Participants or the SBSEF operated by BSEF.

RULE 407. Customers and Accounts

(a) No Participant shall carry an account for a Customer or enter an RFQ or Order in the name of an Account unless the Participant has entered into a Written agreement with the Customer or Account that is in compliance with Applicable Law and the Rules.

(b) Each Participant must: (1) ensure that the Customer or Account is an ECP at the time of execution of any SB Swap; (2) subject every SB Swap executed for the Customer or Account to the Rules insofar as they are applicable to that SB Swap; (3) in relation to any SB Swap executed for the Customer or Account, be able to comply with all requirements of the Rules and any other arrangements, provisions and directions given by BSEF; and (4) if a Participant is an Account Manager or a broker, provide to its Accounts and Customers any information relevant to such Accounts or Customer's Trades on the SBSEF operated by BSEF, and provide BSEF and its agents, including the Regulatory Services Provider, access to all information in connection with or related to its SBSEF Activity necessary for monitoring and enforcement of the Rules.

RULE 408. [Reserved]

RULE 409. Books and Records

RULE 409.A. Participant and Clearing Member Books and Records

(a) Each Participant, Clearing Member and market participant shall prepare and keep current all books, ledgers and other similar records relating to SBSEF Activity required to be kept by it pursuant to the Exchange Act, SEC Regulations and the Rules and shall prepare and keep current such other books and records relating to SBSEF Activity and adopt such forms as BSEF may from time to time prescribe. Such books and records shall be made available, upon request, to BSEF, the SEC, the Department of Justice or any Governmental Body, regulator or Self-Regulatory Organization with jurisdiction over BSEF, and their respective authorized representatives.

(b) In addition to information required by paragraph (a) of this Rule 409, each Participant, Clearing Member and market participant must comply with all applicable recordkeeping and retention requirements of the SEC Regulations.

(c) If a Participant cannot enter an Order or Request for Quote received from its Customer into the SBSEF Platform, the Participant must immediately create an electronic record that includes the

account identifier that relates to the Customer Account, time of receipt, and terms of the Order or Request for Quote.

(d) As required by SEC Regulation 242.821(e), each Participant, Clearing Member and market participant, as applicable, must keep records of their trading pursuant to the Rules (including records of its activity in the underlying asset, and related derivatives markets) and make such records available, upon request, to BSEF, the SEC or any Governmental Body, any Self-Regulatory Organization with jurisdiction over BSEF, and their respective authorized representatives.

(e) Each Participant, Clearing Member and market participant shall keep all books and records required to be kept by it pursuant to the Rules for a period of five (5) years from the date on which they are first prepared unless otherwise provided in the Rules or such longer time as required by Applicable Law. Such books and records shall be readily accessible during the first two (2) years of such five (5) year period. During such five (5) year period, all such books and records shall be made available for inspection by, and copies thereof shall be delivered to, BSEF and its authorized representatives upon request.

(f) Each Participant and Authorized Trader shall provide the Regulatory Services Provider with the same access to its books and records and offices as it is required to provide BSEF under the Rules and Applicable Law.

(g) BSEF may require a Participant, Clearing Member and market participant to furnish such information concerning the Participant or Clearing Member's business that is subject to the Rules as BSEF deems necessary to enable it to perform its obligations under Applicable Law, including information relating to: (i) SB Swaps executed pursuant to the Rules and in related derivatives markets, including in the products underlying those SB Swaps, (ii) information regarding the component or components of a Package Transaction if such component or components are not executed on or pursuant to the Rules of the SBSEF operated by BSEF, but are related to a Trade executed on or pursuant to the Rules of the SBSEF operated by BSEF; and (iii) information requested by a government agency relating to the SBSEF operated by BSEF and/or BSEF's compliance with Applicable Law that BSEF believes is maintained by, or otherwise in the possession of, a Participant or Clearing Member.

(h) All data and information provided to or obtained by BSEF pursuant to this Rule 409 shall be subject to the provisions of Rule 805.

(i) **[Reserved]**

(j) Participants and ISVs that operate systems that route orders to the SBSEF Platform are responsible for maintaining or causing to be maintained a routing/front-end audit trail for all Orders, which shall include Order entry, modification and cancellation and any SBSEF Platform responses to such messages. For executed Orders, such audit trail must record the execution time of the Trade, along with all fill information. Participants and ISVs shall maintain audit trail information as required by Applicable Law and must have the ability to produce audit trail data in a reasonably usable format upon request of BSEF. BSEF will enforce these audit trail and recordkeeping requirements by conducting an annual review of all Participants to verify their compliance with BSEF's audit trail and recordkeeping requirements.

RULE 409.B. BSEF Books and Records

BSEF shall keep, or cause to be kept, complete and accurate books and records, including all books and records required to be maintained pursuant to the Exchange Act, the SEC Regulations or the Rules as required by SEC Regulation 242.826.

RULE 410. [Reserved]

RULE 411. [Reserved]

**CHAPTER 5. TRADING PRACTICES, REPORTING, CLEARING AND
BUSINESS CONDUCT**

RULE 501. Scope

This Chapter 5 prescribes the Rules concerning trading practices and business conduct on the SBSEF operated by BSEF and applies to all RFQs, Orders and Trades in SB Swaps.

RULE 502. Procedures

(a) With respect to trading pursuant to the Rules, BSEF may adopt, without limitation, procedures relating to transactions in SB Swaps and trading pursuant to the Rules, including procedures to:

- (i) Disseminate the prices of bids and offers on, and Trades in, SB Swaps;
- (ii) Record, and account for, SB Swaps and SBSEF Activity and regulate administrative matters affecting SB Swaps and SBSEF Activity;
- (iii) Establish limits on the number and/or size of RFQs or Orders that may be submitted by a Participant pursuant to the Rules;
- (iv) Establish limits on the aggregate notional amount of SB Swaps that may be held by a Participant;
- (v) Establish a limit on the maximum daily price fluctuations for any SB Swap and provide for any related restriction or suspension of trading in the SB Swap; and
- (vi) Establish minimum price quoting increments for each SB Swap.

(b) BSEF may, in its discretion and at any time, amend any procedures adopted pursuant to Rule 502(a), and will publish the amendments in a Notice to Participant or in any other manner determined appropriate by BSEF.

RULE 503. Trading Days and Trading Hours

Except as provided in Rule 212 with respect to Emergencies, BSEF shall determine and publish the Trading Days of the SBSEF Platform and the Trading Hours for each SB Swap.

RULE 504. Rule Violations

(a) It shall be an offense for a Participant, Account Manager, Authorized Trader or Supervised Person to violate any Rule regulating the conduct or business of a Participant or its Account Managers, Authorized Traders or Supervised Persons, or any agreement made with BSEF, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

(b) Participants shall assist BSEF in any investigation into potential violations of the Rules or, with respect to SBSEF Activity, the Exchange Act. Such assistance must be timely and may include, but not be limited to, producing documents, answering questions from BSEF or its designee, and/or appearing in connection with an investigation.

(c) If a Participant has actual or constructive notice of a violation of the Rules in connection with the use of the SBSEF operated by BSEF by a Participant, Customer, Account, Clearing Member or Authorized Trader and the Participant fails to take appropriate action, the Participant may be found to have committed an act detrimental to the interest or welfare of the SBSEF operated by BSEF.

RULE 505. Fraudulent Acts

No Participant, Account Manager, Authorized Trader, Supervised Person or any market participant shall intentionally or recklessly, directly or indirectly, engage, or attempt to engage, in any fraudulent act, practice, or course of business which operates or would operate as a fraud or deceit upon any Person or intentionally or recklessly, directly or indirectly, use or employ, or attempt to use or employ, any manipulative device, scheme or artifice to defraud, deceive, trick or mislead another Person or intentionally or recklessly, directly or indirectly, engage, or attempt to engage in any manipulative or disruptive trading practices prohibited by SEC Regulations 240.9j-1 or 240.15fh-4 in connection with or related to any SBSEF Activity. Specifically, no Participant, Account Manager, Authorized Trader or Supervised Person shall directly or indirectly, engage in front running, fraudulent trading, money passes, trading ahead of Customers, trading against Customers, accommodation trading or improper cross trading.

RULE 506. Prohibited Transactions

RULE 506.A. Fictitious or Wash Transactions

No Participant, Account Manager, Authorized Trader, Supervised Person or any market participant that directly or indirectly effects a transaction pursuant to the Rules shall create fictitious transactions or wash transactions or execute any Order with knowledge of its fictitious or wash nature. No Person shall place or accept Orders in the same SB Swap where the Person knows or reasonably should know that the purpose of the Orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales). Orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash transactions. Additionally, no Person shall knowingly execute or accommodate the execution of such Orders by direct or indirect means. Trades where a Participant with the same LEI is the ultimate beneficiary on both sides of the Trade are specifically prohibited.

RULE 506.B. Pre-Arranged Transactions

No Participant, Account Manager, Customer or Authorized Trader shall engage in a pre-arranged transaction except as permitted by Rules 516, 521 or 531.

RULE 507. Pre-Execution Communications

(a) Pre-Execution Communications with respect to SB Swaps executed through the Order Book shall be prohibited except in the case of Trades executed in accordance with Rule 521.

(b) Pre-Execution Communications are permitted with respect to SB Swaps executed through the Request for Quote Functionality in accordance with Rule 522.

RULE 508. Market Manipulation and Post-Trade CLOB Disclosures Prohibited

RULE 508.A. Price Manipulation

No Participant, Account Manager, Authorized Trader, Supervised Person or any market participant shall directly or indirectly engage in any conduct that manipulates or attempts to manipulate the price of any SB Swap, including without limitation, engaging in activity in violation of the Exchange Act or SEC Regulation 242.819(d)(1).

RULE 508.B. Disruptive Practices Prohibited

(a) No Participant, Account Manager, Authorized Trader or Supervised Person shall engage in any practice or conduct that constitutes a disruptive trading practice prohibited by the Exchange Act or the SEC Regulations in relation to the trading of any SB Swap. Prohibited disruptive trading practices include, but are not limited to, trading ahead of Customer Orders, trading against Customer Orders, accommodation trading, and improper cross trading. Specific trading practices that shall be prohibited include front-running, wash trading, pre-arranged trading (except for transactions described in Rule 506.B), fraudulent trading, money passes, spoofing, violating bids and offers and any other manipulative or abusive trading practices that BSEF deems to be disruptive.

(b) A Participant may post on the CLOB and submit an RFQ to the SBSEF Platform in the same SB Swap at the same time using the same Participant ID only if such conduct does not violate Rule 508.B(a) and Rule 508.A.

RULE 508.C. Post-Trade Anonymity

(a) It is prohibited to disclose, directly or indirectly, including through a third-party service provider, the identity of a counterparty for Cleared SB Swaps executed, pre-arranged or pre-negotiated anonymously on or pursuant to the Rules. BSEF shall not disclose the names of Participants or Counterparties for a Trade executed on the CLOB and it shall be a violation of the Rules for a Participant or Counterparty to ascertain or attempt to ascertain the name of the Participant or Counterparty that is on the opposite side of a Trade executed on the CLOB.

(b) Prohibition on post-trade name give-up shall not apply to components of a Package Transaction that are not Cleared SB Swaps.

RULE 509. Prohibition of Misstatements

It shall be an offense to make any knowing misstatement of a material fact to BSEF, any SBSEF Official, any Board committee or panel, the Compliance Department and/or agents of BSEF (including the Regulatory Services Provider) or any Participant or any of its Account Managers, Authorized Traders or Supervised Persons.

RULE 510. Acts Detrimental to Welfare of the SBSEF Operated by BSEF

It shall be an offense to engage in any act that is detrimental to the interest or welfare of the SBSEF operated by BSEF.

RULE 511. Adherence to the Rules

No Participant, Account Manager, Customer, Authorized Trader or Supervised Person shall engage in conduct in violation of the Rules. It shall be a violation of the Rules for a Participant to violate any Written agreement made with BSEF.

RULE 512. Use of Trading Privileges

No Participant, Account Manager, Authorized Trader or Supervised Person may use such Participant's Trading Privileges in any way that could be expected to bring disrepute upon such Participant, Account Manager, Authorized Trader or Supervised Person.

RULE 513. Supervision

Each Participant and Account Manager shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders and Supervised Persons, as applicable, comply with the Rules or, with respect to SBSEF Activity, the laws, rules or regulations of any relevant Governmental Body, and such Participant may be held accountable for the actions of such Account Managers, Authorized Traders or Supervised Persons.

RULE 514. Misuse of the SBSEF Operated by BSEF or the SBSEF Platform

Misuse of the SBSEF operated by BSEF is strictly prohibited. Only SB Swaps can be traded on the SBSEF operated by BSEF. It shall be deemed an act detrimental to the interest and welfare of the SBSEF operated by BSEF to willfully or negligently engage in unauthorized use of the SBSEF operated by BSEF, to assist any Person in obtaining unauthorized access to the SBSEF Platform, to alter the equipment associated with the SBSEF Platform, to interfere with the operation of the SBSEF Platform, to intercept or interfere with information provided thereby, or in any way to use the SBSEF Platform in a manner contrary to the Rules.

RULE 515. Mishandling of Customer Orders

Any Participant that mishandles any Customer Order is responsible for all remedial actions with respect to such Order.

RULE 516. Trade Cancellation, Correction, Offset and Adjustment

Trades that have not been executed on or pursuant to the Rules of the SBSEF operated by BSEF are ineligible to be cancelled, corrected, offset or adjusted pursuant to this Rule.

