



imxTM
Intelligent Medicine ExchangeTM

IMX HEALTH, LLC RULEBOOK

02/12/2024

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE, DIRECTLY OR INDIRECTLY (SUCH AS THROUGH AN INTERMEDIARY), AND ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, EXPRESSLY CONSENTS TO THE JURISDICTION OF THE EXCHANGE AND AGREES TO BE BOUND BY AND COMPLY WITH THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES. ANY FUTURES COMMISSION MERCHANT, INTRODUCING BROKER, ASSOCIATED PERSON, OR FOREIGN PERSON PERFORMING A SIMILAR ROLE, THAT CHARGES A COMMISSION OR FEE IN CONNECTION WITH TRANSACTIONS ON OR

SUBJECT TO THE RULES OF THE EXCHANGE, ALSO EXPRESSLY CONSENTS TO THE EXCHANGE'S JURISDICTION.

Contents

CHAPTER 1. DEFINITIONS

RULE 101. Definitions

CHAPTER 2. EXCHANGE OWNERSHIP AND GOVERNANCE

RULE 201. Ownership

RULE 202. Board

RULE 203. Officers

RULE 204. Qualifications of Directors; Eligibility/Fitness

RULE 205. Standing Committees

RULE 206. [RESERVED]

RULE 207. [RESERVED]

RULE 208. Regulatory Oversight Committee

RULE 209. Chief Regulatory Officer

RULE 210. Conflicts of Interest

RULE 211. Maintenance of Books and Records by the Exchange

RULE 212. Information-Sharing Agreements

RULE 213. [RESERVED]

RULE 214. Services Agreement with a Technology Services Provider

CHAPTER 3. PARTICIPANTS

RULE 301. Jurisdiction

RULE 302. Trading Privileges

RULE 303. Criteria for Becoming a Participant

RULE 304. Authorized Users and User IDs

RULE 305. Account Administrators and Authorized Representatives

RULE 306. Dues, Assessments and Fees

- RULE 307. Recording of Communications
- RULE 308. Notices to Participants
- RULE 309. Communications Between the Exchange and Participants
- RULE 310. Withdrawal of Participant
- RULE 311. Independent Software Vendor
- RULE 312. Sanctioned Party

CHAPTER 4. OBLIGATIONS OF PARTICIPANTS

- RULE 401. Duties and Responsibilities of Participants
- RULE 402. Required Disclosures to the Exchange
- RULE 403. Ability to Obtain Information
- RULE 404. Confidentiality of Financial and Other Information
- RULE 405. Compliance with Minimum Financial Requirements, Financial Reporting Requirements and Requirements Relating to Protection of Customer Funds
- RULE 406. Authority to Impose Restrictions
- RULE 407. Customers
- RULE 408. Treatment of Customer Funds and Securities
- RULE 409. Disclosure Requirements
- RULE 410. Information Regarding Orders
- RULE 411. Disaster Recovery; Business Continuity

CHAPTER 5. TRADING PRACTICES AND BUSINESS CONDUCT

- RULE 501. Scope
- RULE 502. Procedures
- RULE 503. Business Days and Trading Hours
- RULE 504. Market Suspension and Emergencies
- RULE 505. Conflicts of Interest in Emergencies

RULE 506.	Rule Violations
RULE 507.	Fraudulent Acts Prohibited
RULE 508.	Fictitious, Wash or Non-Competitive Transactions Prohibited
RULE 509.	Market Disruption Prohibited
RULE 510.	Market Manipulation Prohibited
RULE 511.	Disruptive Trading Practices Prohibited
RULE 512.	Prohibition of Misstatements
RULE 513.	Acts Detrimental to Welfare of the Exchange Prohibited
RULE 514.	Adherence to Law
RULE 515.	Supervision
RULE 516.	Contracts Trading on the Exchange
RULE 517.	Pre-Trade Risk Controls
RULE 518.	Acceptable Orders
RULE 519.	Spread Orders
RULE 520.	Modification and Cancellation of Orders
RULE 521.	Orders of Other Clearing Members
RULE 522.	Misuse of the Exchange Trading Platform
RULE 523.	Errors and Omissions in Handling Orders
RULE 524.	Withholding Orders Prohibited
RULE 525.	Priority of Customers' Orders
RULE 526.	Disclosing Orders Prohibited
RULE 527.	Position Transfers
RULE 528.	Wash Sales Prohibited
RULE 529.	Recordkeeping Requirements for Entering Orders into the Exchange Trading Platform

- RULE 530. Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited
- RULE 531. Responsibility For Customer Orders
- RULE 532. Discretionary Orders
- RULE 533. Priority of Execution
- RULE 534. Average Price System
- RULE 535. Position Limits and Exemptions
- RULE 536. Position Accountability
- RULE 537. Reports of Large Positions
- RULE 538. Identification of Authorized Users and Related Parties
- RULE 539. The Exchange Trading Platform Algorithms
- RULE 540. Trade Cancellations and Price Adjustments

CHAPTER 6. DISCIPLINARY RULES

- RULE 601. General
- RULE 602. Inquiries and Investigation
- RULE 603. Reports of Investigations
- RULE 604. Review of Investigative Reports
- RULE 605. Notice of Charges
- RULE 606. Opportunity to Respond
- RULE 607. Service of Notice of Charges
- RULE 608. Answer to Notice of Charges; Reply
- RULE 609. Settlements
- RULE 610. Disciplinary Panel
- RULE 611. Convening Hearings of Disciplinary Proceedings
- RULE 612. Respondent Review of Evidence

- RULE 613. Conducting Hearings of Disciplinary Proceedings
- RULE 614. Decision of Hearing Panel
- RULE 615. Sanctions
- RULE 616. Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions
- RULE 617. Summary Imposition of Fines
- RULE 618. Summary Suspensions and Other Summary Actions
- RULE 619. Failure to Pay Fine
- RULE 620. Rights and Responsibilities After Suspension or Termination
- RULE 621. Notice to the Respondent and the Public
- RULE 622. Enforcement Staff

CHAPTER 7. ARBITRATION RULES

- RULE 701. Disputes Subject to Arbitration
- RULE 702. Initiating an Arbitration Claim
- RULE 703. Exceptions to Required Arbitration
- RULE 704. Notice
- RULE 705. Right to Counsel
- RULE 706. Penalties

CHAPTER 8. CLEARING

- RULE 801. Submission to Clearing House
- RULE 802. Clearing House Rules
- RULE 803. Clearing Members
- RULE 804. Responsibilities of Participants
- RULE 805. Settlement
- RULE 806. Clearing Fees

RULE 807. Transfer of Trades

RULE 808. Concurrent Long and Short Positions

CHAPTER 9. MISCELLANEOUS

RULE 901. Governing Law

RULE 902. Confidentiality

RULE 903. Prohibition on Trading by Exchange Officials; Misuse of Material, Non-Public Information

RULE 904. Gifts and Gratuities

RULE 905. Market Data

RULE 906. Amendments to the Rules

RULE 907. Extension or Waiver of Rules

RULE 908. Effect of Amendment, Repeal or New Rule

RULE 909. Force Majeure

RULE 910. Limitation on Liability

RULE 911. Limitation on Damages

RULE 912. Indemnification

RULE 913. Disclaimer of Warranties

CHAPTER 10. RESERVED

CHAPTER 11. RESERVED

CHAPTER 12. IMX – MORNINGSTAR US HEALTHCARE INDEX FUTURES

CHAPTER 1. DEFINITIONS

RULE 101. Definitions

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

“Account Administrator” means an officer or employee of a Participant appointed pursuant to Rule 305.

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

“Appeal” has the meaning set forth in Rule 601.

“Appeal Decision” has the meaning set forth in Rule 616.

“Appeal Panel” is a panel constituted under and in accordance with the provisions of Rule 616.

“Applicable Law” means, with respect to any Person, any statute, law, regulation, rule, ordinance, order, or interpretive guidance of any governmental, judicial, administrative, self-regulatory authority or court applicable to or with jurisdiction over such Person.

“Answer” has the meaning set forth in Rule 605.

“Audit Trail” has the meaning set forth in Rule 529.

“Authorized Representative” has the meaning set forth in Rule 305.

“Authorized User” means a natural person who is either employed by or is an agent of a Participant and who is authorized to access the Trading Platform.

