

**IMX HEALTH, LLC
EXHIBIT L**

Attach as Exhibit L, a narrative and any other form of documentation that may be provided under other Exhibits herein, that describes the manner in which the Applicant is able to comply with each core principle. Such documentation must include a regulatory compliance chart setting forth each core principle and providing citations to the Applicant’s relevant Rules, policies, and procedures that address each core principle. To the extent that the application raises issues that are novel or for which compliance with a core principle is not self-evident, include an explanation of how that item and the application satisfy the core principles.

All capitalized terms used in this Exhibit L and not defined have the meanings ascribed in the Rulebook, which is included as Exhibit M to this Application. All references to “Rules” contained in this Exhibit are references to the Rules of the Exchange’s Rulebook.

Core Principle or Other Requirement	IMX Health, LLC Rule, Policy or Procedure	Relevant Exhibit(s)
Core Principle 1 – Designation as a Contract Market		
<p>(a) <i>In general.</i> To be designated, and maintain a designation, as a contract market, a board of trade shall comply with:</p> <ul style="list-style-type: none"> (1) Any core principle described in section 5(d) of the Act, and (2) Any requirement that the Commission may impose by Rule or regulation pursuant to section 8a(5) of the Act. <p>(b) <i>Reasonable discretion of the contract market.</i> Unless otherwise determined by the Commission by Rule or regulation, a board of trade described in paragraph (a) of this</p>	<p>IMX Health, LLC (“IMX” or the “Exchange”) is applying for registration as a designated contract market (“DCM”) by submitting Form DCM (the “IMX Application”). Once registered, IMX will comply with the DCM Core Principles. As demonstrated in this Application, IMX has drafted its Rulebook and Compliance Manual and has designed IMX’s operations to be compliant with the DCM Core Principles and the Commodity Exchange Act, as amended (“CEA”) and other applicable Commodity Futures Trading Commission (“CFTC”) Regulations promulgated thereunder.</p>	<p>IMX Application, including all attachments and Exhibits.</p>

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<p>section shall have reasonable discretion in establishing the manner in which the board of trade complies with the core principles described in this subsection.</p>		
<p>Core Principle 2 – Compliance with Rules</p>		
<p>(a) <i>In general.</i> The board of trade shall establish, monitor, and enforce compliance with the Rules of the contract market, including:</p> <ul style="list-style-type: none"> (1) Access requirements; (2) The terms and conditions of any contracts to be traded on the contract market; and (3) Rules prohibiting abusive trade practices on the contract market. <p>(b) <i>Capacity of contract market.</i> The board of trade shall have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any Rule of the contract market.</p> <p>(c) <i>Requirement of Rules.</i> The Rules of the contract market shall provide the board of trade with the ability and</p>	<p>All Participants accessing the Exchange’s secure website and Exchange Trading Platform will do so through a unique User ID and password. Each Participant and/or Authorized User will have their own user ID and password. Pursuant to the Participant Agreement and Rule 301 and Rule 304, Participants and Authorized Users must consent to the jurisdiction of the Exchange before being granted access to the Exchange Trading Platform. Rule 303 clearly defines criteria for becoming a Participant of the Exchange. Chapter 4 of the Rulebook provides the obligations of the Participants, including Rule 403, which requires a Participant to make its books and records available to the Exchange.</p> <p>The Exchange’s Fee Schedule along with contract specifications will be made publicly available on the Exchange Website, when self-certified with the CFTC prior to launch. The fees are discussed in greater detail in Exhibit K.</p> <p>The Regulatory Department will perform market surveillance using software licensed from Eventus, known as Validus. It will investigate any alleged Rule violations or misconduct, and recommend disciplinary action, if deemed necessary. The surveillance software used by IMX will generate alerts based on the Rules in Chapter 5 of the Rulebook and the Regulatory Department will review, investigate and address these alerts no later than T+1. The Regulatory Department shall also perform audit trail reviews and will conduct financial surveillance of Participants and Clearing Members that are registered as FCMs or</p>	<p>Exhibit E - Personnel Qualifications</p> <p>Exhibit F - Staffing</p> <p>Exhibit K - Fees</p> <p>Exhibit M - Rulebook</p> <p>Exhibit N - Contracts</p> <p>Exhibit O - Compliance Manual</p>