RULE 516.A. Trade Cancellation, Correction, Offset and Adjustment – Cleared SB Swaps

(a) A Trade in a Cleared SB Swap executed on or pursuant to the Rules of the SBSEF operated by BSEF can be cancelled, corrected, offset or adjusted only in accordance with this Rule 516.A.

(b) A Participant involved in an Error Trade and acting as an Account Manager or Broker-Dealer shall have the authority to request or consent to the cancellation, correction, offset or adjustment, as applicable, of such Trade on behalf of the relevant Counterparty involved in the Trade.

(c) Timing of an Offset or Correction.

(i) For Error Trades rejected or not accepted by a Clearing House for non-credit reasons (i.e., operational or clerical reasons), the Correcting Trade must be executed pursuant to the Rules and submitted for clearing as quickly as technologically practicable after the Clearing House provides notice of the rejection of the Error Trade or BSEF cancels the Error Trade, but, in any event, no later than **one (1)** hour after the Error Trade was executed.

(ii) For Error Trades accepted by a Clearing House, the Offsetting Trade and/or the Correcting Trade must be executed and submitted for clearing no later than **three (3)** Trading Days after the Error Trade was executed.

(iii) Where BSEF has provided a Participant notice of a potential Error Trade, calculation of any deadlines set forth in this Rule 516.A(c) shall be governed by the Error Trade execution time as communicated to such affected Participants by BSEF.

(d) Notification of Action Taken and Trade Review – Cleared SB Swaps Executed on a Non-Anonymous Basis.

(i) If Participants involved in a Trade agree that the Trade is an Error Trade and that the cancellation, correction, offset or adjustment of the Error Trade is appropriate and will not adversely impact market integrity, facilitate market manipulation, or other illegitimate activity, or otherwise violate the Rules, Participants may either execute solely an Offsetting Trade or may execute both an Offsetting Trade **and** a corresponding Correcting Trade as provided below in this Rule 516.A.(d).

(ii) For both Required Transactions and Permitted Transactions in Cleared SB Swaps, Participants may either execute solely an Offsetting Trade or may execute both an Offsetting Trade **and** a corresponding Correcting Trade by sending an RFQ to the Participant involved in the Error Trade and specifying in the RFQ that a Trade is either an Offsetting Trade or Correcting Trade. Providing such specification will constitute notice to the Compliance Department. A Participant that submitted an RFQ or Order that resulted in the Error Trade must use RFQT to send an RFQ to the other Participant involved in the Error Trade and the other Participant must promptly respond to the RFQ or reject it.

(iii) For Cleared SB Swaps that are Permitted Transactions, and Required Transactions that are components of Covered Package Transactions, Participants may either execute solely an Offsetting Trade or may execute both an Offsetting **and** a corresponding Correcting Trade by sending an RFQ to the Participant involved in the Error Trade without specifying that a Trade is either an Offsetting Trade or Correcting Trade; provided that the Requesting Participant or the Recipient Participant notify the BSEF Support Desk at 1-212-617-1530 or by any form of Written communication approved by BSEF within **twenty-four (24) hours** after the execution of such Offsetting Trade and/or Correcting Trade and provide to BSEF the following information:

- (A) A description of the clerical or operational error or omission in the terms of the Error Trade;
- (B) The UTIs for the Error Trade and Offsetting Trade and/or Correcting Trade and any additional information reasonably requested by BSEF; and
- (C) A representation that the Trade qualifies as an Error Trade, e.g., the Trade contains an operational or clerical error.

(iv) For a Trade corrected pursuant to paragraph (d)(i) of this Rule 516.A, the Compliance Department may conduct an ex post facto review of the Trade, the Offsetting Trade and the Correcting Trade. Such ex post facto review will include a review of the electronic audit trail of the Trade, as well as other facts and circumstances associated with the Trade. If BSEF makes an affirmative finding that such Trade was not an Error Trade, BSEF Compliance will consider any action appropriate under the Rules.

(v) In the case of a Trade in Cleared SB Swaps executed on a non-anonymous basis, BSEF may, but is not obliged to, inform Participants affected by the Error Trade of the identity and contact information of any other Participant affected by the Error Trade.

(e) Notification of Action Taken and Trade Review – Cleared SB Swaps Executed on an Anonymous Basis

(i) To request cancellation, correction, adjustment or offset of a Trade in Cleared SB Swaps executed on an anonymous basis (“**Alleged Error Trade**”), a Participant must notify the BSEF Support Desk by phone at 1-212-617-1530 or by any form of Written communication approved by BSEF by providing details sufficient to identify the Error Trade (e.g., UTI, FIT/FITDNA key, or SB Swap contract, notional amount, price/spread, Clearing House and execution time) and stating the grounds for the request as soon as possible, but no later than the end of the Trading Day following the date of execution of the Alleged Error Trade. For notifications received after such date, BSEF shall have discretion as to whether to review the request to cancel, correct, adjust or offset the Alleged Error Trade.

(ii) The Compliance Department will review promptly the electronic audit trail of the Alleged Error Trade as well as any facts and circumstances associated with the Alleged Error Trade. If BSEF makes an affirmative finding that the Alleged Error Trade was an Error Trade and that the cancellation, correction, adjustment or offset of the Alleged Error Trade is appropriate and would not adversely impact market integrity, facilitate market manipulation or

other illegitimate activity, or otherwise violate the Rules, BSEF will designate such Alleged Error Trade as an “Error Trade.”

(iii) BSEF will inform affected Participants of the alleged Error Trade and of the next steps that the Participants must or could make.

(iv) BSEF will not take any action with respect to an Error Trade unless the Error Trade is outside the No-Bust Range. BSEF will inform the affected Participants of the final disposition of the Error Trade.

(v) For Trades in Cleared SB Swaps executed on an anonymous basis, BSEF will not inform Participants affected by the Error Trade of the identity and contact information of any other Participant affected by the Error Trade and will facilitate a pre-arranged Offsetting Trade or a Correcting Trade if all such Participants agree to or are required to enter into Trades described in Rule 516.A(f) and 516.A(g).

(f) Error Trade Cancellation, Correction, Adjustment and Offset – Participant Errors

(i) For each Error Trade cleared by a Clearing House, BSEF may, if both Participants agree:

(A) Request, or allow the Participants to request, the appropriate Clearing House to cancel, correct or adjust the Error Trade; or

(B) Allow the affected Participants to enter into a pre-arranged Offsetting Trade to offset the position on the books of the Clearing House that resulted from the Error Trade; and/or

(C) If desired by the affected Participants, allow the affected Participants to enter into a pre-arranged Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(ii) For each Error Trade rejected by a Clearing House and determined to be *void ab initio* under Rule 533 or not accepted by a Clearing House and cancelled by BSEF as provided in Rule 516.E, in each case because of an operational or clerical error or omission made by a Participant, Counterparty or Account Manager, if both Participants agree, the affected Participants may enter into a pre-arranged Correcting Trade.

(iii) All the Rules other than Rule 522.A shall apply to Correcting Trades executed by Participants pursuant to this Rule 516.A(f).

(iv) Participants must report to BSEF as soon as possible all changes made to the Error Trade pursuant to this Rule 516.A(f).

(v) With respect to an Error Trade rejected by a Clearing House for non-credit reasons, if the Correcting Trade is also rejected by the Clearing House and *void ab initio*, the affected Participants will not be provided a second opportunity to correct the Error Trade.

(g) Error Trade Cancellation, Correction, Adjustment and Offset – System Errors

(i) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade cleared by a Clearing House was the result of an error made by the SBSEF Platform and the Trade has been designated as an Error Trade, then BSEF may:

(A) Request, or allow the Participants to request, the appropriate Clearing House to cancel, correct or adjust the Error Trade; or

(B) Direct the affected Participants to enter into a pre-arranged Offsetting Trade to offset the position on the books of the Clearing House that resulted from the Error Trade; and/or

(C) Direct the affected Participants to enter into a pre-arranged Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(ii) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade rejected or not accepted by a Clearing House for non-credit reasons were the result of an error made by the SBSEF Platform and such Trade was either determined to be *void ab initio* under Rule 533 or cancelled by BSEF as provided in Rule 516.E, then BSEF may direct the affected Participants to enter into a pre-arranged Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(iii) If BSEF directs affected Participants to enter into a pre-arranged Trade in accordance with paragraph (i)(B) above, the affected Participants shall enter into such pre-arranged Trade.

(iv) All Rules other than Rule 522.A shall apply to Correcting Trades executed by Participants pursuant to this Rule 516.A(g).

(v) Notwithstanding anything to the contrary in this Rule 516.A(g), BSEF reserves the right to correct an Error Trade resulting from an error made by the SBSEF Platform by any means BSEF deems appropriate.

(vi) If BSEF is unable to determine how to correct the Error Trade, BSEF may either not fix the error, or it may seek guidance on how to address the error from the affected Participants. Any such guidance may not be implemented without consent from both Participants.

(vii) Participant must report to BSEF as soon as possible all changes made to the Error Trade pursuant to this Rule 516.A(g).

(viii) With respect to an Error Trade rejected by a Clearing House for non-credit reasons, if the Correcting Trade is also rejected by the Clearing House and *void ab initio*, the affected Participants will not be directed to enter into another Trade to correct the Error Trade.

RULE 516.B. [Reserved]

RULE 516.C. Erroneous Trade Cancellation, Correction and Adjustment – Non-Cleared SB Swaps

(a) Any Trade in a Non-Cleared Swap executed on or pursuant to the Rules of the SBSEF operated by BSEF can be cancelled, corrected or adjusted only in accordance with this Rule 516.C.

(b) A Participant involved in an erroneous Trade and acting as an Account Manager or Introducing Broker shall have the authority to request or consent to the cancellation, correction, or adjustment, as applicable, of such Trade on behalf of the relevant Counterparty involved in the Trade.

(c) Timing of a Correction, Cancellation or Adjustment.

Any correction, cancellation or adjustment of a Trade in a Non-Cleared Swap made pursuant to this Rule 516.C shall be made promptly after the erroneous Trade was discovered.

(d) Participant Error

The Participants involved in an erroneous Trade, other than a Prime Broker Trade, may mutually agree to cancel the erroneous Trade or to correct or adjust the erroneous Trade. BSEF will cancel, correct or adjust the erroneous Trade as instructed by the affected Participants. A Participant that is designated as a Reporting Counterparty with respect to the erroneous Trade must promptly notify BSEF of any cancellation or correction of the erroneous Trade. A Prime Broker Trade shall be cancelled in accordance with Rule 516.D.

(e) System Error

(i) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade, other than a Prime Broker Trade, was the result of an error made by the SBSEF Platform, then BSEF may:

(A) Cancel such Trade; or

(B) If both Participants, or with respect to a Prime Broker Trade, both Participants and the Prime Broker, affected by the erroneous Trade agree, correct or adjust the terms of the Trade.

RULE 516.D. Prime Broker Trades

(a) A Participant that is a Counterparty to a Prime Broker Trade may request the cancellation of a Prime Broker Trade. The Participant must request cancellation by sending a cancellation message to BSEF. The cancellation message must state the UTI of the Prime Broker Trade, name and contact information of the Prime Broker for the Prime Broker Trade and the reason for cancellation. If the Prime Broker confirms the cancellation, BSEF will cancel the Prime Broker Trade.

(b) Subject to paragraph (c) of this Rule, a Prime Broker shall have the right to cancel any Prime Broker Trade (i) that is executed in excess of the limit, terms or parameters established by the Prime Broker with respect to the Prime Broker Trade, (ii) because the Prime Broker Trade was executed by or with a Person that was not authorized by the Prime Broker, or (iii) because the Prime Broker Trade

was executed for an unauthorized product. The Prime Broker must request cancellation by sending a cancellation message to BSEF. The cancellation message must state the UTI of the Prime Broker Trade and the reason for cancellation. If BSEF determines that the cancellation satisfies the conditions of this Rule 516.D(b), BSEF will cancel the Prime Broker Trade.

(c) Each Prime Broker that wishes to have the ability to instruct BSEF to cancel Trades executed on BSEF under Rule 516.D.(b) must enter into a Written agreement with BSEF.

RULE 516.E. Trade Cancellation and Adjustment by BSEF

(a) BSEF may adjust or cancel a Trade (i) that resulted from a market disrupting event, (ii) that is executed at a price that was outside the No-Bust Range, (iii) to comply with Applicable Law or (iv) that was intended to be cleared and was submitted to a Clearing House via a service provider but was not presented to the Clearing House for clearing due to a post-execution processing issue.

(b) If BSEF takes action pursuant to this Rule 516.E, it will give prompt notice to affected Participant(s).

RULE 516.F. Trade Reporting by BSEF

BSEF will report to SBSDR the correction or cancellation of a SBSDR Reportable Trade corrected or cancelled pursuant to this Rule 516. BSEF will report any Offsetting Trade and/or Correcting Trade to the same SBSDR where the corresponding Error Trade was reported. If necessary, BSEF will correct the relevant Daily Market Data Report.

RULE 517. Withholding Orders Prohibited

(a) Any Participant entering RFQs or Orders on the SBSEF Platform for its Customers shall not withhold or withdraw from the market any RFQ or Order, or any part of an RFQ or Order, for the benefit of any Person other than the Customers.