“Board” means the Board of IMX Health, LLC, which manages the Exchange and is constituted from time to time in accordance with the IMX Operating Agreement.

“Book” has the meaning set forth in Rule 519.

“Business Day” means any day on which a Settlement Price for a Contract is determined by the Exchange.

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

“CFTC” or **“Commission”** 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.

“Chief Executive Officer” or **“CEO”** means the individual appointed as the chief executive officer of the Exchange and approved by the Board to serve in such capacity.

“Chief Regulatory Officer” or **“CRO”** means the individual appointed as the chief regulatory officer of the Exchange and approved by the Board.

“Clearing House” means any clearing house registered with the CFTC as a Derivatives Clearing Organization (DCO) that the Exchange designates to provide clearing services with respect to any or all of its Contracts. To the extent that the Exchange designates multiple DCOs to provide clearing services at any given time, the term Clearing House shall refer to any DCO designated to provide such services with respect to the Contract in question.

“Clearing Member” means an entity meeting the requirements of, and approved for, Clearing Membership at the Clearing House that is authorized pursuant to the Clearing House Rules to clear trades in any or all Contracts. Except for those Clearing Members that clear solely for their own proprietary accounts (each, an **“Individual Clearing Member”**), all other Clearing Members must be registered with the CFTC as FCMs (each, an **“FCM Clearing Member”**). A Clearing Member is also granted Trading Privileges and is deemed a Participant.

“Clearing House Rules” means the rules, regulatory guidance and procedures of the Clearing House in force from time to time.

“Contract” means any contract, agreement, or transaction approved for trading on the Exchange and pursuant to the Rules.

“Contract Market” has the meaning set forth in CFTC Regulation 1.3.

“Contract Specifications” means the specified terms and conditions for each Contract.

“Control” means, the possession, direct or indirect, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Covered Person” has the meaning set forth in Rule 910.

“Customer” means any Person for whom a Participant carries an account (other than such Participant or any of its affiliates) or from whom a Participant solicits or accepts an order.

“Daily Settlement Price” or **“Settlement Price”** means the price for each Contract supplied by the Exchange to the Clearing House at the end of a Business Day.

“Decision” has the meaning set forth in Rule 609.

“Derivatives Clearing Organization” or **“DCO”** has the meaning set forth in § 1a(15) of the CEA and CFTC Regulation 1.3.

“Designated Contract Market” or **“DCM”** has the meaning set forth in CFTC Regulation 1.3.

“Director” means any member of the Board.

“Disciplinary Panel” means the panel appointed and convened pursuant to Chapter 6 to conduct hearings in connection with a Disciplinary Proceeding (other than summary impositions of fines pursuant to Rule 617), make findings, render decisions, and impose sanctions pursuant to Chapter 6 of the Rules. Each Disciplinary appointed or convened under these Rules shall include at least one person who would qualify as a Public Director, except in cases limited to decorum, attire, or the timely submission of accurate records required for clearing or verifying each Business Day’s Transactions in Contracts.

“Disciplinary Proceeding” has the meaning set forth in Rule 601.

“Emergency” means any occurrence or circumstance that in the opinion of the Board, or a person or persons duly authorized to issue such an opinion on behalf of the Board under circumstances and pursuant to procedures that are specified under these 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 Transactions in Contracts, or the timely collection and payment of funds in connection with clearing and settlement by a Clearing House, including, without limitation:

(1) any manipulative or attempted manipulative activity, including;

(a) any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions;

- (b) any circumstance which may materially affect the performance of Contracts or Transactions, including failure of the payment system or the bankruptcy or insolvency of any Person;
- (c) any action taken by any Government Agency, or any other registered entity (including the Clearing House), board of trade, market, or facility (foreign or domestic) which may have a direct adverse effect on trading or on clearing and settlement; and
- (d) any other circumstance that may have a severe, adverse effect upon the functioning of the Exchange.

“Emergency Action” has the meaning set forth in Rule 504.

“Exchange” or **“IMX”** means IMX Health, LLC, a Delaware limited liability company designated by the CFTC as a contract market.

“Exchange Official” means any Director or Officer of, or individual employed by, the Exchange or any individual rendering similar services to the Exchange under an administrative or similar agreement.

“Exchange Trading Platform” or **“Trading Platform”** means the electronic trading facility operated by IMX Health, LLC, as a Designated Contract Market to provide Participants with the ability to execute Transactions.

“Expiry” means a Contract’s date of expiration.

“Final Settlement Price” means the price for each Contract supplied by the Exchange to the Clearing House as the final Settlement Price for the Expiry as specified in the Contract Specifications.

“FCM” means a futures commission merchant as defined in the CEA and CFTC Rules and registered with the CFTC as such.

“Force Majeure Event” means a delay or failure that is the result of an act of God, lightning, earthquake, fire, epidemic, landslide, drought, hurricane, tornado, storm, explosion, flood, nuclear radiation, act of a public enemy or blockade, insurrection, riot or civil disturbance, strike or labor disturbance, or any other cause beyond the Exchange’s reasonable control (whether or not similar to any of the foregoing.)

“Government Agency” means any governmental entity (including the United States, a State, or a foreign government agency or instrumentality, including any Self-Regulatory Organization).

“Hearing Panel” means a panel constituted under and in accordance with Rule 610.

“Independent Software Vendor” has the meaning set forth in Rule 311.

“index” and **“index licensor”** have the meanings set forth in Rule 913.

“Insolvency” and **“Insolvent”** means the occurrence of any of the following events with respect to a Person:

(a) the Person is determined to be insolvent by a Government Agency or Self-Regulatory Organization;

(b) if the Person is a member of the Securities Investor Protection Corporation, a court of competent jurisdiction finds that the Person meets any one of the conditions set forth in clauses (A), (B), (C) or (D) of Section 5(b)(1) of the Securities Investor Protection Act of 1970;

(c) in the event of the entry or the making of a decree or order by a court, Government Agency or other supervisory authority of competent jurisdiction (i) adjudging the Person as bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization, arrangement, liquidation, dissolution, adjustment or composition of or in respect of the Person under the Bankruptcy Code or any other applicable federal, state or other U.S. or non-U.S. law, including any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, (iii) appointing a receiver, custodian, liquidator, provisional liquidator, administrator, provisional administrator, assignee, trustee, sequestrator or other similar official for the Person or for any substantial part of its property,

(d) ordering the winding up or liquidation of the Person's affairs or consenting to the institution by the Person of proceedings to be adjudicated as a bankrupt or insolvent;

(e) the filing by the Person of a petition, or any case or proceeding, seeking reorganization or relief under the Bankruptcy Code or any other applicable federal, state or other U.S. or non-U.S. law, including any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or the consent by the Person to the filing of any such petition, case or proceeding or to the appointment of a receiver, custodian, liquidator, provisional liquidator, administrator, provisional administrator, assignee, trustee, sequestrator or other similar

official for the Person or for any substantial part of its property, or the making by the Person of an assignment for the benefit of its creditors, or the admission by the Person in writing of its inability to pay its debts generally as they become due, or the taking of corporate or similar action by the Person in furtherance of the foregoing.

“Investigative Report” has the meaning set forth in Rule 603.

“Joint Audit Committee” means the Self-Regulatory Organization constituted under CFTC Regulation 1.52(d)(2), including the Exchange in its capacity as a Self-Regulatory Organization.

“Joint Compliance Committee” or **“JCC”** means the information-sharing organization, as constituted and convened from time to time, whose members include compliance officials from registered DCMs, including the Exchange.

“Loss Event” has the meaning set forth in Rule 911.

“Losses” has the meaning set forth in Rule 910.

“Market Data” has the meaning set forth in Rule 905.

“material relationship” is as defined in Appendix B to Part 38 of the CFTC Regulations and Rule 202(d) of these Rules.

“Member” or **“Participant”** means a Person owning or holding membership in, or admitted to membership representation on, the Exchange or Clearing House, or having Trading Privileges on the Exchange.

“Named Party” has the meaning set forth in Rule 210.

“NFA” means the National Futures Association.

“NFA Rules” means the rules and by-laws of the NFA, as in force from time to time.

“No Bust Range” has the meaning set forth in Rule 540.

“Notice of Appeal” has the meaning set forth in Rule 616.

“Notice of Charges” has the meaning set forth in Rule 605.