Core Principle or Other Requirement	IMX Health, LLC Rule, Policy or Procedure	Relevant Exhibit(s)
<p>authority to obtain any necessary information to perform any function described in this section, including the capacity to carry out such international information-sharing agreements, as the Commission may require.</p>	<p>introducing brokers (“IBs”). The Exchange Trading Platform contains screens and functionality that will enable the Regulatory Department to view the market in real-time and respond to immediate concerns regarding users, firms or the market as a whole. Validus provides the tools to allow the Regulatory Department to monitor Exchange Activity no later than T+1. Validus is a searchable database that allows the user to review Exchange Activity over a selected time period to look for patterns of abuse. See also Exhibit O. IMX’s Regulatory Oversight Committee (“ROC”) oversees all facets of the Exchange’s regulatory program, as addressed in Rule 208. The ROC will prepare an annual report for the Board and the CFTC assessing the Exchange’s regulatory program. The report shall set forth the program’s expenses, describe its staffing and structure, and catalogue investigations and disciplinary proceedings taken during the year.</p> <p>Rules 507-515 of the Rulebook impose trading Rules designed to encourage ethical trading conduct and protect Participants from fraudulent acts (Rule 507), fictitious, wash or non-competitive transactions (Rule 508), market disruption (Rule 509), market manipulation (Rule 510), disruptive trading practices (Rule 511), prohibited misstatements (Rule 512), acts detrimental to welfare (Rule 513), violations of Applicable Law (Rule 514), and unreasonable supervision (Rule 515). See also narrative response to Core Principle 4 and Exhibit R. As mentioned above, Valildus provides configurable alerts for these types of violations, which will assist the Regulatory Department in investigating potential Rule violations.</p> <p>Disciplinary and enforcement Rules set forth in Chapter 6 of the Rulebook provide the Exchange with the authority to detect, investigate, and apply appropriate sanctions to any person that violates any Rule of the Exchange. The Regulatory Department and Disciplinary Panel will enforce compliance with the Rules. Under Rule 603, the Regulatory Department may resolve an investigation through an informal disposition, including the issuance of a Warning Letter. No more than</p>	<p>Exhibit P - Disciplinary Rules</p> <p>Exhibit R - Trade Practice Violation of Rules</p>

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	<p>one Warning Letter for the same potential violation may be issued to the same Participant during a rolling 12-month period. Under Rule 604, the Chief Regulatory Officer (“CRO”) will review Investigative Reports submitted to determine whether a reasonable basis exists to believe a violation within the Exchange’s jurisdiction has occurred or is about to occur. Under Rule 610, the Disciplinary Panel shall conduct hearings in connection with any disciplinary proceedings and render a decision pursuant to the procedures detailed in Chapter 6 of the Rulebook. Under Rule 616, the decisions of the Disciplinary Panel may be appealed before an Appeal Panel.</p> <p>The Exchange has Rules in place to discipline Participants. See Chapter 6 of the Rulebook and Exhibit P. The Exchange also has the authority to examine books and records (Rule 403).</p> <p>Pursuant to Rule 212, the Exchange may enter into information-sharing agreements, as the Commission may require, as the Exchange determines necessary or advisable, or where the Exchange determines such arrangements exercise a legal or regulatory function under any Applicable Law or considers such arrangement to be in furtherance of the operation or duties of the Exchange under Applicable Law. IMX intends to join the Joint Audit Committee (“JAC”) upon designation. The JAC is a voluntary committee of Self-Regulatory Organizations whose members include DCMs, swap execution facilities, and NFA. The JAC operates through its members to protect market integrity within and across the members’ markets. It provides a forum to share information and ideas on regulatory topics of interest, as well as identify issues within the industry or elsewhere that may impact their markets, members or self-regulatory responsibilities.</p>	

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Core Principle 3 – Contracts Not Readily Susceptible to Manipulation		
<p>The board of trade shall list on the contract market only contracts that are not readily susceptible to manipulation.</p>	<p>The Exchange will offer trading in Contracts that are cash settled.</p> <p>Pursuant to CFTC Regulation 40.2, prior to the self-certification of any Contract for listing on the Exchange the Exchange will perform a review and analysis of the factors enumerated in Appendix C to Part 38 (Demonstration that a Contract is Not Readily Susceptible to Manipulation) when designing cash settled contracts.</p> <p>Contract Specifications will be made publicly available on the Exchange Website. Further, the Exchange will monitor and enforce position limits, if any, pursuant to Rule 535.</p> <p>All activity in the Contracts that will be listed for trading on the Exchange will be subject to monitoring and surveillance by the Regulatory Department using Validus software licensed from Eventus. Specifically, the Regulatory Department will monitor for market manipulation and various disruptive trading practices as indicated in Chapter 5 of the Rulebook and Exhibit O.</p> <p>Finally, the Rulebook restricts trading on the basis of non-public information. In particular, Rule 903 prohibits employees from trading in Contracts or related contracts absent prior written consent from the Exchange.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit O - Compliance Manual</p>
Core Principle 4 – Prevention of Market Disruption		
<p>The board of trade shall have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and</p>	<p>Pursuant to Rule 208, the ROC shall oversee the regulatory program of the Exchange on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfil its mandate. The ROC shall oversee all facets of the Exchange’s regulatory program, including trade practice and market surveillance, regulatory audits, examinations, and other</p>	<p>Exhibit M – Rulebook</p>