(b) A Participant must enter immediately into the SBSEF Platform all Orders or Requests for Quotes received from its Customers that are executable immediately. If a Participant cannot immediately enter into the SBSEF Platform an Order or Request for Quote received from its Customer, the Participant must enter the Order or Request for Quote into the SBSEF Platform as soon as practicable, and must immediately create an electronic record as provided in Rule 409.

RULE 518. Priority of Customers' Orders

No Participant that is a Broker-Dealer shall enter an Order into the SBSEF Platform for its own account, an account in which it has a direct or indirect financial interest or an account over which it has discretionary trading authority, including an Order allowing discretion as to time and price, when such Participant is in possession of any Order in the same SB Swap for its Customer that the SBSEF operated by BSEF is capable of accepting.

RULE 519. Trading Against Customers' Orders Prohibited

RULE 519.A. General Prohibition

No Person in possession of a Customer's Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

RULE 519.B. Exceptions

The foregoing restriction shall not apply to transactions executed pursuant to Rule 521 or Rule 531.B.

RULE 520. Disclosing Orders Prohibited

No Person shall disclose another Person's RFQ or Order to buy or sell except to a designated SBSEF Official or the SEC, and no Person shall solicit or induce another Person to disclose RFQ or Order information. No Person shall take action or direct another to take action based on non-public RFQ or Order information, however acquired.

RULE 521. Required Cross Transactions: Time Delay Requirement for Simultaneous Buy and Sell Orders for Different Beneficial Owners

(a) Required Cross Transactions must be executed as set forth in this Rule.

(b) In the case of an execution by a Participant as a principal against a Customer Order, the Customer Order shall be entered into the CLOB as a firm quote and exposed to the market for at least fifteen (15) seconds before the Participant's Order may be entered.

(c) In the case of an execution by a Participant acting as broker of two Customers' Orders against each other, one side of the potential Trade (the "**Displayed Order**") shall be entered into the CLOB and exposed to the market for at least fifteen (15) seconds before the second side of the potential Trade (the "**Waiting Order**") may be entered by the Participant. Any Participant or Customer Participant whose Order is the Waiting Order shall not, directly or indirectly, execute against the Displayed Order prior to the time that entry of the Waiting Order is permitted under this Rule.

RULE 522.A. Required Transactions and Cleared SB Swaps

(a) No Participant shall execute a Required Transaction in an SB Swap listed on the SBSEF operated by BSEF other than as described in this Rule 522.A unless such Required Transaction is an Offsetting Trade, Correcting Trade or a component of a Covered Package Transaction.

(b) Request for Quote Functionality

(i) The SBSEF Platform will not transmit an RFQ or an Order for a Required Transaction unless (x) an RFQ for a specific SB Swap is sent to at least three (3) TER Recipient Participants using RFQT; or (y) RFQS provides quotes from at least three (3) TER Recipient Participants.

(ii) Together with the first response from any TER Recipient Participant, the SBSEF Platform will provide to a Requesting Participant any firm Resting Quotes for the SB Swap indicated in the RFQ that are posted on the CLOB together with any responses to the RFQ from the TER Recipient Participants, and such Resting Quotes will remain provided until all responses to the RFQ are received or the time for response has lapsed. The SBSEF Platform will permit the Requesting Participant to execute against such firm Resting Quotes along with any responsive Order from a TER Recipient Participant.

(iii) The Request for Quote Functionality will provide each Participant with equal priority in receiving RFQs, transmitting and providing responses and accepting resulting Orders.

(c) Anonymous CLOB for Cleared SB Swaps

Only firm bids and offers can be posted on the CLOB. Firm bids or offers may be posted on the CLOB for Cleared SB Swaps only by a Participant that is a member of the applicable Clearing House, by a Participant that has a clearing account with a Clearing Member as set forth in Rule 533(b), or by a Participant in the name of an Account or Customer that has a clearing account with a Clearing Member as set forth in Rule 533(b). Bids and offers posted on the CLOB for Cleared SB Swaps are anonymous and will be matched on a price/time priority basis.

RULE 522.B. Permitted Transactions

The following execution methods are available for Permitted Transactions:

- (a) Anonymous CLOB for cleared Permitted Transactions;
- (b) RFQS (including RFQS to only one other Participant) for cleared and uncleared Permitted Transactions; and
- (c) RFQT (including RFQT to only one other Participant) for cleared and uncleared Permitted Transactions.

RULE 522.C. Package Transactions

- (a) Other than as set forth in Rule 522.C(b), a Package Transaction or a component of a Package Transaction that is a Required Transaction must be executed as provided in Rule 522.A.
- (b) A Covered Package Transaction or a component of a Covered Package Transaction that is a Required Transaction may be executed using any execution method described in Rule 522.B.

RULE 522.D. Execution of SB Swaps Subject to the Clearing Exemption

When required by the SEC Regulations, no Participant shall enter into a Clearing Exempt Transaction unless it (or its Account or Customer) or its Counterparty can claim a Clearing Exception with respect to such Clearing Exempt Transaction. An Order for a Clearing Exempt Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

RULE 522.E. [Reserved]

RULE 523. Trade Confirmations

(a) BSEF will confirm each Trade as soon as technologically practicable after the time of execution of a Trade by providing a Written record to each Participant involved in the Trade of all of the terms of the Trade that were agreed to pursuant to the Rules which shall legally supersede any previous agreement regarding such terms.

(b) On the Confirmation BSEF will:

(i) Provide the UTI for a Trade and the name of the SBSDR where the Trade is reported. The Confirmation will indicate the Clearing House for the Trade: ICE or LCH;

(ii) Notify each Counterparty or its agent if the Counterparty is a Reporting Side, using the information provided by a Participant pursuant to Rule 524.A or 524.C; and

(iii) If both Counterparties have equal reporting status under Regulation SBSR, unless otherwise agreed by Participants, BSEF will designate the seller of protection as a Reporting Side.

RULE 524. Order Entry Requirements

(a) All information required to be provided by a Participant by Rules 524, 524.A and 524.B must be accurate and complete as of the time of its submission to the SBSEF operated by BSEF.

RULE 524.A. General

Each Authorized Trader entering an RFQ or Order with respect to any SB Swap must include with the Order, as applicable:

(a) The Trader ID;

(b) The Participant ID;

(c) The Legal Entity Identifier of the Participant placing the RFQ or Order;

(d) The Counterparty's Legal Entity Identifier;

(e) The SB Swap description or code;

(f) The price or spread, upfront payment, fixed rate, yield, quantity, maturity or expiration date of the SB Swap;

(g) Side of the Order;

(h) The CTI code;

(i) Trading Profile and any other information required to be collected by BSEF;

(j) A yes/no indication of whether the Counterparty is an SB Swap Dealer with respect to the SB Swap with respect to which the Order is placed;

(k) A yes/no indication of whether the Counterparty is a Major SB Swap Participant with respect to the SB Swap with respect to which the Order is placed;

(l) A yes/no indication of whether the Counterparty is a Financial Entity;

(m) A yes/no indication of whether the Counterparty is a U.S. Person;

(n) [Reserved]

(o) [Reserved]

(p) [Reserved]

(q) An indication of whether the SB Swap is a leg of a Covered Package Transaction;

(r) If applicable, other terms of an SB Swap that is not a Cleared SB Swap required by the SBSEF operated by BSEF (*e.g.*, type of Clearing Exception);

(s) If the SB Swap is a Cleared SB Swap:

(i) An indication that the SB Swap will be cleared; and

(ii) The full legal name of a Clearing House where the SB Swap is intended to be cleared; and

(iii) The Clearing Account Identifier(s) for a Clearing House where the SB Swap is intended to be cleared;

(t) If the SB Swap will be subject to Allocation:

(i) An indication that the SB Swap will be Allocated; and

(ii) If the SB Swap is intended to be cleared and allocated pre-execution, the Legal Entity Identifier for each Account that will receive Allocations and the Clearing Account Identifier for a Clearing House where each Allocation is intended to be cleared;

(u) If the Counterparty to an SB Swap is a Prime Broker:

(i) An indication that the Counterparty is a Prime Broker;

(ii) The LEI of each Prime Broker; and

(iii) For each Prime Broker, the information required by paragraphs (j) through (m), as applicable, of this Rule; and

(v) If a Trade is not subject to Allocation and the Participant is not a Counterparty to the Trade:

- (i) The LEI of the Counterparty; and
- (ii) The information required by paragraphs (j) through (m), as applicable, of this Rule with respect to such Counterparty;
- (w) If a Trade is intended to offset an existing Error Trade, an indication that the Trade is an Offsetting Trade; and
- (x) If a Trade is intended to correct an existing Error Trade, an indication that the Trade is a Correcting Trade.

RULE 524.B. Customer Type Indicator (CTI) Codes

Each Participant must identify each transaction submitted pursuant to the Rules with the correct customer type indicator code (a “CTI” code). CTI codes are as follows:

CTI 1 – Transactions executed by a Participant for its own account, for an account it controls, or for an account in which it has an ownership or financial interest. Applies to Trades placed by Account Managers and other Participants trading in a principal capacity (including SB Swap Dealers) and proprietary traders other than Broker-Dealers trading for their own accounts.

CTI 2 – Transactions executed by a Participant that is a Broker-Dealer for its own account.

CTI 3 – Orders that a Participant executes on behalf of another Participant (e.g., also applies to Broker-Dealers which execute on behalf of Customer Participants).

CTI 4 – Any transaction not meeting the definitions of CTI 1, 2 or 3. Applies to Trades placed by Broker-Dealers for their Customers, which are not Customer Participants.

RULE 524.C. Pre-Arranged Transactions

All Trades executed in accordance with Rule 531, unless otherwise exempted by a Rule, must be in the form of a Written or electronic record and include in the Order ticket all information required by Rule 524.A.

RULE 525. [Reserved]

RULE 526. [Reserved]

RULE 527. [Reserved]

RULE 528. Bunched Orders and Orders Eligible for Post-Execution Allocation

(a) Only the following categories of Persons may place a Bunched Order to be allocated post-execution pursuant to the Rules:

- (i) A commodity trading advisor registered with the CFTC pursuant to the CEA or excluded or exempt from registration under the CEA or the CFTC Regulations, except for entities exempt under CFTC Regulation 4.14(a)(3);
- (ii) An Investment Adviser;

- (iii) A Broker-Dealer registered with the SEC pursuant to the Exchange Act;
 - (iv) A bank, insurance company, trust company, or savings and loan association subject to federal or state regulation;
 - (v) A foreign adviser that exercises discretionary trading authority solely over the accounts of non-U.S. Persons, as defined in CFTC Regulation 4.7(a)(1)(iv); or
 - (vi) A foreign adviser that exercises discretionary trading authority solely over the accounts of non-U.S. Persons, as defined in SEC Regulation 240.3a71-3.
- (b) Bunched Orders must be allocated and recorded in accordance with Regulation SBSR.
- (c) Bunched Orders may be entered using an account series designation or suspense account number; provided, however, that:
- (i) The Order is being placed by an Account Manager for multiple accounts eligible for post-execution Allocation; and
 - (ii) An Account Manager that places a Bunched Order shall keep and must make available upon request of any representative of the SEC, the United States Department of Justice, or other appropriate regulatory agency, BSEF and the Regulatory Services Provider, records sufficient to demonstrate that all Allocations meet the requirements of applicable SEC Regulations and to permit the reconstruction of the handling of the Order from the time of placement by the Account Manager to the Allocation to individual Accounts.

RULE 529. Orders Entered Prior to Trading Day

Participants are prohibited from sending any Request for Quote or Order or using an Order Book of the SBSEF operated by BSEF or any other facility of BSEF prior to the opening of the Trading Day.

RULE 530. Identification of Authorized Traders

Each Authorized Trader shall be identified to BSEF and shall be subject to the Rules. It is the duty of the Participant to ensure that Authorized Trader (and Trader ID) registration is current and accurate at all times. Each individual must use a Trader ID to access the SBSEF Platform. In no event may an individual enter an RFQ or Order or permit the entry of an RFQ or Order by an individual using a user Trader ID other than the individual's own Trader ID.

RULE 531. Pre-Arranged Transactions

RULE 531.A. [Reserved]

RULE 531.B. Trade Correction

If permitted by Rule 516, two Participants may pre-arrange an Offsetting Trade and/or Correcting Trade. Each Participant involved in an Offsetting Trade or Correcting Trade executed outside the SBSEF Platform must record and retain the time of execution to the nearest minute.

RULE 531.C. Covered Package Transactions and Permitted Transactions

(a) Two Participants may pre-arrange a Covered Package Transaction subject to the Rules outside the SBSEF Platform; provided, however, that each component of such Covered Package Transaction that is a Required Transaction must be executed on the SBSEF Platform via RFQT. Each Participant involved in a Covered Package Transaction executed outside the SBSEF Platform must record and retain the time of execution to the nearest minute.

(b) Two Participants may pre-arrange a Permitted Transaction subject to the Rules outside the SBSEF Platform, provided, however, that such Permitted Transaction must be executed on the SBSEF Platform via RFQT. Each Participant involved in a Permitted Transaction executed outside the SBSEF Platform must record and retain the time of execution to the nearest minute.