“Offer of Settlement” has the meaning set forth in Rule 609.

“Officer” has the meaning set forth in Rule 203.

“Operating Agreement of IMX Health, LLC” or **“IMX Operating Agreement”** means the First Amended and Restated Limited Liability Company Agreement of IMX Health LLC, dated as August 19, 2021, as amended from time to time.

“Order” means any order to buy or sell a Contract on or subject to the Rules of the Exchange. The terms **“Stop Order,” “Stop Limit Order,” “Time in Force Order,” “Day Order,” “Good Until Canceled Order,” “Immediate or Cancel Order,”** and **“Fill or Kill Order”** have the meanings set forth in Rule 518.

“Participant” or **“Member”** means a Person owning or holding membership in, or admitted to membership representation on, the Exchange or Clearing House, or having Trading Privileges on the Exchange.

“Participant Documentation” means the documentation required under Rule 302.

“Person” includes individuals, associations, partnerships, corporations, and trusts.

“Position Transfer” means a Transaction in Contracts that is executed by the Exchange personnel in accordance with the provisions of Rule 527.

“Public Director” means a Director that has been determined by the Board to have no material relationship with the Exchange or any of its Affiliates and that satisfies the requirements for a “Public Director” as defined in the CFTC Regulations.

“Regulatory Department” means all Exchange Officials, market surveillance, compliance staff and/or agents of the Exchange that assist the Exchange with the implementation, surveillance and enforcement of Exchange Rules.

“Regulatory Oversight Committee” has the meaning set forth in Rule 205.

“Related Party of the Participant” has the meaning set forth in Rule 910.

“Respondent” means a Person against whom a claim is asserted under these Rules.

“Restricted Country or Territory” has the meaning set forth in Rule 313.

“Restricted Person” has the meaning set forth in Rule 313.

“Review Panel” means a panel constituted under and in accordance with Rule 610.

“Reply” has the meaning set forth in Rule 608.

“Rules” means all rules adopted by the Exchange, including notices to Members, regulatory or interpretive guidance or advisories, orders issued in connection with Disciplinary Proceedings, policies and procedures published from time to time by the Exchange.

“Self-Regulatory Organization” or **“SRO”** shall, unless otherwise provided, have the meaning set forth in CFTC Regulation 1.3 and, in addition, shall include a Derivatives Clearing Organization that is registered as such with the CFTC.

“Sanctioned Party” has the meaning set forth in Rule 313.

“Sanctioning Body” has the meaning set forth in Rule 313.

“Settlement” has the meaning set forth in Rule 606.

“Settlement Price” or **“Daily Settlement Price”** means the price for each Contract supplied by the Exchange to the Clearing House at the end of a Business Day.

“Summary Action” and **“Summary Fine”** have the meaning set forth in Rule 616.

“Swap Execution Facility” has the meaning set forth under the CEA and the CFTC Regulations.

“Technology Services Agreement” means any agreement as in force from time to time between the Exchange and the Technology Services Provider whereby technology services are provided to the Exchange.

“Technology Services Provider” means any organization which provides technology services to the Exchange pursuant to a Technology Services Agreement.

“Trade, Trading Activity or Transaction” means any purchase or sale of any Contract made on the Exchange or through the Trading Platform.

“Trading Account” means a ledger used to track Trading Activity under a Member or Participant for a particular purpose, Customer, strategy, or any other reason as determined by such Member or Participant in its discretion.

“Trading Account ID” means an Exchange-assigned ID that represents a Trading Account for use by the Exchange, the Clearing House or any Member.

“Trading Platform” means the electronic trading facility operated by IMX Health, LLC, as a Designated Contract Market to provide Participants with the ability to execute Transactions.

“Trading Privileges” means the right granted to a Member or Participant to transmit Orders for Contracts through the Trading Platform.

“Transaction” means any purchase or sale of any Contract made on the Trading Platform or subject to the Rules of the Exchange.

“Trading Hours” means, for any Business Day, the hours specified on the Exchange Website.

“User ID” means a unique identifier assigned to a Participant and Authorized User to enable such Participant or Authorized User to access the Trading Platform and which enables the Exchange to identify the individual entering Orders into the Exchange.

“Warning Letter” is a cautionary letter that is considered an informal regulatory action. A Warning Letter may be considered by the Regulatory Department as relevant disciplinary history of the Participant in assessing any subsequent violation of these Rules by such Participant.

“Website” means the Exchange’s website www.imxhealth.com

CHAPTER 2. EXCHANGE OWNERSHIP AND GOVERNANCE

RULE 201. Ownership

IMX Health, LLC is a Delaware Limited Liability Company. IMX, LLC owns 100% of IMX Health, LLC.

RULE 202. Board

- (a) The Board shall manage the day-to-day business operations of the Exchange. 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 related to the day-to-day business operations of the Exchange. These duties shall include ensuring fair and impartial access to the Exchange, as well as ensuring that the Exchange adopts a fee structure that is non-discriminatory.
- (b) The Board may act only by the decision of an absolute majority in number of the Directors by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the IMX Operating Agreement.
- (c) The Board shall comprise the number of directors set forth in the IMX Operating Agreement. At all times, at least 35% of the Directors shall be Public Directors.
- (d) To qualify as a Public Director, an individual must be found, by action of the Board, to have no material relationship with the Exchange. The Board must make such finding upon the nomination or appointment of the Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually.

A “material relationship” is one that reasonably could affect the independent judgment or decision-making of the Director. In making the finding specified in this Rule, the Board need not consider previous service as a Director of the Exchange to constitute a “material relationship.” A Director shall be considered to have a “material relationship” with the Exchange if any of the following circumstances exist or have existed within the past year:

- (1) Such Director is or was an Officer or employee of the Exchange, or an officer or employee of an Affiliate of the Exchange;

- (2) Such Director is or was a Participant of the Exchange, or is or was a director or officer of a Participant of the Exchange;
 - (3) Such Director, or an entity with which the Director is a partner, officer, employee, or director, receives or has received more than \$100,000 in combined annual payments for legal, accounting or consulting services from the Exchange or its Affiliate. Compensation for services as a Director of the Exchange or as a director of an Affiliate thereof does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable.
- (e) If any of the “immediate family” of a Director, i.e., spouse, domestic partner, parents, children, and siblings, in each case, whether by blood, marriage, or adoption, or any individual residing in the home of the Director or that of his or her immediate family have a material relationship as defined above, then that material relationship is deemed to apply to such Director.
 - (f) Each Director (including Public Directors) shall be appointed in accordance with the IMX Operating Agreement and these Rules, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.
 - (g) The compensation of the Public Directors and other non-executive Directors of the Board shall not be directly linked to the business performance of the Exchange.
 - (h) The Board shall have procedures, as may be further set forth in policies that the Exchange may adopt, to remove a Director from the Board where the conduct of such Director is likely to be prejudicial to the sound and prudent management of the Exchange.
 - (i) The Board shall establish arrangements to permit consideration of Directors in connection with the functioning of the Exchange and with additions or amendments to the Rules and shall make a description of such arrangements available to the CFTC.
 - (j) Each Director is entitled to indemnification pursuant to the IMX Operating Agreement with respect to matters relating to the Exchange.

RULE 203. Officers

- (a) Subject to the oversight of the Board, the Exchange shall appoint from time to time one or more individuals to serve as the Chief Executive Officer, Chief Regulatory Officer, and such

other officers of the Exchange (all of the foregoing, collectively, the “**Officers**”) as it may deem necessary or appropriate from time to time, in accordance with the IMX Operating Agreement.

- (b) Any Officer may also be a Director or employee of the Exchange or any of its Affiliates, subject to disclosure and resolution of conflicts of interest.
- (c) The Officers shall have such powers and duties in the management of the Exchange as the Board may prescribe from time to time.
- (d) Each Officer is entitled to indemnification pursuant to the IMX Operating Agreement with respect to matters relating to the Exchange.
- (e) No Officer or employee of the Exchange shall be admitted as a Participant.