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<p>enforcement practices and procedures, including:</p> <p>(a) Methods for conducting real-time monitoring of trading; and</p> <p>(b) Comprehensive and accurate trade reconstructions.</p>	<p>regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping and other requirements) and the conduct of investigations.</p> <p>Chapter 5 of the Rulebook contains trading Rules designed to encourage ethical trading conduct and protect Participants from fraudulent acts (Rule 507), non-competitive transactions (Rule 508), market manipulation (Rule 510), disruptive trading practices (Rule 511) and any other acts that are detrimental to the welfare of the Exchange (Rule 513). The Regulatory Department will be conducting market surveillance using the Validus software licensed from Eventus. Validus provides an automated market surveillance system that is programmed to generate alerts that detect potential market anomalies and trade practice violations. These alerts will be generated and reviewed no later than T+1. The Regulatory Department will review and address the alerts on a daily basis to determine if a formal investigation may be opened. Exhibit P describes the Exchange’s disciplinary and enforcement protocols, tools, procedures and the arrangement for dispute resolution.</p> <p>IMX shall be responsible for monitoring overall activity on its market on a real-time basis using market monitoring functionality, risk controls, and other tools that are part of the Exchange Trading Platform. See Exhibits O and Q for further information regarding available Exchange Trading Platform risk controls. Exhibit O provides greater detail on the Exchange’s overall surveillance program, including information on the risk controls, and real-time and T+1 functionalities that will enable the Exchange to comply with this core principle.</p> <p>All Contracts that trade on the Exchange will be cash settled. Rule 401 and Rule 403 require all Persons subject to the jurisdiction of the Exchange to maintain records pertaining to their activity on the Exchange, including records required by CFTC Regulation 38.254 (e.g.,</p>	<p>Exhibit N - Contracts</p> <p>Exhibit O – Compliance Manual</p> <p>Exhibit P - Disciplinary Rules</p> <p>Exhibit Q - Exchange System Functionality Overview</p>

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	<p>records of their activity in the underlying commodity and related derivatives markets upon request to the Exchange).</p> <p>Pursuant to Rule 212, the Exchange may enter into information-sharing arrangements, as the Commission may require or as it determines necessary or advisable, to coordinate surveillance with other markets where financial products, potentially relating to Exchange products, trade. As part of any information-sharing agreement, the Exchange may: (i) share trade and market surveillance reports with other markets; (ii) share completed and on-going investigations with other markets; (iii) share information concerning current and former Participants with other markets; and (iv) require current and former Participants to provide the Exchange information requested by other markets that are part of an information-sharing agreement with the Exchange.</p> <p>IMX will also request membership in the JAC upon designation.</p> <p>Rule 211 addresses the Exchange’s record retention policy. The Exchange shall retain all such books and records for at least a period of five years, from the date thereof. Electronic records shall be readily accessible for the duration of the five-year period. Paper records must be readily accessible during the first two years of the five-year period.</p>	
Core Principle 5 – Position Limits or Accountability		
<p>To reduce the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators. For any contract that is subject to a position limitation established by the Commission, pursuant to section</p>	<p>Pursuant to Rule 535, the Exchange will designate position limitations for each Contract, if applicable, which may be specific to a particular Contract or Contract expiration. Position limitations and position accountability levels will be published on the Exchange’s Website when a new Contract is self-certified. For any Contract that is subject to a position limitation established by the CFTC, the Exchange shall set the position limitation of the Exchange at a level not less than the position limitation established by the CFTC.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit O – Compliance Manual</p>

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4a(a), the board of trade shall set the position limitation of the board of trade at a level not higher than the position limitation established by the Commission.	<p>The Regulatory Department will track Participant's positions by large trader reports received from Clearing Members in order to determine when positions exceed the limits established for each Contract.</p> <p>The Exchange may impose or modify position accountability limits and order reduction of positions in the event of an Emergency, as addressed in Rule 504. See also narrative response to Core Principle 6.</p>	
Core Principle 6 – Emergency Authority		
<p>The board of trade, in consultation or cooperation with the Commission, shall adopt Rules to provide for the exercise of emergency authority, as is necessary and appropriate, including the authority:</p> <p>(a) To liquidate or transfer open positions in any contract;</p> <p>(b) To suspend or curtail trading in any contract; and</p> <p>(c) To require market participants in any contract to meet special margin requirements.</p>	<p>The Exchange's definition of Emergency is consistent with the definition provided in CFTC Regulation 40.1(h).</p> <p>Under Rule 504, the Board may implement Emergency Actions, subject to applicable provisions of the CEA and CFTC Regulations. Emergency Actions include, but are not limited to: (i) imposing or modifying position limits; (ii) imposing or modifying price limits; (iii) imposing or modifying intraday market restrictions; (iv) imposing special margin requirements; (v) ordering the liquidation or transfer of open positions in any Contract; (vi) ordering the fixing of a settlement price; (vii) extending or shortening the expiration date or Trading Hours; (viii) suspending or curtailing trading in any Contract; (ix) transferring Contracts and the margin associated therewith as permitted by Applicable Law; (x) altering any Contract's settlement terms or conditions; (xi) limiting access to the Exchange Trading Platform by any Clearing Member, Participant or ISV; or (xii) taking such other actions as may be directed by the CFTC or other regulatory authority.</p>	Exhibit M – Rulebook
Core Principle 7 – Availability of General Information		
The board of trade shall make available to market authorities, market participants, and the public accurate information concerning:	The Exchange will post general information, including but not limited to Contract Specifications, a copy of the Rulebook, Exchange trading hours, settlement procedures, requirements for membership and access, on-boarding procedure and general Exchange Trading Platform descriptions on its Website with the goal of open and fair	Exhibit M – Rulebook