RULE 532. Reporting to an SBSDR

(a) BSEF will report each SBSDR Reportable Trade to an SBSDR after the execution of such SBSDR Reportable Trade as required by Regulation SBSR, and as applicable, information specific to a Trade that BSEF is required to submit by a Governmental Body with jurisdiction over a Participant that executed the Trade (the “Other Reporting Authority”). With respect to each SBSDR Reportable Trade, BSEF will report all information required to be reported by an SBSEF by Regulation SBSR, the Other Reporting Authority and the rules and specifications of an SBSDR. For any SBSDR Reportable Trade subject to Allocation prior to or after execution, BSEF will report to SBSDR only the bunched SBSDR Reportable Trade and will not report any SB Swaps resulting from the Allocation.

(b) A Participant that is involved into a Trade in Non-Cleared SB Swaps shall promptly notify BSEF if a Reporting Side to a Trade has an indirect counterparty (as defined in Regulation SBSR) that is an SB Swap Dealer, Major SB Swap Participant, U.S. Person or Person described in SEC Regulation 242.908(b)(5).

(c) [Reserved]

(d) [Reserved]

(e) Each Participant that is the Reporting Side, or an Account Manager or Broker-Dealer for a Reporting Side shall review the SBSDR Reportable Trade details as soon as technologically practicable upon transmission of the SBSDR Reportable Trade details to the Participant. The non-Reporting Side shall report any errors in such SBSDR Reportable Trade details to the Reporting Side as soon as technologically practicable. The Reporting Side shall report all errors in such SBSDR Reportable Trade details to BSEF as soon as technologically practicable after finding or being made aware of any error or omission in the data as reported and/or maintained by the relevant SBSDR.

(f) If an error is discovered in an SB Swap transaction report submitted to an SBSDR either by BSEF or a Participant, (i) BSEF shall submit to the SBSDR the corrected data for a SBSDR Reportable Trade, and (ii) a Reporting Side shall submit to the SBSDR the corrected data for a Trade that is not a SBSDR Reportable Trade as required by Regulation SBSR applicable to such Reporting Side.

(g) BSEF will report all SBSDR Reportable Trades to Data Repository (U.S.) LLC.

RULE 533. Cleared SB Swaps

- (a) Each Cleared SB Swap shall be cleared through the Clearing House indicated in the SB Swap Contract Specification.
- (b) For each Cleared SB Swap a Participant expects to enter into pursuant to the Rules, the Participant or an Account or Customer of the Participant must establish a clearing account with the Clearing House or with a Clearing Member of the Clearing House, in each case, designated in the SB Swap Contract Specification for such Cleared SB Swap.
- (c) All Trades in Cleared SB Swaps by a Participant or its Account or Customer must be guaranteed to the Clearing House by a Clearing Member following the Clearing Member's acceptance of such Trade for clearing.
- (d) BSEF shall submit each Trade to the Clearing House specified in the SB Swap Contract Specification. If BSEF receives a notice from the Clearing House rejecting a Trade for clearing, such Trade is *void ab initio*.
- (e) BSEF will conduct pre-trade clearing checks for each Order before submitting an Order to an Order Book. BSEF will conduct pre-trade clearing checks on each RFQ before transmitting the RFQ to Recipient Participants. If an Order or an RFQ fails to satisfy the criteria established by the Clearing Member, BSEF will reject the Order or will not allow the RFQ to be sent.
- (f) If manual affirmation of a Trade in Cleared SB Swaps is required prior to presentation of the Trade to a Clearing House, a Participant must affirm the Trade within five (5) minutes after the execution of the Trade.

RULE 534. Non-Cleared SB Swaps

- (a) Any Participant that is an SB Swap Dealer or Major SB Swap Participant, or if neither Counterparty is an SB Swap Dealer or Major SB Swap Participant, the Participant that is the Reporting Side, that places an Order or sends or responds to an RFQ with respect to a Non-Cleared SB Swap shall ensure that there is a Non-Cleared SB Swap Agreement between the Participant or its Account or Customer, as applicable, and the prospective Counterparty to such SB Swap prior to placing such Order or sending or responding to such RFQ. A Participant will only be able to transact in Non-Cleared SB Swaps with another Participant if both Participants have entered into a Non-Cleared SB Swap Agreement with each other. Both Participants involved in execution of a Non-Cleared SB Swap (whether in a principal capacity or in their capacity as agents on behalf of their respective Accounts or Customers) shall, upon the request of BSEF, make available to BSEF any terms of such Non-Cleared SB Swap that are not reflected in the applicable SB Swap Contract Specification and shall comply with Order entry requirements for Non-Cleared SB Swaps that BSEF shall establish from time to time.
- (b) Each Participant involved in a Prime Broker Trade must notify the Prime Broker as soon as technologically possible of each Prime Broker Trade executed pursuant to the Rules to which the Prime Broker is a Counterparty, and provide to the Prime Broker the Confirmation for the Prime Broker Trade issued by the SBSEF operated by BSEF.

RULE 535. Risk Controls

- (a) BSEF may, in its sole discretion, reject any RFQ or Order placed or reported on the SBSEF Platform if such RFQ or Order is in violation of any Rule.
- (b) BSEF shall have the right to take any action to reduce the potential of market disruption, including market restrictions that pause or halt trading in market conditions prescribed by BSEF if such action is in the best interest of the security-based swap markets.
- (c) BSEF shall have the right to cancel Trades executed at prices outside the No-Bust Range.
- (d) If an SB Swap affected by any action of BSEF under this Rule 535 is fungible with, linked to, or a substitute for, other SB Swaps, BSEF may apply the same action to any such other SB Swaps.
- (e) If an SB Swap is fungible with, linked to or a substitute for a security trading on another trading venue, including any trading venue not regulated by the SEC (each, a “**Linked SB Swap**”), and such other trading venue placed risk controls on such security, BSEF shall have the right to place similar risk controls on the Linked SB Swap.

CHAPTER 6. DISCIPLINARY RULES

RULE 601. General

- (a) Any Person is subject to this Chapter 6 if such Person is alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule or any provision of Applicable Law for which BSEF possesses jurisdiction.
- (b) BSEF, through the Compliance Department, the Disciplinary Panel and the Appeals Panel, will conduct inquiries, investigations, disciplinary and appeals proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 6.
- (c) No SBSEF Official will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action, except to the extent provided under the Rules with respect to a proceeding in which the SBSEF Official is a member of the relevant panel.
- (d) Any Person that is served with a Notice of Charges under Rule 601 may be represented by counsel or any other representative of its choosing in all succeeding stages of the disciplinary process pursuant to this Chapter 6, except by any member of BSEF’s Board or Disciplinary Panel, any SBSEF Employee, or any Person substantially related to the underlying investigation(s), such as a material witness or respondent.
- (e) Pursuant to this Chapter 6, BSEF may hold a Participant liable for, and impose sanctions against such Participant, for such Participant’s own acts and omissions that constitute a violation as well as for the acts and omissions of each (i) Authorized Trader of such Participant, (ii) Supervised Person of such Participant, (iii) other Person using the Trader ID or login credentials linked to the Participant or Participant ID, or (iv) other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant.

(f) Pursuant to this Chapter 6, BSEF may hold an Authorized Trader liable for, and impose sanctions against them, for such Authorized Trader's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader.

(g) A Person subject to a Disciplinary Panel or Appeals Panel proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department including the Regulatory Services Provider) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary or appeals proceeding to any member of the Disciplinary Panel or Appeals Panel hearing such proceeding. Members of a Disciplinary Panel or Appeals Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary or appeals proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department including the Regulatory Services Provider). Any Person who receives, makes or learns of any communication which is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this Rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

(h) In the event that the CCO has a material conflict of interest, as defined in Rule 210(b) in respect of any matter under Chapter 6 of the Rules, the CCO may appoint a member of the Compliance Department to carry out the CCO's duties instead with respect to that matter. If such designee of the CCO is conflicted, then the Regulatory Oversight Committee shall appoint a member of the Compliance Department to carry out such duties in lieu of the CCO's designee.

RULE 602. Inquiries and Investigations

(a) The Compliance Department, with the assistance of the Regulatory Services Provider, if necessary, will conduct inquiries and, if applicable, investigations with respect to any matter within BSEF's jurisdiction of which it becomes aware or which the SEC requests BSEF to investigate. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of BSEF. The Compliance Department's investigation must be completed within twelve (12) months of the date when the Compliance Department commenced its investigation unless there are mitigating factors that may reasonably justify an investigation taking longer than twelve (12) months, including the complexity of the investigation, the number of Participants or individuals involved as potential wrongdoers, the number of potential violations to be investigated, and the volume of documents and data to be examined and analyzed by the Compliance Department.

(b) The Compliance Department has the authority to:

- (i) Initiate inquiries and investigations;
- (ii) Prepare investigation reports and provide recommendations concerning initiating disciplinary proceedings;
- (iii) Prosecute alleged violations if a disciplinary proceeding has been authorized; and

(iv) Represent BSEF on appeals of a Disciplinary Panel decision, the summary imposition of fines, summary suspension or other summary action.

(c) Each Participant, Account Manager, Authorized Trader, Supervised Person and Clearing Member:

(i) Is obligated to appear and testify and respond in Writing to requests for information within the time period required by the Compliance Department in connection with: (a) any Rule; (b) any inquiry or investigation; or (c) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by BSEF;

(ii) Is obligated to produce books, records, papers, documents or other tangible evidence in its or their possession, custody or control within the time period required by the Compliance Department in connection with: (a) any Rule; (b) any inquiry or investigation; or (c) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by BSEF; and

(iii) May not impede or delay any inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action.

RULE 603. Investigation Reports

(a) The Compliance Department will maintain a Written log of all inquiries and investigations and their disposition. The Compliance Department will prepare a Written report of each inquiry and investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within BSEF's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any such report prepared in accordance with Rule 603(a) will include (i) the reasons the inquiry or investigation was initiated; (ii) a summary of the complaint, if any; (iii) the relevant facts and evidence gathered; (iv) the Compliance Department's analysis, conclusions and recommendations; and (v) the Participant's disciplinary history at BSEF.

(c) For each potential respondent, the Compliance Department will recommend either (i) closing the investigation without further action; (ii) resolving the investigation through an informal disposition; or (iii) initiating disciplinary proceedings.

RULE 604. Warning Letters

(a) The CCO may issue a warning letter without the approval of a Disciplinary Panel in order to close an inquiry or investigation administratively.

(b) No more than one warning letter may be issued to the same Person or entity for the same Rule violation within a rolling twelve (12) month period.

(c) Warning letters must contain an affirmative finding that a Rule violation has occurred.

RULE 605. Review of Investigation Reports

(a) The CCO will timely review each investigation report received from the Compliance Department to determine whether a reasonable basis exists for finding that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur. Within thirty (30) business days of receipt of the investigation report the CCO must take one of the following actions:

(i) If the CCO determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to find that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur, the CCO will promptly direct the Compliance Department to do at least one of the following:

(A) Conduct further investigation; and/or

(B) Gather any necessary new or additional information or evidence from the potential respondents.

(ii) The Compliance Department will revise the investigation report as necessary to reflect the additional information gathered pursuant to this paragraph (a) and will resubmit a revised proposed investigation report to the CCO.

(b) After receiving a completed investigation report, the CCO will determine for each potential respondent whether to:

(i) Authorize the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur and adjudication is warranted;

(ii) Authorize the summary disposition of the investigation because disciplinary proceedings are unwarranted, including issuance of a warning letter; or

(iii) Authorize the closing of the investigation without any action because no reasonable basis exists to believe that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur; in each case the CCO shall complete the investigation report in compliance with Rule 603.

RULE 606. Emergency Disciplinary Actions

(a) BSEF may impose a sanction, including suspension, or take other summary action against a Person subject to its jurisdiction upon a reasonable belief that such immediate action is necessary to protect the best interests of BSEF.

(b) If practicable, the CCO will provide a respondent with Written notice before the action is taken, stating the action, the reasons for the action, and the effective time and date, and the duration of the action. The notice shall advise the respondent of its right to be represented by legal counsel or any other representative of its choosing (other than any member of the Disciplinary Panel or any Person substantially related to the disciplinary proceedings, such as a material witness or other respondent) in all proceedings subsequent to the emergency action taken. If the notice cannot be provided before the

action is taken, BSEF will provide the notice at the earliest possible opportunity. The notice shall be served as provided in Rule 608.

- (c) The respondent shall be given the opportunity for a hearing before the Disciplinary Panel as provided in Rule 616 as soon as reasonably practicable.
- (d) Promptly following the hearing, the Disciplinary Panel shall render a Written decision based upon the weight of the evidence contained in the record of the proceeding. The decision shall include:
 - (i) A description of the summary action taken;
 - (ii) The reasons for the summary action;
 - (iii) A summary of the evidence produced at the hearing;
 - (iv) A statement of findings and conclusions;
 - (v) A determination that the summary action should be affirmed, modified, or reversed; and
 - (vi) A declaration of any action to be taken pursuant to the determination, and the effective date and duration of such action.

(e) Upon rendering a decision by the Disciplinary Panel, BSEF shall, within thirty (30) business days thereafter, provide a Written notice of such final decision to the respondent.

RULE 607. Notice of Charges

(a) If the CCO authorizes disciplinary proceedings pursuant to Rule 605(b)(i), the Compliance Department will prepare, and serve in accordance with Rule 608, a Notice of Charges.