RULE 204. Qualifications of Directors; Eligibility/Fitness

- (a) A Director must meet the qualifications set forth from time to time in the IMX Operating Agreement.
- (b) An individual may not directly or indirectly own 10% or more of the Exchange or serve as a Director or serve on any committee established by the Board, a Disciplinary Panel, Hearing Panel, Review Panel or Appeals Panel if the individual:
 - (1) 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;
 - (2) 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;
 - (3) is currently suspended from trading on a Contract Market, 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 related to either:

- (i) 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
 - (ii) 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;
 - (4) is currently subject to an agreement with the CFTC or any Self-Regulatory Organization to not apply for registration with the CFTC or for membership in the Self-Regulatory Organization;
 - (5) is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC;
 - (6) has been convicted of a felony listed in section 8a(2)(D)(ii) through (iv) of the CEA;
 - (7) is currently subject to a denial, suspension, or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any Self-Regulatory Organization as that term is defined in CFTC Regulation 1.63 and Section 3(a)(26) of the Securities the Exchange Act of 1934; or
 - (8) is subject to a statutory disqualification pursuant to Section 8a(2) of the CEA.
- (c) For purposes of this Rule 204, the terms “disciplinary offense,” “final decision,” and “settlement agreement” have the meanings set forth in CFTC Regulation 1.63.
- (d) Prior to nomination to the Board, each individual shall certify that he or she is not disqualified pursuant to this Rule 204. Upon appointment, each member of the Board shall provide to the Exchange, where applicable, notice of any event giving rise to a disqualification under this Rule. In addition, any person appointed to a panel under this Rule shall certify their compliance with the requirements and conditions of this Rule. The Exchange shall make reasonable efforts to verify any certification hereunder, which may include reasonable reliance on representations and certifications made in accordance with this Rule.
- (e) In addition, to serve as a Director, an individual must possess the ability to contribute to the effective oversight and management of the Exchange, taking into account the needs of the Exchange and such factors as the individual’s experience, perspective, skills and knowledge

of the industry in which the Exchange operates. This shall include sufficient expertise, where applicable, in financial services, risk management, and clearing services.

- (f) An individual may not serve on any Disciplinary Panel, Hearing Panel, Review Panel or Appeals Panel, or on any arbitration panel convened under Chapter 7 of these Rules during any proceeding affecting or concerning such individual, as determined by the Exchange's Chief Regulatory Officer.
- (g) If the Exchange determines that an individual subject to this Rule 204 no longer meets the criteria set forth in Rule 204(b), the Exchange shall inform the CFTC of such determination.

RULE 205. Standing Committees

- (a) The Board shall have one standing committee, the ("**Regulatory Oversight Committee.**") The Board may from time to time constitute and appoint such additional standing committees of the Board, as well as such Disciplinary Panels, Hearing Panels, Review Panels and Appeal Panels as it may from time to time deem necessary or advisable.
- (b) Each member of such standing committee must be a Director, one of whom the Board shall designate as the chairperson ("**Chair**") of each standing committee.
- (c) Each standing committee of the Board shall assist in the supervision, management and control of the affairs of the Exchange within its particular area of responsibility, subject to the authority of the Board.
- (d) Subject to the authority of the Board, each standing committee shall determine the manner and form in which its proceedings shall be conducted. Each standing committee may act only by the decision of an absolute majority in number of the members of such committee, by vote at a meeting or by unanimous written consent without a meeting. Subject to Rule 208, the Board has the power to review, and to approve, modify, suspend or overrule, any and all decisions of any committee of the Exchange and any Officers, subject to Applicable Law.

RULE 206. [RESERVED]

RULE 207. [RESERVED]

RULE 208. Regulatory Oversight Committee

- (a) The Regulatory Oversight Committee of the Board shall consist entirely of Public Directors.

- (b) The Regulatory Oversight Committee shall oversee the Exchange's regulatory program on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of the Exchange. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the Rules 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:
- (1) monitor the regulatory program of the Exchange for sufficiency, effectiveness and independence;
 - (2) oversee all facets of the Exchange's regulatory program, including trade practice and market surveillance, regulatory audits, examinations, and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping and other requirements) and the conduct of investigations;
 - (3) review the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel;
 - (4) review the performance of the Chief Regulatory Officer and make recommendations with respect to such performance to the Board;
 - (5) prepare an annual report for the Board and the CFTC that assesses the Exchange regulatory program. The report shall set forth the program's expenses, describe its staffing and structure, catalogue investigations and Disciplinary Proceedings taken during the year and review the Disciplinary Panel of the Exchange as established from time to time;
 - (6) recommend changes that would ensure fair, vigorous and effective regulation;

- (7) review all regulatory or compliance proposals prior to implementation and advise the Board as to whether and how such changes may affect regulation or compliance, as applicable;
 - (8) hold regular meetings to discuss matters of regulatory concern and conduct periodic reviews of the services provided on the Exchange's behalf, if any. Such reviews shall be adequately documented and made available to the CFTC on request; and
 - (9) assist the Board in minimizing potential conflicts of interests relating to the Exchange's self-regulatory obligations.
- (d) If the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Exchange shall provide a written report to the CFTC detailing:
 - (1) the recommendation of or action proposed to be taken;
 - (2) the rationale for such recommendation or proposed action;
 - (3) the rationale of the Board for rejecting such recommendation or superseding such action; and
 - (4) the course of action that the Board decided to take contrary to such recommendation or action.
- (e) The Regulatory Oversight Committee shall have the authority, discretion, and necessary resources to:
 - (1) conduct its own inquiries;
 - (2) obtain or retain independent consultants or advisors in consultation with the Board;
 - (3) consult directly with the Exchange regulatory staff;
 - (4) review all relevant documents;
 - (5) interview employees, Officers, and Participants;

(6) otherwise exercise its independent analysis and judgment to fulfill its regulatory obligations; and

(7) ask the Exchange management staff or others to attend meetings and provide information.

RULE 209. Chief Regulatory Officer

(a) It shall be the duty of the Chief Regulatory Officer to enforce the Rules.

(b) The Chief Regulatory Officer shall have available to him or her at all times those resources as may be necessary to conduct investigations of alleged Rule violations and market conditions.

(c) The Chief Regulatory Officer shall report to, and shall be supervised by, the Regulatory Oversight Committee.

(d) The Chief Regulatory Officer shall have the authority to inspect the books and records of all Participants and the authority to require any Participant to appear before him or her and produce its books and records and answer questions regarding alleged violations of the Exchange Rules, at the time, place and in the manner it designates. The Chief Regulatory Officer may also delegate such authority to the Exchange staff.

(e) The Chief Regulatory Officer may not be disqualified from registration pursuant to CEA Sections 8a(2) or 8a(3).

RULE 210. Conflicts of Interest

(a) Definitions. For purposes of this Rule the following definitions shall apply:

(1) The term family relationship ("Family Relationship") shall mean a Person's spouse, former spouse, parent, stepparent, child, step child, sibling, step sibling, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

(2) The term "Named Party" shall mean a Person that is identified by name as a subject of any matter being considered by the Board or a committee.

(b) Prohibition. 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 any Disciplinary

Panel, Hearing Panel, Review Panel, Appeals Panel or arbitration panel convened under Chapter 7 of these Rules shall knowingly participate in such body's deliberations or voting in any matter involving a Named Party where such member:

- (1) is a Named Party or has a material relationship to the Exchange;
- (2) is an employer, employee or fellow employee of a Named Party;
- (3) is associated with a Named Party through a broker association;
- (4) has a Family Relationship with a Named Party; or
- (5) has any other significant, ongoing business relationship with a Named Party, excluding relationships limited to executing Transactions opposite each other.