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<p>(a) The terms and conditions of the contracts of the contract market; and</p> <p>(b)</p> <p>(1) The Rules, regulations and mechanisms for executing transactions on or through the facilities of the contract market, and</p> <p>(2) The Rules and specifications describing the operation of the contract market's:</p> <p>(i) Electronic matching platform, or</p> <p>(ii) Trade execution facility.</p>	<p>access for all Participants. Any Rule amendments and product changes (including terms and conditions of the Contracts) will also be made available through the Exchange Website. Notice of new product listings, new Rules, and Rule amendments will be placed on the Exchange Website concurrent with the filing or submission of such information with the Secretary of the Commission as required by Part 40 of the CFTC Regulations.</p> <p>Rule 518 includes a description of Orders types that may be submitted to the Exchange Trading Platform. The Exchange matching algorithm is described in Rule 539. Additional details on the Exchange Trading Platform can be found in Chapter 5 of the Rulebook and in Exhibit Q.</p> <p>Rule 308 outlines the process of providing general notices to Participants of the Exchange.</p> <p>IMX will post to its Website any non-confidential material associated with regulatory filings relating to Rules and new products at the time IMX submits the filings to the CFTC.</p>	<p>Exhibit Q - Exchange System Functionality Overview</p>
Core Principle 8 – Daily Publication of Trading Information		
<p>The board of trade shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market.</p>	<p>As indicated in Rule 805, the Exchange will publish daily information on settlement prices and other pricing information (open, close, high, low), and well as volume and open interest for actively traded Contracts on its Website as required by CFTC Regulation 16.01. Settlement price methodology is described in further detail in Exhibit Q.</p> <p>The Exchange will also transmit the information required by CFTC Regulation 16.01 and 16.02 to the CFTC within the times prescribed in these Regulations. Such daily reports to the Commission shall include the information described in the paragraph above, as well as transaction-level data and related Order information for each Contract.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit Q - Exchange System Functionality Overview</p>

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	Reports shall include time and sales data, and reference files and any other information the Commission may require.	
Core Principle 9 – Execution of Transactions		
<p>The board of trade shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade. The Rules of the board of trade may authorize, for bona fide business purposes:</p> <p>(a) Transfer trades or office trades;</p> <p>(b) An exchange of:</p> <p style="padding-left: 40px;">(1) Futures in connection with a cash commodity transaction:</p> <p style="padding-left: 40px;">(2) Futures for cash commodities; or</p> <p style="padding-left: 40px;">(3) Futures for swaps; or</p> <p>(c) A futures commission merchant, acting as principal or agent, to enter into or confirm the execution of a contract for the purchase or sale of a commodity for future delivery if the contract is reported, recorded, or cleared in accordance with the Rules</p>	<p>The Exchange Trading Platform provides Participants with the ability to execute transactions from the interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm. Additional detail on the Exchange Trading Platform and matching algorithm can be found in Exhibit Q. The Exchange will conduct periodic objective testing of the Exchange Trading Platform and the trade environment generally, pursuant to the provisions contemplated in Exhibit V – the CFTC Technology Questionnaire. Contracts trade under the terms publicly provided for in the Contract Specifications, and as certified pursuant to CFTC Regulation 40.2.</p> <p>Rule 807 allows the transfer of trades from one Clearing Member to another upon notice to the Exchange and in accordance with the Rules of the DCO. An FCM can act as principal or agent on such trades, subject to the Rules of the Exchange and DCO.</p> <p>IMX does not intend to support block trades or other type of off-platform Transactions at inception.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit Q - Exchange System Functionality Overview</p> <p>Exhibit V – Technology Questionnaire</p>

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of the contract market or a derivatives clearing organization.		
Core Principle 10 – Trade Information		
<p>The board of trade shall maintain Rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information:</p> <p>(a) To assist in the prevention of customer and market abuses; and</p> <p>(b) To provide evidence of any violations of the Rules of the contract market.</p>	<p>The Exchange Trading Platform will maintain all information with respect to each Order (whether or not such Order results in a Transaction) and each Transaction, as well as all other information relating to the trade environment that determines the matching and clearing of trades. All information relating to Orders submitted to the Exchange Trading Platform and any relevant environmental parameters will be retained. Thus, any Order could be tracked from the time it is entered into the Exchange Trading Platform to the time it is matched, expires, or is otherwise disposed of. The Exchange may adopt further procedures to record and account for Contracts and Exchange activity pursuant to Rule 502.</p> <p>Rule 529 requires users of the Platform to enter all information necessary to process an Order pursuant to the Rules when placing an Order on the Exchange Trading Platform and provides that the Exchange shall maintain such information.</p> <p>Audit trail data will be stored in a manner that protects it from unauthorized alteration as well as from accidental erasure or other loss. Audit trail data will be maintained pursuant to the procedures described in Rule 211, Exhibit V – the CFTC Technology Questionnaire, and Exhibit S.</p> <p>Pursuant to Rule 529, each Participant is required to maintain a front-end audit trail, which stores data related to Orders placed by such Participant. Using sampling techniques, the Regulatory Department will review the front-end audit trail data retained by Participants at least annually to the extent required under Rule 529. Such review will include an examination of:</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit O – Compliance Manual</p> <p>Exhibit S – Record Retention Policy</p> <p>Exhibit V – Technology Questionnaire</p>