- (b) A Notice of Charges will:
- (i) State the acts, practices or conduct that the respondent is alleged to have engaged in;
 - (ii) State the Rule alleged to have been violated or about to be violated;
 - (iii) State the proposed sanctions;
 - (iv) Advise the respondent of its right to a hearing;
 - (v) State the period of time within which the respondent can request a hearing on the Notice of Charges, which will not be less than twenty (20) business days after service of the Notice of Charges;
 - (vi) Advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing;
 - (vii) Advise the respondent that any allegation in the Notice of Charges that is not expressly denied will be deemed to be admitted; and

(viii) Advise the respondent of its right to be represented by legal counsel or any other representative of its choosing (other than any member of the Disciplinary Panel or any Person substantially related to the disciplinary proceedings such as a material witness or other respondent) in all succeeding stages of the disciplinary process.

RULE 608. Service of Notice of Charges

Any Notice of Charges or other documents contemplated to be served pursuant to this Chapter 6 may be served (and service shall be deemed complete) upon the respondent either personally or by leaving the same at its or the respondent's place of business, or by tracked delivery via reputable overnight courier, or by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of BSEF, or by electronic mail.

RULE 609. Answer to Notice of Charges

(a) If the respondent determines to answer a Notice of Charges, the respondent must file answers within twenty (20) business days after being served with such notice, or within such other reasonable time period determined appropriate by the CCO.

(b) To answer a Notice of Charges, the respondent must in Writing:

- (i) Specify the allegations that the respondent denies or admits;
- (ii) Specify the allegations that the respondent does not have sufficient information to either deny or admit;
- (iii) Specify any specific facts that contradict the Notice of Charges;
- (iv) Specify any affirmative defenses to the Notice of Charges; and
- (v) Sign and serve the answer on the CCO.

(c) Any failure by the respondent to timely serve an answer to a Notice of Charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a Notice of Charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a Notice of Charges that the respondent fails to expressly deny will be deemed to be admitted. A statement of a lack of sufficient information shall have the effect of a denial of an allegation. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

RULE 610. Admission or Failure to Deny Charges

(a) If respondent admits or fails to deny any of the charges, the Disciplinary Panel may find that the violations alleged in the Notice of Charges for which the respondent admitted or failed to deny any of the charges have been committed. The CCO then must take the following action:

- (i) Impose a sanction for each violation found to have been committed; and

(ii) Promptly notify the respondent in Writing of any sanction to be imposed and advise the respondent that it may request a hearing on such sanction within a specified period of time.

(b) If a respondent fails to request a hearing within twenty (20) business days as specified in the notice described in 610(a)(ii), the respondent will be deemed to have accepted the sanction and will have waived any right to appeal such sanctions.

RULE 611. Denial of Charges and Right to a Hearing

BSEF shall provide to a respondent an opportunity for a hearing in accordance with the Rules in each case where a respondent has requested a hearing on a charge that is denied, or on a sanction set by the Disciplinary Panel.

RULE 612. Settlements

(a) Any offer of settlement should contain proposed findings and sanctions and be signed by a potential respondent/respondent and submitted to the CCO. A potential respondent/respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in a Notice of Charges, but must accept the jurisdiction of BSEF over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(b) [reserved]

(c) A respondent may at any time after receipt of a Notice of Charges, but before disciplinary proceedings have concluded, propose in Writing an offer of settlement to instituted disciplinary proceedings. The CCO must review an offer of settlement within sixty (60) business days after receipt of the offer of settlement. The CCO shall have discretion and be authorized to accept or reject an offer of settlement for \$100,000 or less for each violation on behalf of BSEF. The CCO is authorized to convene and forward the offer of settlement to the Disciplinary Panel with a recommendation on whether to accept or reject the offer of settlement. The Disciplinary Panel must review an offer of settlement received pursuant to this paragraph (c) within ninety (90) business days, after the receipt of the offer of settlement by the Disciplinary Panel unless an extension was agreed by the respondent in Writing. The respondent may withdraw such offer of settlement at any time before final acceptance by the CCO or the Disciplinary Panel, as applicable. The Disciplinary Panel may review the offer of settlement and determine whether to accept or reject the offer of settlement in person, telephonically or in Writing.

(d) The Disciplinary Panel may accept an offer of settlement received pursuant to paragraph (b) or (c) of this Rule 612, respectively, but may not alter the terms of a settlement offer unless the potential respondent/respondent agrees.

(e) If an offer of settlement is accepted by the CCO or the Disciplinary Panel, a Written decision shall be issued by the CCO or the Disciplinary Panel, specifying:

(i) The Rule violations the Compliance Department/it has reason to believe were committed, including the basis or reasons of its conclusions;

(ii) Any sanction to be imposed, which must include full customer restitution where customer harm has been demonstrated; and

(iii) If applicable, that the potential respondent/respondent has accepted the sanctions imposed without either admitting or denying the Rule violations.

(f) In the event the Disciplinary Panel accepts an offer of settlement without the agreement of the Compliance Department, the Written decision must adequately support such acceptance.

(g) If an offer of settlement is accepted pursuant to this Rule and the related Written decision becomes final, the respondent's submission of the offer of settlement will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review and appeal under the Rules.

(h) If an offer of settlement of a potential respondent/respondent is not accepted by the CCO or the Disciplinary Panel, pursuant to paragraph (b) or (c) of this Rule, respectively, fails to become final or is withdrawn by the potential respondent/respondent, the matter will proceed as if the offer of settlement had not been made and the offer of settlement and all documents relating to it will not become part of the record. Neither a potential respondent/respondent nor the Compliance Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of disciplinary proceedings.

RULE 613. Disciplinary Panel

(a) The Disciplinary Panel is responsible for adjudicating disciplinary cases pursuant to a Notice of Charges.

(b) Each Disciplinary Panel shall be composed of three (3) individuals selected by the CCO, and shall include sufficient different groups or classes of Participants so as to ensure fairness and to prevent special treatment or preference for any Person or Participant in the conduct of the responsibilities of the Disciplinary Panel, as required by SEC Regulation 242.834(d). If the CCO is conflicted, a designee of the CCO will perform such duties in lieu of the CCO. If the CCO's designee is conflicted, then a member of the Compliance team who is selected by the Regulatory Oversight Committee will perform such duties in lieu of the CCO's designee. The members of the Disciplinary Panel shall not disclose for any purpose inconsistent with the performance of such Person's official duties any Material Non-Public Information obtained through special access related to the performance of such duties. Except in cases concerning the timely submission of accurate records, each Disciplinary Panel shall consist of at least one individual who would not be disqualified from serving as a Public Director, who shall chair the Disciplinary Panel. Each member of the Disciplinary Panel must comply with Rule 211. No member of the Compliance Department or Person involved in adjudicating any other stage of a proceeding or that has a financial, personal, or other direct interest in the matter under consideration shall participate in a Disciplinary Panel for such proceeding.

(c) A respondent may seek to disqualify any individual on the Disciplinary Panel for the reasons identified in the Rules or for any other reasonable grounds, by serving Written notice on the CCO. By not filing a request for disqualification within ten (10) business days, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The CCO will decide the merits of any request for disqualification within their sole discretion. Any such decision will be final and not subject to appeal.

RULE 614. Convening Disciplinary Proceeding Hearings

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 621) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted

privately, confidentially and fairly. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

(b) After reasonable notice to each respondent, the Disciplinary Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Compliance Department including BSEF enforcement staff.

(c) The chairperson of the Disciplinary Panel may continue, adjourn or otherwise conduct the hearing, as they may deem appropriate. The chairperson of the Disciplinary Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairperson of the Disciplinary Panel need not apply the formal rules of evidence, but such hearing shall follow the procedures specified in Rule 616, and should not be so informal as to deny a fair hearing. Once admitted during the hearing, the Disciplinary Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The CCO, or its designee, will provide guidance to the chairperson of the Disciplinary Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chairperson of the Disciplinary Panel pursuant to paragraph (c) above and Rule 616, unless each respondent otherwise consents, the entire Disciplinary Panel must be present during the entire hearing and any related deliberations.

RULE 615. Respondent Review of Evidence

(a) Prior to the commencement of a Disciplinary Panel hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of BSEF that the Compliance Department will use to support the allegations and proposed sanctions in the Notice of Charges or which the chairperson of the Disciplinary Panel deems relevant to the disciplinary proceedings. BSEF may withhold documents that:

- (i) Are privileged or constitute attorney work product;
- (ii) Were prepared by an SBSEF Employee, but will not be offered as evidence in the disciplinary proceedings;
- (iii) May disclose a technique or guideline used in examinations, investigations or enforcement proceedings; or
- (iv) Disclose the identity of a confidential source.

(b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Compliance Department, the Compliance Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Compliance Department:

(i) Will not redact, edit or code competitive or investigative information contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges; and

(ii) Will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the Notice of Charges.

(d) For purposes of this Rule 615, information that could adversely affect the competitive position includes positions in SB Swaps currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized Trader and the personal finances of the Person providing the information.

RULE 616. Conducting Disciplinary Proceeding Hearings

(a) At a hearing conducted in connection with any disciplinary proceeding, the Compliance Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Disciplinary Panel. If a respondent has timely filed an answer to the Notice of Charges in accordance with Rule 609, the respondent is entitled to attend and participate in the hearing.

(b) At a hearing conducted in connection with any disciplinary proceedings, the Disciplinary Panel or the Compliance Department and each respondent may:

(i) Present evidence and facts determined relevant and admissible by the chairperson of the Disciplinary Panel;

(ii) Call and examine witnesses; and

(iii) Cross-examine witnesses called by other parties.

(c) Any Person within BSEF's jurisdiction who is called as a witness must participate in the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(d) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the Notice of Charges are not expressly denied in the respondent's answer, the chairperson of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross examining witnesses, testifying in defense, presenting evidence concerning the Notice of Charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a Written answer in accordance with Rule 609.

(e) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in Writing,

specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. BSEF will require all Participants (that are individuals), Customers, Account Managers, Clearing Members, Authorized Traders and Supervised Persons that are called as witnesses to appear at the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(f) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule other than the violations alleged in the Notice of Charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 609. In connection with considering apparent violations pursuant to this paragraph (f), the Disciplinary Panel may request that the Compliance Department provide the Disciplinary Panel with any additional information.

(g) The Disciplinary Panel may summarily impose sanctions on any Person within its jurisdiction that impedes or delays the progress of a hearing.

(h) BSEF will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the recording of a hearing, the chairperson of the Disciplinary Panel may within their sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

(i) As promptly as reasonable following a hearing, the Disciplinary Panel will issue a Written decision rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel.

(j) No interlocutory appeals of rulings of any Disciplinary Panel are permitted.

(k) If the respondent has requested a hearing, a copy of the hearing shall be made and shall become a part of the record of the proceeding. The record shall not be required to be transcribed unless:

- (i) The transcript is requested by SEC staff or the respondent;
- (ii) The decision is appealed pursuant to the Rules; or
- (iii) The decision is reviewed by the SEC pursuant to SEC Regulation 201.442.

In all other instances, a summary record of a hearing is permitted.

RULE 617. Decision of Disciplinary Panel

(a) Promptly following the hearing, the Disciplinary Panel shall render a Written decision based upon the weight of the evidence contained in the record of the proceeding. The decision shall include:

- (i) The Notice of Charges or a summary of the charges;
- (ii) The answer, if any, or a summary of the answer;

(iii) A summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;

(iv) A statement of findings and conclusions with respect to each charge, and a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;

(v) An indication of each specific Rule that the respondent was found to have violated; and

(vi) A declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.

(b) Upon rendering a decision by the Disciplinary Panel, BSEF shall, within thirty (30) business days thereafter, provide a Written notice of such action to the respondent.

(c) The Written decision of the Disciplinary Panel will become the Final Disciplinary Action twenty (20) business days after it is served on the respondent and a copy thereof is provided to the Compliance Department, except the Written decision shall not become the Final Disciplinary Action as to any respondent that shall have filed a notice of appeal pursuant to Rule 620. BSEF may cause any or all of the Written decision to become the Final Disciplinary Action prior to such date if the CCO reasonably believes that such action is necessary to protect the best interests of the SBSEF operated by BSEF.

RULE 618. Sanctions

(a) After notice and opportunity for hearing in accordance with the Rules, BSEF will impose sanctions on the respondent, including any Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant that is found to have violated or to have attempted to violate a Rule. Subject to the limitations set forth in Rule 618(b), BSEF may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges, Trading Access or other activities, functions or operations; (iii) suspension of Trading Privileges or Trading Access; (iv) fine (subject to paragraph (b) below); (v) disgorgement; (vi) termination of Trading Privileges or Trading Access; (vii) in the event of Customer harm, full Customer restitution, except where the amount of restitution or to whom it should be provided cannot reasonably be determined; or (viii) any other sanction or remedy deemed to be appropriate. All sanctions, including those imposed pursuant to an accepted settlement offer, shall take into account respondent's disciplinary history.

(b) BSEF may impose a fine of up to \$100,000 for each violation of a Rule. The following schedule lists the recommended fines that BSEF may impose:

Type of Violation	Fine Per Occurrence		
	First Violation	Second Violation	Third Violation
Failure to provide information to BSEF as required by the Rules	\$5,000	\$10,000	\$15,000
Impeding or delaying a BSEF examination, inquiry or investigation undertaken pursuant to Rule 402	\$5,000	\$10,000	\$15,000

(c) If a fine or other amount is not paid within thirty (30) business days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three (3) percent. BSEF has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Account Managers, Supervised Persons, Accounts or Customers.