(c) Disclosure. Prior to the consideration of any matter involving a conflict of interest affecting any member of the Board, any committee or any Disciplinary Panel (including any Hearing Panel, Review Panel or Appeals Panel) convened under these Rules (each, a "deliberating body") who does not choose to abstain from deliberations and voting by such deliberating body on such matter shall disclose the conflict of interest to the CEO, or their designee. In the case of a potential conflict of interest due to a financial interest, the affected member shall disclose:

- (1) gross positions held at that self-regulatory organization in the member's personal accounts or "controlled accounts," as defined in CFTC Regulation 1.3;
- (2) gross positions held at that self-regulatory organization in proprietary accounts, as defined in CFTC Regulation 1.17(b)(3), at the member's affiliated firm;
- (3) gross positions held at that self-regulatory organization in accounts in which the member is a principal, as defined in CFTC Regulation 3.1(a);
- (4) net positions held at that self-regulatory organization in "customer" accounts, as defined in CFTC Regulation 1.17(b)(2), at the member's affiliated firm; and,

- (5) any other types of positions, whether maintained at that self-regulatory organization or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the self-regulatory organization reasonably expects could be affected by the significant action.
- (d) Determination. The Chief Regulatory Officer shall determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this Rule 210. The determination shall be based on:
 - (1) information provided by the member pursuant to this Rule;
 - (2) the most recent large trader reports and clearing records available to the Exchange; and
 - (3) any other source of information that is held and reasonably available to the Exchange taking into consideration the exigency of the situation.
- (e) Participation in deliberation. Any member of the Board, any Board committee, or any Disciplinary Panel (including any Hearing Panel, Review Panel or Appeals Panel) convened under these Rules who is required to abstain from deliberations and voting pursuant to this Rule 210, may participate in deliberations, but not voting, if the deliberative body determines that participation would be in the public interest. In making its determination, the following factors shall be considered:
 - (1) the factors considered by the Chief Regulatory Officer in making a determination about conflicts of interest as described in this Rule 210;
 - (2) whether such member's participation in the deliberations is necessary to achieve a quorum; and
 - (3) whether such member has unique or special expertise, knowledge, or experience in the matter being considered.
- (f) Documentation. Any meeting of the Board, any Board committee, or any Disciplinary Panel (including any Hearing Panel, Review Panel or Appeals Panel) convened under these Rules shall include in their minutes or otherwise document any conflicts determination procedures followed. The records must also include:

- (1) the names of all members who attended the meeting either in person or were present by electronic means;
 - (2) the name of any member who voluntarily recused themselves or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention; and
 - (3) information on the position information that was reviewed for each member.
- (g) Ineligibility of the Chief Regulatory Officer. In the event that the Chief Regulatory Officer becomes aware that he or she may be subject to the prohibition under this Rule 210 for having a conflict of interest, the Chief Regulatory Officer will report the relevant conflict of interest to the Regulatory Oversight Committee. If any other Officer, Director, employee or other Person subject to the jurisdiction of these Rules believes that the Chief Regulatory Officer may have a conflict of interest under this Rule, such Person should promptly inform the Regulatory Oversight Committee of any relevant information by written or electronic means. In response to any notification that the Chief Regulatory Officer may have a conflict of interest, the Regulatory Oversight Committee shall determine whether a conflict exists, and in the event that the Regulatory Oversight Committee determines that one does, the Regulatory Oversight Committee will appoint another Officer or employee of the Exchange to act in the Chief Regulatory Officer's stead. In the event of a conflict or potential conflict between the Chief Regulatory Officer and Chief Executive Officer, the Chief Regulatory Officer will report any potential conflict to the Regulatory Oversight Committee.

RULE 211. Maintenance of Books and Records by the Exchange

- (a) The Exchange shall keep, or cause to be kept, complete and accurate books and records of all activities relating to the business of the Exchange, including all books and records required to be maintained pursuant to Applicable Law.
- (b) 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. All such books and records shall be open to inspection by and provided upon request to the CFTC, the U.S. Department of Justice, or any Government Agency with jurisdiction over the Exchange or its activities.

RULE 212. Information-Sharing Agreements

- (a) The Exchange may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which financial instruments related to the Contracts trade. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, the Exchange may:
- (1) provide market surveillance reports to other markets;
 - (2) share information and documents concerning current and former Participants with other markets;
 - (3) share information and documents concerning ongoing and completed investigations with other markets; and
 - (4) require its current or former Participants to provide information and documents to the Exchange at the request of other markets with which the Exchange has an information-sharing agreement or other arrangements or procedures.
- (b) The Exchange may enter into any arrangement with any Person or Government Agency (including, without limitation, the CFTC, the NFA, any Self-Regulatory Organization, any exchange, market, or clearing organization, foreign regulatory authority, the Joint Audit Committee, or the Joint Compliance Committee) if the Exchange considers such arrangement to be in furtherance of the Exchange's purpose or duties under the Rules or Applicable Law.
- (c) The Exchange may disclose to any Person or entity information concerning or associated with a Participant or other Person that the Exchange believes is necessary and appropriate in exercising a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a request for information was made.

RULE 213. [RESERVED]

RULE 214. Services Agreement with a Technology Services Provider

- (a) The Exchange may contract with a Technology Services Provider to provide certain technology services to the Exchange pursuant to a Technology Services Agreement. In accordance with a Technology Services Agreement, a Technology Services Provider may perform certain functions under these Rules and the Exchange may provide information to the

Technology Services Provider in connection with the performance by the Technology Services Provider of those functions. The Exchange conducts reviews to verify that the Technology Services Provider is performing certain technology services to the Exchange pursuant to a Technology Services Agreement.

- (b) The Exchange shall retain ultimate decision-making authority with respect to any functions that are contracted to a Technology Services Provider.

CHAPTER 3. PARTICIPANTS

RULE 301. Jurisdiction

(a) Participants and any Person who accesses, or enters any Order or submits any Transaction to the Trading Platform, and without any need for any further action, undertaking or agreement, agrees:

- (1) to be bound by, and comply with, the Exchange Rules, the Clearing House Rules and Applicable Law;
- (2) to be subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant;
- (3) that any Person initiating or executing a Transaction on or subject to the Rules of the Exchange, directly or indirectly (such as through an intermediary), and any Person for whose benefit such a Transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such Transactions to the extent applicable to such Person, including, without limitation, Rules requiring cooperation and participation in investigative and disciplinary process. Any futures commission merchant, introducing broker, associated person or foreign Person performing a similar role, that charges a commission or fee in connection with Transactions on or subject to the Rules of the Exchange also expressly consents to the Exchange's jurisdiction; and
- (4) to assist the Exchange in complying with its legal and regulatory obligations, cooperate with the Exchange and the CFTC in any inquiry, investigation, audit, examination or proceeding, and authorizes the Exchange to provide information regarding it to the CFTC or any other Government or Self-Regulatory Organization.

(b) Any Participant whose Trading Privileges and/or ability to otherwise access the IMX Trading Platform are revoked or terminated shall remain bound by these Rules, the Clearing House Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of the Exchange and the Clearing House 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.

- (c) A Participant who is suspended for any period remains subject to the Exchange Rules and the Exchange's jurisdiction throughout the period of suspension. After revocation or termination, the Participant will remain subject to the Exchange Rules.

RULE 302. Trading Privileges

- (a) A Participant must execute such Participant Documentation as required from time to time by the Exchange, and such Participant Documentation must remain in effect for the Participant to maintain its Trading Privileges.
- (b) Admission as a Participant entitles the Participant to access the Exchange and to Trading Privileges, including the right to place Orders for its proprietary accounts. It does not confer any right of ownership in, or right to attend or vote at meetings of, the Exchange, or right to share in the profits, of the Exchange. A Participant may not transfer or assign its status as a Participant without the prior written consent of the Exchange, and any purported transfer or assignment without the Exchange's prior consent is not binding on the Exchange.
- (c) All rights and privileges of a Participant terminate upon, and all obligations of a Participant shall survive the dissolution of the Participant.