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	<p>(i) the process by which User IDs are assigned and User ID records are maintained;</p> <p>(ii) usage patterns associated with User IDs to monitor for violations of User ID Rules; and</p> <p>(iii) account numbers and CTI codes in trade records to ensure that they are accurate and being properly used.</p> <p>Furthermore, the Exchange will review compliance with recordkeeping obligations at least annually. In addition to retaining front-end audit trail data, the Exchange and Participants will retain required books and records for at least five years pursuant to Rules 211 and 401, respectively.</p>	
Core Principle 11 – Financial Integrity of Transactions		
<p>The board of trade shall establish and enforce:</p> <p>(a) Rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market (including the clearance and settlement of the transactions with a derivatives clearing organization); and</p> <p>(b) Rules to ensure:</p> <p style="padding-left: 40px;">(1) The financial integrity of any:</p> <p style="padding-left: 80px;">(i) Futures commission merchant, and</p> <p style="padding-left: 80px;">(ii) Introducing broker; and</p>	<p>IMX has selected The Minneapolis Grain Exchange, LLC (“MGEX”) as its DCO. The Agreement with MGEX is included in Exhibit N.</p> <p>Pursuant to Rule 801, all Contracts traded on the Exchange must be cleared through a Clearing House by a Clearing Member. Chapter 8 of the Rulebook governs the clearing of Contracts.</p> <p>Only Participants will be permitted to submit Orders to the Exchange. Each Participant must be a Clearing Member or establish a clearing relationship with a Clearing Member under Rule 803(a). Eligibility requirements for Participants are provided in Chapter 3 of the Rulebook and for Clearing Members in Chapter 8 of the Rulebook, which tie to Core Principle 15. Under Rule 304, each Participant is responsible for the actions of its Authorized Users. Similarly, under Rules 305, 401, and 538, Participants, Account Administrators and Authorized Users are responsible for actions taken using their User IDs.</p> <p>Clearing Members are responsible under CFTC Regulation 1.73 for establishing risk limits and screening orders for compliance with those risk-based limits. An Order will not be allowed on the Exchange Trading</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit N - Contracts</p> <p>Exhibit O – Compliance Manual</p>

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<p>(2) The protection of customer funds.</p>	<p>Platform if it has not been screened. The Exchange Trading Platform will have other risk controls (e.g., fat finger) that will be applied once an Order is transmitted to the Exchange Trading Platform as described in Core Principle 4. If a risk limit is nevertheless exceeded, responsibility for the resulting Transaction will lie with the relevant Clearing Member and Participant in accordance with the terms of the agreements between them. If the Persons involved in the Transaction are amenable to it, the Exchange may consider reviewing the trade pursuant to Rule 540 (Trade Cancellation and Price Adjustments) provided that the provisions of this Rule are met.</p> <p>The Board will be responsible for reviewing the Rules governing the eligibility of Participants and ensuring that such Rules do not restrict access or impose burdens on access in a discriminatory manner.</p> <p>To become a Participant that will transact on behalf of Customers, Rule 303 lays out criteria for becoming a Participant, including that the Participant holds all registrations required under Applicable Law.</p> <p>Similarly, Rule 405 includes a requirement that each Clearing Member and Participant that is an FCM or IB comply with its obligations as a registered entity with any Government Agency or Self-Regulatory Organization (including obligations applicable to FCMs and IBs). Rule 405 also provides for the submission of reports required to be filed with the CFTC under CFTC Regulations 1.10 and 1.12 to the Exchange. This allows the Exchange to assess its Participants' and Clearing Members' compliance with minimum financial requirements applicable to FCMs and IBs, as well as obligations with respect to protection of customer funds.</p> <p>Rule 406 grants the Exchange authority to impose restrictions on the business or operations of a Participant that becomes subject to the early notice requirements of CFTC Regulation 1.12. As described in Exhibit O, the Regulatory Department will review the financial statements of</p>	

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	<p>any Participants and Clearing Members that are FCMs or IBs to ensure they comply with applicable regulations.</p> <p>The Exchange will rely on the DCO to conduct intraday monitoring of the obligations of Clearing Members created by the positions of its Customers as required by CFTC Regulation 38.604. This is addressed in the Agreement with MGEX.</p>	
Core Principle 12 – Protection of Markets and Market Participants		
<p>The board of trade shall establish and enforce Rules:</p> <p>(a) To protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and</p> <p>(b) To promote fair and equitable trading on the contract market.</p>	<p>Pursuant to Chapters 4 and 5 of the Rulebook and Exhibits Q and R, the Exchange has established various Rules designed to protect the markets and market participants from abusive, disruptive, fraudulent, non-competitive, and unfair conduct and trade practices. IMX has licensed Validus software from Eventus for market surveillance to assist the Regulatory Department to monitor the market on a T+1 basis, coupled with real-time tools on the Exchange Trading Platform provided by Connamara to assist the Exchange in identifying and prosecuting any abusive trading practices. Improper conduct and trade practice violations will be investigated and adjudicated as described in Chapter 6 of the Rulebook and Exhibit P. Further detail regarding how the Regulatory Department conducts these surveillance activities can be found in Exhibit O.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit N – Contracts</p> <p>Exhibit O – Compliance Manual</p> <p>Exhibit P – Disciplinary Rules</p> <p>Exhibit Q – Trading System</p>