RULE 619. Costs

(a) Regardless of the outcome of any disciplinary proceeding, the Disciplinary Panel may order a respondent to pay some or all of the costs associated with the disciplinary proceedings that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Compliance Department, legal and professional assistance, as well as the hearing and administrative costs and other expenses incurred by the Disciplinary Panel.

(b) The Disciplinary Panel may only award costs against BSEF if the Panel concludes that BSEF has behaved in a manifestly unreasonable manner in the commencement or conduct of the disciplinary proceedings in question. The Disciplinary Panel must limit any award of costs against BSEF to an amount that the Panel concludes is reasonable and appropriate, but does not exceed the respondent's costs for external legal or other external professional assistance.

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. BSEF or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within thirty (30) business days of Written notice of the amount imposed by the Disciplinary Panel.

RULE 620. Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions

(a) Each respondent found by the Disciplinary Panel to have violated (or, in the case of a Participant, whose Authorized Trader, Supervised Person or other Person using its Participant ID was found to have violated) a Rule or who is subject to termination or limitation of Trading Privileges or Trading Access imposed pursuant to Rule 305, any summary fine imposed pursuant to this Chapter 6, or any summary action imposed pursuant to Rule 622 may appeal the decision within twenty (20) business days of receiving the Written decision of the Disciplinary Panel or the notice of summary action, as the case may be, by filing a notice of appeal with the CCO.

(b) BSEF may appeal all or any part of a decision of the Disciplinary Panel, including any sanctions that may or may not have been imposed by the Disciplinary Panel, within twenty (20) business days of receiving the Written Decision of the Disciplinary Panel, by filing a notice of appeal with the CCO.

(c) While an appeal is pending, the effect of the Written decision of the Disciplinary Panel or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended.

(d) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the appellant objects. An appellant may appeal the Written decision of the Disciplinary Panel or any summary action on the grounds that:

(i) The Written decision or summary action was arbitrary, capricious, an abuse of discretion, or not in accordance with the Rules;

(ii) The Written decision or summary action exceeded the authority or jurisdiction of the Disciplinary Panel, the CCO or BSEF;

(iii) The Written decision or summary action failed to observe required procedures;

(iv) The Written decision or summary action was unsupported by the facts or evidence; or

(v) The sanctions, remedies or costs which were imposed were inappropriate or unsupported by the record.

(e) The CCO will forward copies of any notice of appeal received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the CCO and serve on BSEF a brief supporting the notice of appeal and documents supporting the brief. On or before the 20th day after the date on which the appellant serves its supporting brief, the appellee must file and serve its brief in opposition. On or before the 10th day after the date on which the appellee serves its brief in opposition, the appellant must file and serve on BSEF a brief in reply.

(f) In connection with any appeal, BSEF will furnish to the CCO and to the respondent/appellant a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

(g) No later than thirty (30) business days after the last submission filed pursuant to paragraph (e) of this Rule 620, the CCO will appoint an Appeals Panel to consider and determine the appeal. If the CCO is conflicted, a designee of the CCO will perform such duties in lieu of the CCO. If the CCO's designee is conflicted, then a member of the Compliance team who is selected by the Regulatory Oversight Committee will perform such duties in lieu of the CCO's designee. An Appeals Panel shall be comprised of three (3) individuals selected by the CCO, and shall include sufficient different groups or classes of Participants so as to ensure fairness and to prevent special treatment or preference for any Person or Participant in the conduct of the responsibilities of the Appeals Panel, as required by SEC Regulation 242.834(d). No member of the Appeals Panel shall be a member of the Compliance Department or have been a member of any Disciplinary Panel involved in the matters on appeal. The chairperson of the Appeals Panel shall be an individual who would not be disqualified from serving as a Public Director. The members of the Appeals Panel shall not disclose for any purpose inconsistent with the performance of such Person's official duties any Material Non-Public Information obtained through special access related to the performance of such duties.

(h) Within ten (10) business days of being notified of the appointment of the Appeals Panel, an appellant or appellee may seek to disqualify any individual named to the Appeals Panel for the reasons identified in the Rules, by serving Written notice on the CCO. By not timely filing a request for disqualification, the appellant or appellee will be deemed to have waived any objection to the

composition of the Appeals Panel. The CCO will decide the merits of any request for disqualification within their sole discretion. Any such decision will be final and not subject to appeal.

(i) The appeals proceeding must be conducted before all members of the Appeals Panel. The Appeals Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeals Panel may appoint an expert to attend any hearing and assist in the deliberations if such individual(s) agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeals Panel will not be bound by evidentiary or procedural rules or law.

(j) The Appeals Panel will only consider on appeal the record before the Disciplinary Panel or, in the case of a summary action, the record considered by the CCO, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeals Panel may only consider new evidence when the Appeals Panel is satisfied that good cause exists for why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

(k) After completing its review, the Appeals Panel may affirm, modify or reverse any Written decision of the Disciplinary Panel or summary action under appeal, in whole or in part, including increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or remedy authorized by the Rules, or remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings or for reconsideration by the CCO in the case of summary action. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel deems it appropriate.

(l) As promptly as reasonably possible following its review, the Appeals Panel will issue a Written decision on appeal rendering its decision based on the preponderance of the evidence before the Appeals Panel and provide the copy of the decision to the respondent. The decision of the Appeals Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost. The decision issued by the Appeals Panel will adhere to the requirements of Rule 617(a) to the extent that a different conclusion is reached from that issued by the Disciplinary Panel.

(m) The Appeals Panel's Written decision on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy and cost) will become the Final Disciplinary Action of BSEF when it is served upon the respondent and will not be subject to appeal within BSEF.

RULE 621. Summary Imposition of Fines

(a) The CCO may summarily impose a fine against a Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant for failing to:

- (i) Make timely payments of fees, cost, charges or fines to BSEF;
- (ii) Make timely and accurate submissions to BSEF of notices, reports or other information required by the Rules; or

(iii) Keep any books and records required by the Rules.

(b) The Compliance Department, acting on behalf of the CCO, will give notice of any fine imposed pursuant to this Rule 621 to each Participant subject thereto. The notice will specify (i) the violations of the Rules for which the fine is being imposed, (ii) the date of the violation for which the fine is being imposed and (iii) the amount of the fine. The fine will become final upon the expiration of twenty (20) business days after the notice of fine is served on the Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant.

(c) BSEF will set the amount of any fines imposed pursuant to this Rule 621, with the maximum aggregate amount of summary fines to be assessed for each Rule violation (which may be aggregated in the reasonable discretion of the Disciplinary Panel, CCO or their designee) described below not to exceed \$30,000 on an annual basis. Summary imposition of fines pursuant to this Rule 621 will not preclude BSEF from bringing any other action against the Participant (or any of its Account Managers, Authorized Traders or Supervised Persons) or Authorized Trader, as the case may be. The following schedule lists the recommended summary fines that BSEF or the CCO (or their designee) may impose for each type of violation described below:

Type of Violation	Fine Per Occurrence		
	First Summary Fine	Second Summary Fine	Third Summary Fine
Failure to maintain complete and accurate books and records as required by Rule 409.A (Participant and Clearing Member Books and Records)	\$5,000	\$10,000	\$15,000
Failure to provide any disclosure required by Rule 402 (Required Disclosures to BSEF)	\$5,000	\$10,000	\$15,000
Failure to identify and maintain a current list of Authorized Traders as required by Rule 530 (Identification of Authorized Traders)	\$5,000	\$10,000	\$15,000
Violation of Order entry requirements pursuant to Rule 524 (Order Entry Requirements), including failure to provide an accurate LEI	\$5,000	\$10,000	\$15,000
Violation of Rule 532(e) (Reporting to an SBSDR)	\$5,000	\$10,000	\$15,000
Failure to provide information required by Rule 301(e) (Eligibility Criteria for Becoming a Participant)	\$5,000	\$10,000	\$15,000
Failure to comply with Rules 516.A (Trade Cancellation, Correction, Offset and Adjustment – Cleared SB Swaps), 516.C (Erroneous Trade Cancellation, Correction and Adjustment – Non-Cleared SB Swaps), and 516.D (Prime Broker Trades)	\$5,000	\$10,000	\$15,000

(d) A Participant is eligible for the summary imposition of fines as described in paragraph (a) of this Rule 621 only if BSEF did not serve on the Participant any Notice of Charges pursuant to Rule 607 that alleges a failure described in paragraphs (a)(i) through (a)(iii) of this Rule 621 for a continuous thirty-six (36) month period (the "**Qualifying Period**").

(e) A Participant may become re-eligible for summary imposition of fines as described in paragraph (a) of this Rule 621 after the end of the Qualifying Period; provided, however, that BSEF's CCO may in their sole discretion extend the Qualifying Period for any period of time, including indefinitely, where a failure described paragraphs (a)(i) through (a)(iii) of this Rule 621 does not qualify for a summary imposition of fines due to aggravating circumstances, including actions or omissions of a Participant or its Account Manager, Customer or any agent that aggravated such failure.

RULE 622. Hearings Involving BSEF-Affiliated Trading Entities

(a) No SBSEF Employee that is also an employee of an Affiliate of BSEF that engages in trading activity on the SEF or the SBSEF operated by BSEF shall perform an investigation of such affiliated trading entity.

(b) In the event that a Disciplinary Panel is convened for a hearing involving an affiliated trading entity, no Person associated with BSEF or such affiliated trading entity shall be a member of such Disciplinary Panel.

(c) The Board must approve the issuance of disciplinary charges and acceptance of settlement offers involving an affiliated trading entity.

RULE 623. Notification of Customer Final Disciplinary Action Involving Financial Harm to a Customer

Upon any final disciplinary action, as defined in SEC Regulation 242.819(j) (a “**Customer Final Disciplinary Action**”), in which BSEF finds that a Participant has committed a Rule violation that involved a transaction for a Customer, whether executed or not, and that resulted in financial harm to the Customer, BSEF shall promptly provide Written notice of the disciplinary action to the Participant, which Notice shall include the principal facts of the disciplinary action and a statement that BSEF has found that the Participant has committed a Rule violation that involved a transaction for the Customer, whether executed or not, and that resulted in financial harm to the Customer. Any Participant that has received such Written notice from BSEF, shall promptly provide Written notice of the Customer Final Disciplinary Action to the Customer, as disclosed on the Participant’s books and records.

RULE 624. Notice to the Respondent and SEC

(a) If BSEF issues a Final Disciplinary Action against a Participant, then BSEF shall file a notice of such action with the SEC within thirty (30) business days and serve a copy on the affected Person.

(b) For purposes of paragraph (a) of this Rule:

(i) A disciplinary action shall not be considered “final” unless:

(A) The affected Person has exhausted their administrative remedies at BSEF;
and

(B) The disciplinary action is not a summary action permitted under SEC Regulation 242.819(g)(13)(ii).

(ii) A disposition of a matter with respect to a *denial or conditioning of membership*, or a *denial or limitation of access* shall not be considered “final” unless such Person has exhausted their administrative remedies at BSEF with respect to such matter.

CHAPTER 7. ARBITRATION

RULE 701. General

(a) Except as otherwise provided in the Rules, including in the case of a decision rendered by BSEF which cannot be further appealed, Participants, Authorized Traders and any market participant that directly or indirectly effects a transaction pursuant to the Rules shall settle any dispute, controversy or claim between or among themselves arising out of an SB Swap or the use of the systems or services of BSEF or the services, equipment, or facilities used to support such systems or services, including the SBSEF operated by BSEF (each, a “**Dispute**”) by an arbitration administered by the American Arbitration Association (the “**AAA**”) under its Commercial Arbitration Rules and Mediation Procedures, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any such claim against a Participant shall be brought within two (2) years from the time that a cause of action has accrued. This Rule 701 shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by the Rules or Applicable Law. In the event that this Rule 701 is held to be unenforceable in connection with any Dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such Dispute will reside in any state or federal court sitting in New York County, New York, (ii) the Participants involved in the Dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such Dispute.

(b) Notwithstanding the foregoing, this Rule 701 does not apply to Disputes between Participants, Authorized Traders or any market participant that directly or indirectly effects a transaction pursuant to the Rules when: (i) such Persons are required by the rules of a Self-Regulatory Organization to submit to the Dispute resolution procedures of that Self-Regulatory Organization; or (ii) such Persons have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the forum set out in Rules 701 and 702.

RULE 702. Forum and Arbitration Rules

The AAA shall conduct any and all arbitrations of a type described in Rule 701 pursuant to the Commercial Arbitration Rules and Mediation Procedures.

RULE 703. Initiating an Arbitration Claim

(a) A Participant or Authorized Trader may initiate an arbitration claim by submitting the required documents and fees required by, and pursuant to, the Commercial Arbitration Rules and Mediation Procedures.

(b) A Participant or Authorized Trader submitting an arbitration claim shall provide notice of such claim to BSEF.

RULE 704. Claims Relating to Trade Cancellations or Price Adjustments

Subject to Rule 901, all claims relating to Trade cancellations pursuant to Rule 516 shall be arbitrated in accordance with this Chapter 7.

RULE 705. Penalties

(a) Any failure on the part of any Participant or Authorized Trader to arbitrate a case subject to arbitration, or the commencement by any such Participant or its Person of a suit in any court prior to arbitrating a case subject to arbitration, violates the Rules and subjects such Person to disciplinary proceedings pursuant to Chapter 6.