RULE 303. Criteria for Becoming a Participant

- (a) Any Person who desires to become a Participant shall:
 - (1) be of good reputation and business integrity;
 - (2) comply with the financial responsibility, recordkeeping and reporting requirements set out in Rule 405;
 - (3) be validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Contracts;
 - (4) not be Insolvent;

- (5) not be prohibited from using the services of the Exchange for any reason whatsoever;
 - (6) hold all registrations required under Applicable Law;
 - (7) not be subject to statutory disqualification under Section 8a(2) of the CEA;
 - (8) provide such information and documentation as may be requested by the Exchange;
 - (9) follow the application procedures designated by the Exchange;
 - (10) execute the applicable Participant Documentation and any other documentation that may be required by the Exchange from time to time;
 - (11) be or establish a valid clearing relationship with a Clearing Member in good standing with the Exchange
 - (12) agree to abide by the Rules and Applicable Law; and
 - (13) provide such information and documentation as may be requested by the Exchange, and follow the procedures established by the Exchange for admission.
- (b) In considering an application from a potential Participant, the Exchange may require additional information from the applicant, or conduct an investigation to verify information submitted by the applicant, or both.
- (c) If the Exchange 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.
- (d) The Exchange may deny, condition or terminate Participant status of any Person:
- (1) If such Person is unable satisfactorily to demonstrate its ability to satisfy the eligibility criteria to become or remain a Participant;
 - (2) If such Person is unable satisfactorily to demonstrate its capacity to adhere to these Rules;

- (3) If admission of such Person would cause an adverse reputational impact to the Exchange, as determined by the Exchange, in its sole discretion; or,
 - (4) for any other cause as the Exchange may reasonably determine.
- (e) If the Exchange decides to decline or condition an application for admission as a Participant, or terminate a Person's status as a Participant, the Exchange shall promptly notify such Person (the "**Affected Person**") thereof in a writing sent to the address provided by the applicant in the Participant application form or maintained in the Exchange registry of Participant. Such Affected Person may, within seven (7) calendar days, request in writing that the Exchange provide the reasons for the denial, conditioning or termination of Participant status. Within fourteen (14) calendar days after receiving such written request, the Exchange shall send a written response to the Affected Person setting forth the reasons for the denial, conditioning or termination. Within fourteen (14) calendar days of receiving the Exchange's written response, the Affected Person may request in writing that the Exchange reconsider the determination.
- (f) Within twenty-eight (28) calendar days of receiving the request for reconsideration, the Exchange shall either confirm, reverse or modify the denial, conditioning or termination of the Affected Person as a Participant, and shall promptly notify the Affected Person accordingly in writing. The Exchange may, within its discretion, schedule a hearing (in-person or by teleconference), request additional information from the Affected Person or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration.
- (g) The decision is the final action of the Exchange and is not subject to appeal under these Rules.

RULE 304. Authorized Users and User IDs

- (a) Each Participant must designate one or more of its employees as an Authorized User(s) who will be responsible for any Trading Activity conducted on behalf of the Participant.
- (b) Each Participant will ensure on an ongoing basis that (i) none of its Authorized Users is subject to a statutory disqualification pursuant to CEA Section 8a(2) (unless an appropriate exemption has been obtained with respect thereto) and (ii) each of its Authorized Users is technically proficient and conducts its business in a fair and equitable manner.

- (a) By agreeing to become an Authorized User, an individual agrees to be bound by the duties and responsibilities of an Authorized User and to be subject to, and comply with, these Rules. Among other duties and responsibilities that the Exchange may impose, an Authorized User must:
- (1) have the authority, at the Exchange's request, to adjust or withdraw any Order submitted under any User ID assigned to him or her; and
 - (2) ensure that any the Trading Activity conducted under any User ID assigned to him or her complies with these Rules.
- (b) To designate an Authorized User, a Participant shall comply with such procedures and criteria of eligibility as the Exchange may from time to time prescribe.
- (c) The Exchange will promptly notify a Participant in writing of the approval of designated Authorized User(s) or if the Exchange declines to approve the nomination of an Authorized User.
- (d) The Exchange will maintain a list of all designated Authorized Users for each Participant. Each Participant shall maintain a list of all of its designated Authorized Users.
- (e) The Exchange may, in its sole discretion, revoke or suspend the designation of an individual as an Authorized User and shall promptly notify the Participant or Clearing Member of such action.
- (f) To request the termination of the designation of an individual as an Authorized User, the Participant shall follow procedures prescribed by the Exchange. The Exchange may, in its sole discretion, refuse to accept a request to terminate the registration of an Authorized User, or may postpone the effective date of the termination of registration if the Exchange considers it necessary for the protection of Participants or in the Exchange's best interest. Based on the information provided to, and other information gathered by, the Exchange regarding the request to terminate the registration of an Authorized User, the Exchange will determine whether to:
- (1) accept the request to terminate the designation; or
 - (2) postpone the effective date of termination of the designation, and/or impose any terms or conditions before or after the effective date of termination of the designation.

- (g) Participant acknowledges and agrees that it will be bound by any actions taken through the use of such Participant's User IDs including any of those User IDs issued to its Authorized Users, whether or not such actions were actually authorized. In addition, Participant acknowledges that the Exchange may rely upon, and will be fully released and discharged by Participant for acting upon, any information, data, Transaction details, Orders, acknowledgements or instructions that are: (i) entered, imported, transmitted or otherwise communicated under its Authorized User's IDs (whether or not such actions were actually authorized by Participant); or (ii) are otherwise reasonably believed by the Exchange to be genuine and to have been communicated or presented on behalf of Participant by an Authorized User, whether via the Trading Platform or otherwise.
- (h) In no event may a Participant or Authorized User enter an Order or permit the entry of an Order by an individual using a User ID other than the individual's own User ID. Participant is solely responsible for controlling and monitoring the use of the User IDs. Participant will immediately notify the Exchange in writing of any unauthorized disclosure, unauthorized use of a User ID, unauthorized access to the Trading Platform or of the need to deactivate any User ID.
- (i) Participant agrees to provide the Exchange with information related to the Participant's and its Authorized Users' use of the Trading Platform upon the Exchange's request, in order to enable the Exchange to determine the identity of any Person that is accessing the Trading Platform through a User ID of a Participant.

RULE 305. Account Administrators and Authorized Representatives

- (a) Participants shall have at all times one or more individuals identified to the Exchange as Account Administrators who will be responsible for the obligations set forth in this Rule. The Account Administrator shall be responsible for requesting User IDs for Authorized Users and notifying the Exchange of the need to terminate any previously issued User IDs of Authorized Users for that Participant.
- (b) The Account Administrator shall be responsible for all communications between the Exchange and Participant with respect to User IDs and access to the Trading Platform, and any notices or other communications sent to the Account Administrator by the Exchange shall be binding on the Participant. The Participant shall promptly notify the Exchange in writing of any change in its Account Administrators.

- (c) Each Participant shall designate one or more Authorized Representative(s) who by such designation shall be authorized to represent the Participant before the Exchange and its committees and receive notices on behalf of the Participant. By the Participant's designation, each Authorized Representative shall be empowered by the Participant, including its Authorized Users, to act on its behalf and the Exchange shall be entitled to rely on the actions of the Authorized Representative as binding on the Participant or Authorized User.
- (d) Each Participant must provide the Exchange with current contact and other requested information for each of its Account Administrators and Authorized Representatives.

RULE 306. Dues, Assessments and Fees

- (a) The Exchange shall have the authority to set the amounts and times of payment for any dues, assessments or fees (including the Trading Platform fees, execution fees, clearing fees, brokerage and any other Transaction surcharges) to be paid by Participants. Pursuant to CFTC regulation 38.151(b), fee structures established by the Exchange will be comparable for members, persons with trading privileges and independent software vendors receiving equal access to, or services from, the Exchange.
- (b) Each Participant agrees to pay such dues, assessments, and fees as are published by the Exchange in a fee circular/notification, on the Exchange's Website or as otherwise agreed between the Exchange and a Participant. Each Participant agrees to pay such dues, assessments, and fees when due. The Exchange may change fees charged to Participants in its discretion. Any such change shall be effective upon publication in accordance with this Rule 306(b).
- (c) If a Participant fails to pay when due any such dues, assessments or fees levied on such Participant and such payment obligation remains unsatisfied for thirty days after its due date, the Exchange may suspend, revoke, limit, condition, restrict or qualify the Participant's Trading Privileges and/or ability to otherwise access the Trading Platform as it deems necessary or appropriate.

RULE 307. Recording of Communications

The Exchange may record conversations and retain copies of electronic communications between Exchange Officials or employees and Participants, their Authorized Representatives, Authorized Users, or Account Administrators. Any such recordings may be retained by the Exchange in such

manner and for such periods of time as the Exchange may deem necessary or appropriate. The Exchange will retain such recording in compliance with Applicable Law.

RULE 308. Notices to Participants

- (a) The Exchange shall make available on its Website information pertaining to new product listings, new rules, rule amendments or other changes to previously-disclosed information, by placing such information on its Website concurrent with the filing of such information with the CFTC in accordance with CFTC Regulations. The information will be, to the best of the Exchange's knowledge, accurate and complete, and will contain all material information.
- (b) To the extent that the Exchange requests confidential treatment of any information filed with the CFTC, the Exchange shall post on its Website the public version of such filing.
- (c) The Exchange shall ensure that these Rules are posted on its Website and shall publish any revision of these Rules promptly upon the date of implementation of such revision.