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		Exhibit R – Trade Practice Violations
Core Principle 13 – Disciplinary Procedures		
<p>The board of trade shall establish and enforce disciplinary procedures that authorize the board of trade to discipline, suspend, or expel members or market participants that violate the Rules of the board of trade, or similar methods for performing the same functions, including delegation of the functions to third parties.</p>	<p>Chapter 6 of the Rulebook sets forth the Rules for disciplinary procedures that allow IMX to discipline, suspend, expel or otherwise sanction Participants that violate the Rules. The Regulatory Department will monitor the market for any of the trade practice violations enumerated in Chapter 5 of the Rulebook. The Regulatory Department will investigate all such potential Rule violations and determine if the facts of the investigation warrant formal Disciplinary Action pursuant to Chapter 6 of the Rulebook.</p> <p>The Exchange’s CRO will oversee the Regulatory Department. The Regulatory Department, pursuant to Rule 602, can initiate and conduct investigations when the information obtained indicates a possible Rule violation. The Regulatory Department will determine the nature and scope of its inquiries and investigations and will function independently of any commercial interests of the Exchange. The Regulatory Department has the authority to (i) inspect the books and records of all Participants; (ii) require Persons to appear before it and answer questions regarding possible Rule violations; (iii) prepare Investigative Reports; (iv) make recommendations to the CRO concerning initiating disciplinary proceedings; (v) authorize issuance of Notices of Charges against Respondents alleged to have violated the Rules (if the CRO believes the matter should be adjudicated; and (vi) prosecute alleged Rule violations within the Exchange’s disciplinary jurisdiction.</p> <p>Rule 610 sets forth the functions and make-up of the Disciplinary Panel. If the CRO determines that a matter should be adjudicated in a formal</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit O – Compliance Manual</p>

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	<p>hearing before the Disciplinary Panel, the Regulatory Department will be instructed to serve a Notice of Charges.</p> <p>The Notice of Charges delivered to the Respondent will provide a timeline for response to the allegations. In accordance with Rule 613, the hearing will be fair and conducted before the members of the Hearing Panel. As stated in Rule 614, as promptly as is reasonable following a hearing, the Hearing Panel will issue a written order 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 Hearing Panel will constitute the Decision of the Hearing Panel.</p> <p>Pursuant to Rule 310, when the Exchange accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including, without limitation, the Trading Privileges and ability to access the Exchange Trading Platform). The accepted withdrawal of a Participant shall not affect the rights of the Exchange under the Rules or relieve the former Participant of its obligations under the Rules, to perform all obligations involving any Contracts entered into by such, or to pay any Exchange fees, costs, or charges incurred, before the withdrawal, including any obligations by the Participant for activity by its Authorized Users. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the Rules, the obligations, and the jurisdiction of the Exchange for acts done and omissions made while a Participant and must cooperate in any Exchange Proceeding as if the withdrawn Participant were still a Participant.</p> <p>Rule 620 states that when the Trading Privileges of a Participant are terminated, all of a Participant's rights and Trading Privileges will terminate (including those of any Authorized User), 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 suspended or terminated Participant remains subject to the Rules and the jurisdiction of the Exchange for</p>	

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	acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, or disciplinary proceeding, summary suspension or other summary action as if the suspended or terminated Participant still had Trading Privileges. The Exchange may discipline a suspended Participant under the Rules for any violation of a Rule or provision of Applicable Law committed by the Participant before, during, or after the suspension.	
Core Principle 14 – Dispute Resolution		
The board of trade shall establish and enforce Rules regarding and provide facilities for alternative dispute resolution as appropriate for, market participants and any market intermediaries.	Chapter 7 of the Rulebook sets forth the Rules concerning alternative dispute resolution, which provide for the resolution of disputes between or among Participants through the American Arbitration Association. Pursuant to Chapter 7, arbitration is available for all disputes, controversies, or claims among all market participants that relate to activities on or subject to the Rules.	Exhibit M – Rulebook
Core Principle 15 – Governance Fitness Standards		
The board of trade shall establish and enforce appropriate fitness standards for directors, members of any disciplinary committee, members of the contract market, and any other person with direct access to the facility (including any party affiliated with any person described in this paragraph).	Persons involved in the governance of, and Persons trading on the Exchange will be subject to fitness and eligibility criteria under the Rules. More specifically, Board members, individuals serving on a committee established by the Board, and any disciplinary committee or appeals committee will be subject to the fitness standards under Rule 204, while Participants will be subject to the eligibility standards under Rule 303, and Authorized Users will be subject to the eligibility standards under Rule 304. Exhibit C provides a narrative of the fitness standards applicable to Directors. Each non-executive Director will be required to complete a Director Questionnaire (Exhibit C-1), which will be used in evaluating whether such prospective Director would meet the applicable fitness standards. It is expected that executive directors will be vetted through the employment process.	Exhibit M – Rulebook Exhibit C - Directors Fitness Standards