(b) BSEF may summarily suspend, pursuant to Chapter 6, a Participant or Authorized Trader that fails to satisfy an arbitration award rendered in any arbitration conducted pursuant to this Chapter 7.

CHAPTER 8. MISCELLANEOUS

RULE 801. Anti-Money Laundering and Anti-Terrorism

(a) A Participant shall not engage in or knowingly assist any money laundering or other illicit business, or engage in or knowingly assist, or be a conduit for, terrorist financing.

(b) Participants will be required to provide sufficient information for Participants and their Accounts, if applicable, for BSEF to conduct restricted list searches, including searches against the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

RULE 802. Gifts and Gratuities

Except as permitted in Writing by the CCO, no Participant or Authorized Trader shall, directly or indirectly, give or permit to be given anything of value (including gratuities) to an SBSEF Official or BSEF, including any agents or independent contractors of BSEF. A gift of any kind is considered a gratuity.

RULE 803. Market Data

(a) Subject to each Participant's rights in Participant's own data (and the data of its Accounts and Customers) as set forth in the Participant Documentation, BSEF shall own all rights, title and interest, database rights and trade secret rights in and to all data and other information contained in, displayed on, generated by or derived from the SBSEF operated by BSEF or Trades entered into pursuant to the Rules, including Orders, prices and volumes ("**SBSEF Data**").

(b) Participants and Authorized Traders shall not, and shall cause their Affiliates, Accounts and Customers not to, distribute, sell or retransmit SBSEF Data or other information obtained via the SBSEF operated by BSEF, provided that any such restrictions shall not apply to Participant's own data (and the data of its Accounts and Customers).

(c) BSEF may at any time restrict or establish utilization fees in respect of SBSEF Data and/or the format and presentation thereof with respect to Participants, Customers or Accounts, provided

that any such fees shall not apply to Participants' use of Participant's own data (and the data of its Accounts and Customers).

(d) Subject to Rule 805 and SEC Regulations, BSEF may make SBSEF Data and other information it may deem appropriate available to Participants and other Persons at such times and in such manner (whether through the SBSEF Platform, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time. Each Participant or other Person receiving any such information through the SBSEF operated by BSEF may redistribute such information only to such extent and in such manner as may be permitted by BSEF from time to time.

RULE 804. Prohibited Use of Data Collected for Regulatory Purposes

BSEF shall not use for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any Person, for the purpose of fulfilling its regulatory obligations; provided, however, that BSEF may use such data or information for business or marketing purposes if the Person from whom it collects or receives such data or information clearly consents in Writing to BSEF's use of such data or information in such manner. BSEF shall not condition access to its market(s) or market services on a Person's consent to BSEF's use of proprietary data or personal information for business or marketing purposes. BSEF, where necessary for regulatory purposes, may share such data or information with one or more SBSEFs or national securities exchanges registered with the SEC.

RULE 805. Confidentiality

(a) All non-public information provided by a Participant or Authorized Trader to BSEF shall be held in confidence and shall not be made known to any other Person except as follows:

(i) With the consent of the Participant or Authorized Trader providing such information;

(ii) To a Governmental Body if BSEF is requested or legally required to do so by such Governmental Body;

(iii) Pursuant to a lawful discovery request;

(iv) To a Clearing House of which such Participant is a member or in connection with the clearing of an SB Swap;

(v) To other Participant(s) to facilitate Participant's trading on the SBSEF operated by BSEF;

(vi) To an SBSDR;

(vii) Subject to appropriate confidentiality requirements, to any Person providing services to BSEF, including the Regulatory Services Provider, which may disclose such information to the extent required by Applicable Law or regulation, including but not limited to any Governmental Body with jurisdiction over the Participant;

(viii) Pursuant to an information-sharing agreement or other arrangement or procedures in accordance with Rule 213;

(ix) Subject to appropriate confidentiality requirements, to SBSEF Employees, the Board, Board committees, Disciplinary Panels, Appeals Panels, BSEF Officers, attorneys, auditors, and agents, independent contractors or other Persons that have been engaged by BSEF, in each case, who require such information in connection with the discharge of their duties to BSEF; and

(x) As otherwise permitted under the Rules.

(b) All information and data obtained or received by BSEF from inspections of accounting and other records will be treated as confidential by BSEF; provided, however, this Rule does not supplant Rule 212 (Emergency Rules) and the Rules in Chapter 6 (Disciplinary Rules), or any other requirement of legal process or law.

RULE 806. Extension or Waiver of the Rules

If necessary and expedient, the CCO may, in its sole discretion, reasonably waive, or extend the time period for performing, any act or acts designated by the Rules, but only to the extent such waiver or extension is not inconsistent with the Exchange Act or the SEC Regulations. If such waiver or extension is granted, the CCO shall document in Writing the rationale and reasons for such waiver or extension and maintain such Written documentation in BSEF's books and records.

RULE 807. Effect of Amendment, Repeal or New Rule

(a) If an amendment or repeal of a Rule or adoption of a new Rule does not materially change the terms or conditions of an SB Swap and does not affect the value of open SB Swaps, then the effective date of any amendment or repeal of a Rule or adoption of a new Rule relating to SB Swaps is binding on all SB Swaps entered into before and after the effective date of such amendment, repeal or adoption and, to the extent applicable, before the effective date of such amendment, repeal or adoption.

(b) If an amendment or repeal of a Rule or adoption of a new Rule materially changes the terms or conditions of an open SB Swap or affects the value of open SB Swaps, then the amendment, repeal or new Rule shall not affect any open SB Swaps and shall be binding only on new SB Swaps listed for trading after the effective date of such amendment, repeal or adoption, and SB Swaps listed as of the effective date of such amendment, repeal or adoption with no open positions then in existence, unless otherwise specifically provided by the Board.

RULE 808. SB Swap Contract Specifications

(a) BSEF shall permit trading on the SBSEF operated by BSEF only in SB swaps that are not readily susceptible to manipulation. To demonstrate to the SEC compliance with the requirements of this Rule 808(a), BSEF shall, at the time it submits a new SB swap in advance to the SEC pursuant to SEC Regulations 242.804 or 242.805, provide applicable information to demonstrate that an SB swap is not readily susceptible to manipulation.

(b) Notwithstanding any provision of the Rules to the contrary, the SB Swap Contract Specification with respect to a particular SB Swap shall govern the applicability of the Rules to trading in such SB Swap and, in the event of any conflict between the Rules and the SB Swap Contract Specification, the SB Swap Contract Specification shall govern with respect to trading in the relevant SB Swap.

(c) The SB Swap Contract Specification for each individual SB Swap may specify:

(i) Different classes of Participants eligible to trade such SB Swaps. Each such class of Participants shall have the rights and obligations specified by the SB Swap Contract Specification for each such SB Swap;

(ii) Terms and conditions of an SB Swap that include the definition of the trading unit or the specific asset underlying an SB Swap, description of the payments to be exchanged under an SB Swap, specification of cash settlement or delivery standards and procedures, and establishment of buyers' and sellers' rights and obligations under the SB Swap. Terms and conditions of an SB Swap include provisions relating to the following, as applicable:

(A) Identification of the major group, category, type or class in which the SB Swap falls and of any further sub-group, category, type or class that further describes the SB Swap;

(B) Notional amounts, quantity standards, or other unit size characteristics;

(C) Any applicable premiums or discounts for delivery of nonpar products;

(D) Trading hours and the listing of SB Swaps;

(E) Pricing basis for establishing the payment obligations under, and mark-to-market value of, the SB Swap including, as applicable, the accrual start dates, termination or maturity dates, and, for each leg of the SB Swap, the initial cash flow components, spreads, and points, and the relevant indexes, prices, rates, coupons, or other price reference measures;

(F) Any price limits, trading halts, or circuit breaker provisions, and procedures for the establishment of daily settlement prices;

(G) Payment and reset frequency, day count conventions, business calendars, and accrual features;

(H) If physical delivery applies, delivery standards and procedures, including fees related to delivery or the delivery process, alternatives to delivery, and applicable penalties or sanctions for failure to perform;

(I) If cash settled, the definition, composition, calculation, and revision of the cash settlement price, and the settlement currency;

(J) Payment or collection of option premiums or margins;

(K) Option exercise price, if it is constant, and method for calculating the exercise price, if it is variable;

(L) Threshold prices for an option, the existence of which is contingent upon those prices;

(M) Any restrictions or requirements for exercising an option; and

(N) Life cycle events.

(d) Each SB Swap Contract Specification will be published by BSEF on its website.

(e) SB Swap Contract Specifications are incorporated into the Rules by reference and each SB Swap Contract Specification constitutes a Rule.

RULE 809. Timely Publication of Trading Information

(a) BSEF will publish a Daily Market Data Report for each Trading Day. The “**Daily Market Data Report**” means the report described in SEC Regulation 242.825, which contains the information required by SEC Regulations 242.825(c)(1) and (2).

(b) The Daily Market Data Report shall exclude error Trades (including Error Trades for Cleared SB Swaps) and offsetting Trades (including Offsetting Trades for Cleared SB Swaps), but shall include correcting Trades (including Correcting Trades for Cleared SB Swaps).

(c) The Daily Market Data Report will be published on BSEF’s website as soon as reasonably practicable on the next SEC Business Day after the Trading Day to which the information pertains, but in no event later than 7 a.m. on the next SEC Business Day.

(d) BSEF may use discretion, in a manner consistent with SEC Regulation 242.825(c)(2), in determining the opening and/or closing ranges or the settlement prices posted in the Daily Market Data Report. If more than one SB Swap transaction was executed at the same time, and this time is the time of (i) the first execution on the SBSEF Platform for a Trading Day, BSEF will report the lowest price as an Opening Price; or (ii) the last execution on the SBSEF Platform for a Trading Day, BSEF will report the highest price as a Closing Price.

RULE 810. Governing Law, Jurisdiction and Dispute Resolution

(a) Unless preempted by the Exchange Act, the law of the State of New York governs the Rules and any Participant Documentation regardless of the laws that would otherwise apply under choice-of-law principles. If a Participant provides an opinion of a counsel (i) stating that the Participant cannot be subject to the law of the State of New York and must be subject to the law of the jurisdiction of the location where the Participant is organized (the “**Local Law**”) and (ii) enumerating specific provisions of the Rules or the Participant Documentation that must be subject to the Local Law, BSEF will specify the application of the Local Law to the enumerated specific provisions of the Rules and the Participant Documentation; provided, however, that in no event shall Local Law supersede any provision of the Exchange Act.

(b) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction pursuant to the Rules which arises from or in connection with the Rules or use of the SBSEF operated by BSEF must be brought to arbitration pursuant to paragraph (c) of this Rule 810 within one (1) year from the occurrence of the event giving rise to the dispute. This Rule 810 shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the Rules.

(c) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction pursuant to the Rules that arises from or in connection with the Rules will be settled by arbitration administered in New York County, New York by the AAA under its

Commercial Arbitration Rules. The dispute will be submitted to one arbitrator who will be appointed by the AAA. Any arbitrator appointed for purposes of this Rule 810 will have experience with and knowledge of securities, commodities, derivatives and security-based swaps as listed on the National Roster of Arbitrators kept in the AAA's records. Judgment on the award rendered by the arbitrator will be binding on the parties and may be entered in any state or federal court sitting in New York County, New York, and BSEF and each Participant shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the dispute will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party's costs and expenses, such party's share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 810 is held to be unenforceable in connection with any dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in New York County, New York, (ii) BSEF and the Participant involved in the dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.

CHAPTER 9. LIMITATION OF LIABILITY, NO WARRANTIES, AND INDEMNIFICATION

RULE 901. LIMITATION OF LIABILITY, NO WARRANTIES

(a) NONE OF BSEF, OR ANY CONTRACTORS OR SUB-CONTRACTORS PROVIDING SERVICES RELATED TO THE SBSEF OPERATED BY BSEF, THE REGULATORY SERVICES PROVIDER, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, PARTNERS, CONSULTANTS, OR LICENSORS (EACH, A "**DISCLAIMING PARTY**") SHALL BE LIABLE TO ANY PERSON (INCLUDING ANY PARTICIPANT, AUTHORIZED TRADER, SUPERVISED PERSON, ACCOUNT, CUSTOMER, CLEARING MEMBER OR ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION PURSUANT TO THE RULES) FOR ANY LOSSES, DAMAGES, DEMANDS, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS; LOSS OF USE; AND DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) ("**CLAIM**"), ARISING FROM:

(i) BSEF'S REGULATORY, ADJUDICATORY, PROSECUTORIAL OR OTHER SUPERVISORY FUNCTIONS MANDATED BY SECTION 3D AND OTHER PROVISIONS OF THE EXCHANGE ACT, BSEF'S OPERATION OF ITS SBSEF PURSUANT TO ANY RULE APPROVED BY THE SEC OR CERTIFIED BY BSEF WITH THE SEC, ANY INTERPRETATION BY BSEF OF THE EXCHANGE ACT OR SEC REGULATIONS AS APPLIED TO THE SBSEF OPERATED BY BSEF OR ANY PARTICIPANT, AUTHORIZED TRADER, SUPERVISED PERSON, ACCOUNT, CUSTOMER, CLEARING MEMBER OR ANY MARKET PARTICIPANT OR ANY AMENDMENT TO BSEF'S ORGANIZATIONAL DOCUMENTS MADE IN FURTHERANCE OF THE EXERCISE OF BSEF'S REGULATORY FUNCTIONS MANDATED BY SECTION 3D AND OTHER PROVISIONS OF THE EXCHANGE ACT IN PROVIDING THE SBSEF OPERATED BY BSEF (EACH, A "**BSEF SEC REGULATORY OBLIGATION**");