RULE 309. Communications Between the Exchange and Participants

- (a) Each Participant must provide the Exchange with its current electronic mail address and telephone number and the electronic mail address and telephone number of any of its Authorized Representatives and Users and immediately (and in any event within 24 hours) update this information whenever it changes.
- (b) All communications between the Exchange and the Participant will be transmitted by electronic mail and/or posted on the Exchange's Website, except as otherwise specified by the Exchange.
- (c) The Participant shall be responsible for conveying such communications to all Authorized Users and Authorized Representatives.
- (d) Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Exchange to the Participant or any of its Authorized Users.
- (e) All communications made to Participants shall also be deemed to have been made to all Authorized Users.

RULE 310. Withdrawal of Participant

- (a) To withdraw from the Exchange, a Participant must notify the Exchange following the procedures established by the Exchange.
- (b) The Exchange may, in its reasonable discretion, refuse to accept a Participant's withdrawal request or may postpone the effective date of withdrawal of a Participant if the Exchange considers it necessary for the protection of other Participants or otherwise in the interests of the Exchange.
- (c) Based on the information provided to, and other information gathered by, the Exchange regarding a Participant's withdrawal request, the Exchange will determine whether to (i) accept the withdrawal request; (ii) postpone the effective date of the withdrawal; and/or (iii) impose any terms or conditions before or after the effective date of withdrawal.
- (d) If the Exchange refuses to accept a Participant's withdrawal request or postpones the effective date of withdrawal of a Participant, the Exchange may waive the obligation to pay some or all of the fees, costs and charges that the Exchange would have imposed during the period after the date on which the requested withdrawal would have otherwise taken effect.
- (e) 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 Trading Platform). The accepted withdrawal of a Participant shall not affect the rights of the Exchange under the Exchange Rules or relieve a former Participant of its obligations under the Exchange 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. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the Exchange Rules, the obligations and the jurisdiction of the Exchange for acts done and omissions made while a Participant, and must cooperate in any the Exchange proceeding under Chapter 7 as if the withdrawn Participant were still a Participant.

RULE 311. Independent Software Vendor

For connections by Independent Software Vendors ("ISVs") to the Exchange, the Exchange will apply criteria governing such access that are impartial, transparent, and applied in a fair and nondiscriminatory manner. An ISV shall be permitted to connect to the Exchange if it meets the following conditions on a continuing basis:

- (i) the ISV applies for connection privileges on such form and with such supporting documents as the Exchange may require;
- (ii) the ISV shall be duly organized, existing and in good standing under the laws of its jurisdiction of organization;
- (iii) the ISV will maintain and have current all applicable registrations or licenses to do business as an ISV, have good commercial standing and adequate financial resources and credit as reasonably determined by the Exchange;
- (iv) the ISV shall have such operational capabilities as the Exchange shall reasonably determine are necessary and appropriate in the performance of the ISV's activities;
- (v) an ISV providing a Participant access to the Trading Platform is subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant, and agrees to assist the Exchange in complying with its legal and regulatory obligations, cooperate with the Exchange, and the CFTC in any inquiry, investigation, audit, examination or proceeding, and authorizes the Exchange to provide information to the CFTC or any Self-Regulatory Organization;
- (vi) the ISV shall meet any other criteria the Exchange may from time to time prescribe;
- (vii) the ISV shall pay such fees and pay such fees when due, as established by the Exchange, such fees being comparable for all ISVs with comparable access to, or obtaining comparable services from, the Exchange; and
- (viii) all disputes concerning fees assessed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes related to fees must be submitted to the Exchange no later than sixty (60) days after the date of the monthly invoice. All the Exchange invoices are due in full on a timely basis and payable in accordance with this Rule; and the Exchange may suspend an

ISV's trading connectivity for failure to pay any fees no earlier than thirty (30) days from the date of the invoice.

RULE 312. Sanctioned Party

(a) A "Sanctioned Party" and collectively, "Sanctioned Parties," are not permitted to access the Exchange, whether directly or indirectly.

(i) A Sanctioned Party or Sanctioned Parties are:

(A) identified on the Specially Designated Nationals and Blocked Persons List of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") ("Restricted Persons");

(B) 50% or more owned by Restricted Persons;

(C) located in a country or territory subject to comprehensive economic sanctions administered by OFAC ("Restricted Country or Territory" or "Restricted Countries or Territories");

(D) owned or controlled by the governments of Restricted Countries or Territories;

(E) subject to OFAC restrictions where such restriction prohibits a specific activity which would in turn prohibit the party from trading on the Exchange or settling a transaction at the Exchange;

(F) subject to restrictions administered or imposed by a state or government authority authorized to issue economic sanctions and blocking measures that has jurisdiction over a Participant (each a "Sanctioning Body"); or

(G) acting on behalf of any of the foregoing.

(ii) Unless permitted (either not restricted or specifically authorized) by OFAC and/or any Sanctioning Body, as applicable:

(A) any Clearing Member that maintains positions or carries an account actively trading on the Exchange for a Person that is or becomes a Sanctioned Party; or

- (B) any Clearing Member that becomes aware, or has documentary information, that it maintains positions or carries an account actively trading on the Exchange on behalf of a Sanctioned Party, shall immediately take steps to:
- (C) cancel all direct and indirect access and authorizations issued to such Sanctioned Party and provide written notice to the Exchange of such cancellations; or
- (D) provide written instructions to the Exchange directing the Exchange to assist and coordinate in the cancellation of all access and authorizations for the Sanctioned Party at the Exchange as may be applicable.

CHAPTER 4. OBLIGATIONS OF PARTICIPANTS

RULE 401. Duties and Responsibilities of Participants

(a) Each Participant shall, and shall cause each of its Authorized Users that directly or indirectly effects a Transaction on the Exchange, to:

- (1) use the Exchange Trading Platform in a responsible manner and not for any improper purpose;
- (2) use the Exchange Trading Platform only to conduct the Exchange activity;
- (3) conduct all Exchange activity in a manner consistent with the Exchange Rules;
- (4) comply with all Exchange Rules and act in a manner consistent with each Rule of the Exchange;
- (5) comply with all Clearing House Rules, to the extent applicable to it, and act in a manner consistent with the Clearing House Rules, to the extent applicable;
- (6) comply with all CFTC Regulations and NFA Rules, to the extent applicable to it, and act in a manner consistent with the NFA Rules, to the extent applicable;
- (7) 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 Exchange activity, or any aspect of any business connected with or concerning the Exchange;
- (8) not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Exchange or in response to any Exchange Proceeding;
- (9) keep any User IDs, Trading Account numbers and passwords related to the Exchange Trading Platform confidential;

- (10) be fully liable for all trading losses arising from Transactions in Contracts, and from any use of the Exchange Trading Platform by Participant or Participant's Authorized Users, and from all Orders, including for the avoidance of doubt, Orders entered as a result of a failure of security or credit controls or risk limits, except to the extent caused by the gross negligence of the Exchange;
- (11) use the Exchange's pre-trade controls and risk limits functionality, including to the extent used by a Clearing Member as a condition to providing access to clearing services;
- (12) employ practices to monitor and enforce compliance with risk limits;
- (13) be responsible for promptly informing the Exchange of any material changes to the information provided to the Exchange by the Participant pursuant to Chapter 3;
- (14) keep, or cause to be kept, complete and accurate books and records, including, without limitation, records required under CFTC Regulation 38.254, trading records in underlying commodity and derivatives markets related to any Contract, records and documents related to data submitted by the Participant to an instrument or index to which a Contract settles, all books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the Exchange Rules, and Applicable Law, for at least five (5) years, and in the form and manner as required by Applicable Law, and make such books and records readily accessible for inspection by an authorized representative of the Exchange, and, if requested, the CFTC or any other regulatory, Self-Regulatory Organization or Government Agency with jurisdiction; and
- (15) prevent, detect, and mitigate market disruptions or system anomalies associated with electronic trading on the Exchange.
- (16) Pursuant to CFTC Regulation 1.52(b)(2), for Participants that are registered with the CFTC as an FCM, the Participants must adopt a risk management requirement at least as stringent as the requirements outlined in CFTC Regulation 1.11.