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	Furthermore, in addition to required self-disclosure, the Regulatory Department will review the standing of Participants and Clearing Members by conducting a search of NFA's BASIC system, as well as other relevant searches, as part of the onboarding process.	
Core Principle 16 – Conflicts of Interest		
<p>The board of trade shall establish and enforce Rules:</p> <p>(a) To minimize conflicts of interest in the decision-making process of the contract market; and</p> <p>(b) To establish a process for resolving conflicts of interest described in paragraph (a) of this section.</p>	<p>Chapter 2 of the Rulebook outlines the qualifications that a Director must satisfy in order to serve on the Board or one of the committees of IMX. The Exchange has instituted a Board consisting of at least 35% Public Directors as outlined in Rule 202. The ROC, as detailed in Rule 208, is composed entirely of Public Directors. The ROC oversees the Exchange's regulatory program on behalf of the Board. The ROC makes recommendations to the Board that will, in its judgment, be best to promote the interests of IMX. The ROC also assists the Exchange in minimizing actual and potential conflicts of interest. Exhibit C-2 contains the ROC's charter and provides further details regarding its role and responsibilities.</p> <p>Rule 903 contains limitations on the use or disclosure of material non-public information gained through the performance of official duties by Exchange /officials and consultants. As set forth in Rule 610, IMX also maintains a Disciplinary Panel that is subject to certain Rules regarding composition so as to preclude any group or class of industry participants from dominating or exercising a disproportionate influence on the Disciplinary Panel. The Disciplinary Panel includes at least one member who qualifies as a Public Director. Chapter 6 of the Rulebook also provides for Appeal to the Appeal Panel, which must also include at least one person who would qualify as a Public Director.</p> <p>As set forth in Rule 210, no member of the Board, any committee which has authority to take action for and in the name of the Exchange (not including any committee which is only authorized to make recommendations for action by the Board or some other committee), or</p>	Exhibit M – Rulebook

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	<p>any Disciplinary Panel, Hearing Panel, Review Panel, Appeals Panel or arbitration panel shall knowingly participate in such body's deliberations or voting in any matter involving a Named Party or has a material interest where such member: (i) is a Named Party or has material relationship to the Exchange; (ii) is an employer, employee or fellow employee of a Named Party; (iii) is associated with a Named Party through a broker association; (iv) has a Family Relationship with a Named Party; or (v) has any other significant, ongoing business relationship with a Named Party, excluding relationships limited to executing Transactions opposite each other.</p>	
Core Principle 17 – Composition of Governing Boards of Contract Markets		
<p>The governance arrangements of the board of trade shall be designed to permit consideration of the views of market participants.</p>	<p>Exhibit C includes the fitness standards of the Board and Rule 202 states that the Board shall consist of at least 35% Public Directors.</p> <p>Pursuant to Rule 208, the ROC will be composed entirely of Public Directors. The ROC oversees IMX's regulatory program on behalf of the Board. It makes recommendations to the Board that will, in its judgment, best promote the interests of the Exchange. Likewise, the ROC assists IMX in minimizing actual and potential conflicts of interest.</p> <p>The Board will be responsible for ensuring compliance with the impartial access requirements, including ensuring that the fee structure in not discriminatory.</p> <p>IMX may, from time to time, establish one or more advisory committees as it may deem necessary or advisable. Each advisory committee may consist of Directors, Officers, and representatives of Participants as determined by the Exchange. Advisory committees may make recommendations to the Board but will not be authorized to make decisions or act on behalf of the Exchange.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit B - Officers and Directors</p> <p>Exhibit C - Directors Fitness Standards</p>

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	The initial composition contemplated for the Board is described further in Exhibit B. Fitness standards applicable to members of the Board are described in Exhibit C.	
Core Principle 18 – Recordkeeping		
<p>The board of trade shall maintain records of all activities relating to the business of the contract market:</p> <p>(a) In a form and manner that is acceptable to the Commission; and</p> <p>(b) For a period of at least 5 years.</p>	<p>The Exchange will maintain records of all activities related to its business for a period of five years and in accordance with Commission Regulation 1.31. See Rule 211 and Exhibit S.</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit S – Record Retention Policy</p>
Core Principle 19 – Antitrust Considerations		
<p>Unless necessary or appropriate to achieve the purposes of this Act, the board of trade shall not:</p> <p>(a) Adopt any Rule or taking any action that results in any unreasonable restraint of trade; or</p> <p>(b) Impose any material anticompetitive burden on trading on the contract market.</p>	<p>The Exchange’s Rulebook and business have been designed to avoid any unreasonable restraints on trade or the imposition of any material anticompetitive burden on trading. As described in Rule 202, the Board will ensure that the Exchange does not restrict access or impose burdens on access (including fees) in a discriminatory manner. Rule 539 and Exhibit Q details the Exchange’s algorithm for order matching.</p> <p>The Exchange will post general information, including its Contract Specifications and a copy of its Rulebook, on its Website. Notices of new Contracts, Rules, and Rule amendments will be posted on the Exchange Website concurrent with the filing or submission of such information with the CFTC. All relevant information relating to the Exchange and its Contracts will be made available to Participants so they are able to make their own determination regarding if participation</p>	<p>Exhibit M – Rulebook</p> <p>Exhibit K - Fees</p> <p>Exhibit Q – Trading System</p>