(ii) ANY PROCEEDING INITIATED TO ENFORCE THE TERMS OR RULES REQUIRED BY SECTION 3D AND OTHER PROVISIONS OF THE EXCHANGE ACT, ANY INVESTIGATION, WHETHER FORMAL OR INFORMAL, BY BSEF RELATING TO A PARTICIPANT'S COMPLIANCE WITH THE RULES, INCLUDING ANY DISCIPLINARY PROCEEDING BROUGHT (OR NOT BROUGHT) BY BSEF, ANY ENFORCEMENT OF THE RULES OR APPLICABLE LAW BY BSEF, THE REFERRAL FOR CIVIL ENFORCEMENT OR CRIMINAL PROSECUTION UNDER APPLICABLE LAW OF ANY PARTICIPANT, AUTHORIZED TRADER, SUPERVISED PERSON, ACCOUNT, CUSTOMER, CLEARING MEMBER OR ANY MARKET PARTICIPANT TO THE SEC, ANY GOVERNMENT BODY WITH JURISDICTION OVER BSEF, THE REGULATORY SERVICES PROVIDER OR ANY PUBLIC ANNOUNCEMENT OF BSEF'S CANCELLATION OF ANY TRADE MADE IN FURTHERANCE OF THE EXERCISE OF BSEF'S REGULATORY FUNCTIONS IN PROVIDING THE SBSEF OPERATED BY BSEF (EACH, A "**BSEF SEC REGULATORY ACTION**");

(iii) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF BSEF SERVICES, OR SERVICES OF THE DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH BSEF SERVICES, INCLUDING ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA, SBSEF DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, AUTHORIZED TRADERS, SUPERVISED PERSONS, CLEARING MEMBERS, ACCOUNTS OR CUSTOMERS, PRICE REPORTING SYSTEMS AND ANY AND ALL COMMUNICATIONS NETWORKS, SOFTWARE AND HARDWARE RELATING THERETO;

(iv) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT OF BSEF SERVICES OR ANY SERVICES OF A DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH TRADING SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING ISVs OR NETWORK PROVIDERS;

(v) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE DISCLAIMING PARTY OR IN ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES;

(vi) ANY ERRORS, INACCURACIES, OR OMISSIONS IN INFORMATION IN THE PARTICIPANT DOCUMENTATION; OR

(vii) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

(b) NOTWITHSTANDING PARAGRAPH (a), (c) or (f) OF THIS RULE 901, IN NO EVENT SHALL ANY AFFILIATE OF BSEF ACTING AS ITS TECHNOLOGY SERVICES PROVIDER BE LIABLE TO ANY PERSON NOR SHALL ANY PERSON BRING ANY LEGAL ACTION (WHETHER IN TORT, NEGLIGENCE, OR BREACH OF CONTRACT) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF THE SBSEF OPERATED BY BSEF.

(c) WITHOUT LIMITING BSEF'S INDEMNIFICATION OBLIGATION UNDER RULE 902, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY ANY DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH THE DISCLAIMING PARTY OR DISCLAIMING PARTIES IS A PARTY SHALL BE SUBJECT TO ARBITRATION AS PROVIDED IN RULE 810(c) AS IF THE DISCLAIMING PARTY WERE BSEF AND THE OPPOSITE PARTY OR PARTIES WERE A PARTICIPANT. ANY ACTIONS, SUITS OR PROCEEDINGS BROUGHT AGAINST ANY DISCLAIMING PARTY MUST BE BROUGHT WITHIN ONE (1) YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION (OR MODIFY THE LIMITATION ON ACTIONS PROVIDED IN RULE 901(a)) AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE SHALL BE SUBJECT TO THE JURISDICTION OF EACH OF THE FEDERAL AND STATE COURTS LOCATED IN NEW YORK COUNTY, NEW YORK IN CONNECTION WITH ANY MATTERS ARISING OUT OF THIS RULEBOOK AND NO PARTY TO SUCH DISPUTE MAY ASSERT A DEFENSE OF FORUM NON CONVENIENS, SOVEREIGN IMMUNITY, ACT OF STATE OR ANALOGOUS DOCTRINES IN CONNECTION WITH ANY ACTION.

(e) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL COMBINED AGGREGATE LIABILITY OF BSEF FOR ALL CLAIMS SHALL NOT EXCEED (i) \$20,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED ON A SINGLE DAY, (ii) \$100,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR MONTH; AND (iii) \$1,200,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH (e) SHALL BE SUBJECT TO ARBITRATION TO THE EXTENT PROVIDED IN RULE 810(c).

(f) IN NO EVENT SHALL TOTAL COMBINED AGGREGATE LIABILITY OF BSEF FOR ALL CLAIMS AGAINST BSEF AND CLAIMS AGAINST DISCLAIMING PARTIES ARISING OUT OF ANY BSEF SEC REGULATORY OBLIGATION OR BSEF SEC REGULATORY ACTION OR ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE BSEF

SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT BSEF SERVICES OR FACILITIES, OR THE NEGLIGENCE OR GROSS NEGLIGENCE OF SBSEF EMPLOYEES, AGENTS OR SUBAGENTS EXCEED \$1,200,000 IN ANY GIVEN CALENDAR YEAR.

(g) IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY, SINGLE MONTH OR SINGLE YEAR CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.

(h) THE LIMITATIONS OF LIABILITY IN THIS RULE 901 SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT OR ARBITRATOR TO HAVE ENGAGED IN FRAUD OR WILLFUL MISCONDUCT. ADDITIONALLY, THE FOREGOING LIMITATIONS ON LIABILITY OF THIS RULE SHALL BE SUBJECT TO THE EXCHANGE ACT AND THE REGULATIONS PROMULGATED THEREUNDER, EACH AS IN EFFECT FROM TIME TO TIME.

(i) THE LIMITATIONS OF LIABILITY IN THIS RULE 901 SHALL NOT APPLY TO BSEF'S INDEMNIFICATION OBLIGATION UNDER RULE 902.

RULE 902. Indemnification by BSEF

(a) BSEF, at its expense, shall indemnify, hold harmless and defend Participant against any Claim, that for the purposes of this Rule 902 shall include reasonable attorneys' fees, that the SBSEF operated by BSEF or any portion thereof infringes, misappropriates or violates any intellectual property or proprietary rights of any third party; provided, however, that BSEF shall not be required to indemnify Participant for any Claim which falls within the scope of this Rule 902 to the extent it arises from or in connection with:

(i) Any additions, changes or modifications by Participant to the SBSEF Platform or any portion thereof, which changes were not provided by BSEF;

(ii) The use of the SBSEF operated by BSEF in combination with other products or services not provided by BSEF; or

(iii) The use of the SBSEF operated by BSEF other than as expressly permitted by the Rules, any SBSEF technical specification regarding the use of the SBSEF operated by BSEF or the Participant Documentation.

(b) Participant shall promptly provide BSEF with Written notice of any Claim which falls within the scope of this Rule 902 (provided that failure to provide such notice shall not relieve BSEF of its indemnity obligations hereunder except to the extent it is prejudiced thereby). This indemnity shall not cover any Claims in which a Participant fails to provide prompt Written notice of any Claim. In the event any Participant provides notice of a Claim for indemnification covered under paragraph (a) of this Rule 902 above, BSEF shall control such defense and all negotiations relative to the settlement of any such Claim.

CHAPTER 10. **[Reserved]**

CHAPTER 11. **[Reserved]**

CHAPTER 12.**CREDIT CONTRACTS TERMS AND CONDITIONS****RULE 1201.****Single Name Swap – Sovereign**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade or high yield government debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices. • Markit CDX Emerging Markets • Markit iTraxx Asia Ex-Japan IG • Markit iTraxx Asia Ex-Japan IG (Restricted) The reference obligations for the above indices are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Sovereign
Obligation Seniority	SNDB
UPI Contract Specification	• Standard Asia Sovereign • Standard Asia Financial Corporate • Standard Emerging European & Middle Eastern Sovereign • Standard Latin American Sovereign
Notional Currency	USD
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points for investment grade debt securities. 500 basis points for high yield debt securities.
Notional Amount Minimum Increment	As agreed by counterparties
Notional Amount Minimum Size	As agreed by counterparties
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	USD
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1202.**Single Name Swap – Asia Ex-Japan (Investment Grade)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit iTraxx Asia Ex-Japan IG • Markit iTraxx Asia Ex-Japan IG (Restricted) The reference obligations for the above indices are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB
UPI Contract Specification	• Standard Asia Corporate • Standard Asia Financial Corporate • Standard Singapore Corporate • Standard Singapore Financial Corporate
Notional Currency	USD
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	USD
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1203.**Single Name Swap – Australia (Investment Grade)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit iTraxx Australia The reference obligations for the above index are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB
UPI Contract Specification	• Standard Australia Corporate • Standard Australia Financial Corporate • Standard North American Corporate
Notional Currency	USD
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection
Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).

Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	USD
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1204.**Single Name Swap – EMEA (Investment Grade)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit iTraxx Europe • Markit iTraxx Europe Non-Financial • Markit iTraxx Europe Senior Financial • Markit iTraxx Europe Subordinated Financials Index • Markit iTraxx MSCI ESG Screened Europe The reference obligations for the above indices are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB, SBOD or JUND
UPI Contract Specification	• Standard European CoCo Corporate • Standard European Corporate • Standard European Financial Corporate • Standard European Senior Non-Preferred Financial Corporate • Standard North American Corporate • Standard Singapore Corporate • Standard Subordinated European Insurance Corporate
Notional Currency	EUR
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: Target • Business Day Conventions: Following • Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	EUR
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1205.**Single Name Swap – Japan (Investment Grade)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit iTraxx Japan The reference obligations for the above index are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB
UPI Contract Specification	Standard Japan Corporate
Notional Currency	JPY
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection
Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: Tokyo • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).

Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	JPY
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1206.**Single Name Swap – North America (Investment Grade)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on investment grade corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit CDX North America Investment Grade • Markit CDX North America Investment Grade (BBB-rated) The reference obligations for the above indices are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB
UPI Contract Specification	Standard North American Corporate
Notional Currency	USD
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	100 basis points
Notional Amount Minimum Increment	As agreed by counterparties
Notional Amount Minimum Size	As agreed by counterparties
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	USD
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1207.**Single Name Swap – North America (High Yield)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on high yield corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit CDX North America High Yield • Markit CDX North America High Yield (BB) • Markit CDX North America High Yield (Ex-BB) The reference obligations for the above indices are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB
UPI Contract Specification	Standard North American Corporate
Notional Currency	USD
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	500 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	USD
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

RULE 1208.**Single Name Swap – Non-North America (High Yield)**

Contract Type	Credit Default Swap
Contract Overview	An agreement to buy or sell protection on high yield corporate debt. The seller of the credit default swap will compensate the buyer in the event of a debt default (by the debtor) or other credit event based upon an agreed upon notional amount.
Ticker	[Issuer short name] CDS [Notional currency] [Debt Seniority] [Tenor] D14
Underlying Reference Obligation Type	Debt security
Underlying Reference Obligation Issuer	Debt securities of the issuers that are constituents of the following broad-based securities indices: • Markit iTraxx Europe Crossover The reference obligations for the above index are listed on the SBSEF portion of the BSEF website available at https://productlisting.bloombergsbsef.bloomberg.com/.
Underlying Reference Issuer Type	Corporate
Obligation Seniority	SNDB or SBOD
UPI Contract Specification	• Standard Emerging European Corporate • Standard European Corporate • Standard Latin America Corporate B
Notional Currency	EUR
Quoting Convention	Spread and/or upfront payment
Fixed Rate/Coupon	500 basis points
Notional Amount Minimum Increment	As agreed by counterparties.
Notional Amount Minimum Size	As agreed by counterparties.
Trading Conventions	Buy = Buy Protection Sell = Sell Protection

Payment/Settlement Conventions	Upfront Fee Payment: The upfront fee is a portion of the payments which is present valued and paid immediately to the seller. Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller. • Payment Frequency: Quarterly • Business Calendar: Target • Business Day Conventions: Following • Day Count Convention: ACT/360 Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (<i>i.e.</i>, the Big Bang Protocol) (“ISDA Protocols”).
Swap Tenor	Any
Effective Date	Unadjusted date at which obligations under the SB Swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the SB Swap stop being effective.
Settlement Method	Financially settled
Final Settlement Date	Same as Expiration Date, unless there is a Credit Event (which such Credit Event is determined by ISDA Protocols). If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event rules.
Settlement Currency	EUR
Mandatory Clearing Determination	N/A
Trade Execution Requirement	N/A
Trading Hours	00:01-24:00 Sunday-Friday; Eastern Time
Settlement Procedure	As determined by the Clearing House or Bilateral
Clearing House	ICE Clear Credit LLC, LCH SA
Block Size	N/A

Summary report: Litera Compare for Word 11.12.0.83 Document comparison done on 5/4/2026 10:14:59 AM	
Style name: Rulebook	
Intelligent Table Comparison: Active	
Original filename: SBSEF Rulebook Effective August 28, 2025.docx	
Modified filename: SBSEF Rulebook Effective May XX, 2026.docx	
Changes:	
<u>Add</u>	62
Delete	61
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	1
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	125