

NASDAQ Futures, Inc.
Business Conduct Committee Charter

Purpose: The primary function of the Business Conduct Committee (“BCC” or the “Committee”) is to monitor compliance with the By-Laws and Rules of the Exchange, and the rules, regulations, resolutions and stated policies of the Board of Directors or any committee of the Exchange. The Business Conduct Committee or its designee (including a Hearing Panel) shall impose appropriate sanctions of expulsion, suspension, fine, censure or any other fitting sanction where the Business Conduct Committee or its designee (including a Hearing Panel) finds that a violation within the disciplinary jurisdiction of the Exchange has been committed.

Goals and Objectives: The BCC shall:

- Examine into the business conduct and financial condition of Futures Participants and other persons accessing the market; and
- Authorize the initiation of any disciplinary actions or proceedings brought by the Exchange.

Composition: The Business Conduct Committee shall be comprised at least 50% of persons representing the interest of Futures Participants, other than that of the subject of the disciplinary proceeding. At least one member of the Business Conduct Committee shall be an individual who would qualify as a Public Director.

The Business Conduct Committee shall not include any Exchange regulatory staff and no person shall serve on that committee who is subject to any of the conditions specified in Commodity Futures Trading Commission Regulation 1.63(b)(1) through (6).

Members of the Business Conduct Committee shall serve for one (1) year terms and shall be reassessed on an annual basis.

Meetings: The Committee shall meet at least two times during a calendar year or more, as circumstances dictate, and such meetings shall be requested by the Chief Regulatory Officer. The meetings will be announced in advance to determine a quorum. The frequency of meetings should not be overly burdensome but conducted only as necessary to transact business.

Responsibilities and Duties:

To fulfill its goals and objectives, the BCC shall:

- monitor compliance with the By-Laws and Rules of the Exchange or any interpretation thereof and the rules, regulations, resolutions and stated policies of the Board of Directors or any committee of the Exchange, by Futures Participants or persons associated with or employed by Futures Participants;
- inquire into the business conduct and financial condition of Futures Participants or persons associated with or employed by Futures Participants and require detailed

financial reports and such other operational reports as it may deem advisable of any Futures Participants;

- authorize the initiation of any disciplinary action or proceeding brought by the Exchange and render a decision in any such action or proceeding;
- conduct hearings and render decisions in summary disciplinary actions and proceedings;
- suspend a Futures Participants upon its determination that there is a substantial question as to whether a financial emergency exists with respect to such Futures Participants;
- prohibit trading by a Futures Participants which is excessive in view of its capital; and
- impose appropriate sanctions of expulsion, suspension, fine, censure or any other fitting sanction where the Committee finds that a violation within the disciplinary jurisdiction of the Exchange has been committed.