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	<p>in the Exchange's market is appropriate considering their experience, objectives, financial resources, and any other relevant circumstances.</p> <p>IMX will charge fees that are equal across classes, and such fees are designed to be non-discriminatory. IMX makes public its Rules, fees and Participant eligibility criteria, among other items, on its website.</p>	
Core Principle 20 – System Safeguards		
<p>Each designated contract market shall:</p> <p>(a) Establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and the development of automated systems, that are reliable, secure, and have adequate scalable capacity;</p> <p>(b) Establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for the timely recovery and resumption of operations and the fulfillment of the responsibilities and obligations of the board of trade; and</p> <p>(c) Periodically conduct tests to verify that backup resources are sufficient to ensure continued order processing and trade matching, transmission of matched orders to a designated clearing organization for clearing, price reporting, market surveillance,</p>	<p>The Exchange has developed a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures and the development of automated systems that are reliable, secure and to have adequate scalable capacity as described in Exhibit V.</p> <p>This program is described in Exhibit V, which includes information regarding the security of those systems, the Exchange's risk assessment reviews, internal controls for operations, functional testing, security testing and capacity planning and testing.</p> <p>Exhibit V describes the Exchange's emergency plan and includes a description of the back-up systems and emergency procedures that include recovery time objectives. Under the emergency plan, the Exchange has procedures to conduct failover tests to ensure that backup resources are sufficient to ensure continued order processing and trade matching, price reporting, market surveillance and maintenance of a comprehensive and accurate audit trail. In addition, during an emergency, Exchange Rule 504 authorizes the Exchange to implement temporary emergency procedures and Rules. See also Core Principle 6.</p> <p>IMX shall review the viability of backup resources in tandem with resource evaluations and technology refreshes of its production facilities. Along with industry wide testing, the Exchange will conduct quarterly internal testing of its own backup systems in coordination with all critical regulatory and technology service providers. See Exhibit V for</p>	<p>Exhibit V – Technology Questionnaire</p>

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and maintenance of a comprehensive and accurate audit trail.	more details. The Exchange will conduct periodic objective testing of the Exchange Trading Platform, and trade environment generally, pursuant to the provisions contemplated in the CFTC Technology Questionnaire. The Exchange will also periodically conduct tests and assessments, including: vulnerability testing; penetration testing; controls testing; security incident response plan testing and enterprise technology risk assessment.	
Core Principle 21 – Financial Resources		
<p>(a) <i>In General.</i> The board of trade shall have adequate financial, operational, and managerial resources to discharge each responsibility of the board of trade.</p> <p>(b) <i>Determination of adequacy.</i> The financial resources of the board of trade shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the contract market to cover the operating costs of the contract market for a 1-year period, as calculated on a rolling basis.</p>	<p>The Exchange will maintain financial resources that exceed the total amount that would enable the contract market to cover the operating costs sufficient to enable it to perform its functions in compliance with the core principles for DCMs for a twelve-month period, as calculated on a rolling basis, and liquid financial assets that exceed projected operating costs for a six-month period, as calculated on a rolling basis. At its inception, and until such time IMX has adequate revenue and cash flow, IMX will be funded, as needed, with funds from its parent company IMX, LLC. See <i>also</i> Exhibit I.</p> <p>The Exchange will follow the Guidance on Calculating Projected Operating Costs By DCMs and SEFs, as required by CFTC Letter 17-25.</p> <p>The financial requirements and other materials required by this Core Principle will be submitted to the CFTC quarterly in the time period required by this Core Principle.</p>	Exhibit I – Financial Information
Core Principle 22 – Diversity of Board of Directors		
The board of trade, if a publicly traded company, shall endeavour to recruit individuals to serve on the board of directors and the other decision-making	IMX is not a publicly traded company; therefore this Core Principle is not applicable.	N/A

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bodies (as determined by the Commission) of the board of trade from among, and to have the composition of the bodies reflect, a broad and culturally diverse pool of qualified candidates.		
Core Principle 23 – Securities and Exchange Commission		
The board of trade shall keep any such records relating to swaps defined in Section 1a(47)(A)(v) of the Act open to inspection and examination by the Securities and Exchange Commission.	IMX does not offer any security-based contracts, therefore this Core Principle is not applicable.	N/A