RULE 402. Required Disclosures to the Exchange

(a) Each Participant shall immediately notify the Exchange upon becoming aware of any of the following events:

- (1) any change to the contact information provided to the Exchange;
- (2) any damage to, or failure or inadequacy of, the systems, facilities or equipment used and relied on by Participant to effect Transactions on the Trading Platform and pursuant to these Rules or to timely perform the Participant's financial obligations under or in connection with Contracts;
- (3) any refusal of admission to, or withdrawal by the Participant of any application for membership in, any Self-Regulatory Organization, DCM or DCO;
- (4) any denial or withdrawal of any application for any registration or license by or from any Government Agency, and any revocation, suspension or conditioning of any registration or license granted by any Government Agency;
- (5) the commencement of any judicial or administrative proceeding against the Participant by a Government Agency or the imposition of any fine, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Self-Regulatory Authority, Swap Execution Facility, DCM, DCO or any Government Agency;
- (6) any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by, the Participant or any of its principals or senior officers for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, futures contract, option, security, security futures product or other financial instrument, or involving or arising from fraud or moral turpitude;
- (7) the occurrence of any event giving rise to a statutory disqualification of the Participant as defined under Section 8a(2) of the CEA.

- (8) the Participant or a 10% or greater owner of the Participant becoming the subject of a petition for bankruptcy;
- (9) the appointment of a receiver, trustee or administrator for the Participant or a 10% or greater owner of the Participant;
- (10) the presentment of a petition, or the passing of a resolution, for the winding-up of the Participant or a 10% or greater owner of the Participant;
- (10) the commencement of proceedings for the dissolution of Participant or the 10% or greater owner of the Participant; or
- (11) the occurrence of an event of Insolvency with respect to the Participant or any 10% owner or greater owner of the Participant.

RULE 403. Ability to Obtain Information

- (a) The Exchange shall have the right, in connection with its efforts to supervise, monitor and enforce compliance with these Rules by any Person accessing the Trading Platform and by all Participants, to:
 - (1) inspect and have access to the systems, equipment and software operated by the Participant in connection with the Exchange activity, wherever located, including any data stored in such systems, equipment or software;
 - (2) have access to the books and records of the Participant relating to its Transactions in Contracts on the Exchange; and
 - (3) copy or reproduce any data to which the Exchange has access under this Rule.
- (b) Participants shall provide to authorized Persons and Officers of the Exchange the access required under this Rule upon reasonable notice, provided that the Exchange reserves the right in the event of an Emergency to require that such access be provided immediately and without prior notice.
- (c) The Exchange Regulatory Department may require any Participant to provide to it information that required in the judgment of the Regulatory Department to discharge their obligations under Applicable Law to supervise, monitor and enforce compliance with these Rules.

RULE 404. Confidentiality of Financial and Other Information

Subject to Rule 902, all information, records, materials and documents provided to the Exchange and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation under Chapter 7 of these Rules or as required under Applicable Law.

RULE 405. Compliance with Minimum Financial Requirements, Financial Reporting Requirements and Requirements Relating to Protection of Customer Funds

Each Participant that is registered with the CFTC as an FCM or introducing broker shall:

- (a) comply with the provisions of CFTC Regulation 1.17, applicable Clearing House Rules and other Applicable Law, including any regulations of a Government Agency or SRO applicable to a Participant or Clearing Member relating to minimum financial and related reporting and recordkeeping requirements;
- (b) be required to deliver to the Exchange a copy of any notice or written report required to be filed with the CFTC pursuant to CFTC Regulations 1.10 and 1.12 within the time periods prescribed for such filing or delivery in CFTC Regulations 1.10 and 1.12;
- (c) respond timely to any Exchange request for information or records relating to a Transaction by such Participant or any Customer or Authorized User of such Participant; and
- (d) comply with all CFTC Regulations applicable to such Participant.

Any Participant determined by order of the CFTC or any court of competent jurisdiction of an enforcement proceeding by the CFTC or any other Government Agency against the Participant to have violated any provision of the CFTC Regulations, shall be deemed thereby to be in violation of these Rules.

RULE 406. Authority to Impose Restrictions

Whenever a Participant is subject to the early warning capital requirements set forth in CFTC Regulation 1.12, the Exchange may impose such conditions or restrictions on the business and

operations of such Participant as the Exchange may deem necessary or appropriate for the protection of Customers, other Participants, or the Exchange.

RULE 407. Customers

- (a) No Participant shall carry a Trading Account for or enter an Order in the name of a Customer unless the Participant has entered into a written agreement with the Customer that is in compliance with and made subject to Applicable Law including these Exchange Rules.
- (b) No Participant shall engage in soliciting or accepting an Order for a Contract for a Participant or Customer unless the Participant has entered into a written agreement with the Participant or Customer that meets the requirements of this Rule.

RULE 408. Treatment of Customer Funds and Securities

Each Participant that is required to be registered with any Government Agency, including the CFTC and the U.S. Securities and the Exchange Commission or any Self-Regulatory Organization shall comply with the provisions of Applicable Law, including but not limited to the Rules and regulations such Government Agency imposes on a Participant relating to the treatment of Customer funds and the maintenance of books and records with respect thereto. Specifically, each Futures Commission Merchant must comply with the regulations of the applicable Government Agency and the Clearing House Rules, including but not limited to, Rules related to the protection of Customer funds, including the segregation of Customer and proprietary funds, the custody of Customer funds, the investment standards governing an intermediary's use of Customer funds, intermediary default procedures and related recordkeeping, including without limitation CFTC Regulations 1.20 through 1.32. The Exchange shall conduct surveillance of its Members' compliance with this Rule, including through its membership and participation in the Joint Audit Committee. Any Participant that violates any of the aforementioned CFTC Regulations, Clearing House Rules or other Applicable Law shall be deemed to have violated this Rule.

RULE 409. Disclosure Requirements

Each Participant must comply with all disclosure requirements set forth in these Rules and Applicable Law.

RULE 410. Information Regarding Orders

- (a) The Exchange will make information regarding Orders (including prices bid or offered), trades and any other matters it may deem appropriate available to Participant and other Participants at such times and in such manner (whether through the Trading Platform, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time.
- (b) Each Participant receiving any such information through the Trading Platform may redistribute such information only to such extent and in such manner as may be permitted by the Exchange from time to time.

RULE 411. Disaster Recovery; Business Continuity

Each Participant shall have written disaster recovery and business continuity policies and procedures in place to ensure that it is able to perform its obligations under these Rules in the event of a significant internal or external interruption to its operations. At a minimum, such policies and procedures shall include:

- (i) procedures reasonably designed to allow Participant to continue to meet its obligations relating to Transactions in Contracts during periods of stress (which may include procedure for transferring Trading Accounts to another fully operational Participant); and
- (ii) periodic testing of disaster recovery and business continuity plans, duplication of critical systems at back up sites and periodic back-up of critical information.

CHAPTER 5. TRADING PRACTICES AND BUSINESS CONDUCT

RULE 501. Scope

These Rules address trading practices by Participants submitting Orders to and executing Transactions in Contracts on the IMX Trading Platform.

RULE 502. Procedures

(a) With respect to trading on or through the Exchange Trading Platform, the Exchange may adopt, without limitation, procedures relating to transactions in Contracts and trading on the Exchange Trading Platform, including procedures relating to:

- (1) determination of Daily Settlement Price of a Contract;
- (2) dissemination of bids and offers on, and Transactions in, Contracts;
- (3) recordation, and accounting for, Contracts and Exchange activity;
- (4) market surveillance and regulation of matters affecting Contracts and the Exchange activity;
- (5) determination of limits on the number and/or size of Orders that may be submitted by a Participant through the Exchange Trading Platform;
- (6) determination of limits on the number of Contracts that may be held by a Customer or Participant;
- (7) determination of maximum daily price fluctuations for any Contract and provide for any related restriction or suspension of trading in the Contract; and,
- (8) the suspension or expulsion of a Participant, or the imposition of trading restrictions on a Participant, including a Participant with open positions in Contracts which are required to be liquidated or transferred.

- (b) The Exchange may, in its discretion and at any time, amend any procedures adopted pursuant to Rule 502(a), and will publish such amendments in a notice to Participants by means determined appropriate by the Exchange.

RULE 503. Business Days and Trading Hours

The Exchange shall publish notices of Business Days and holidays of the Exchange and the Trading Hours for each Contract on the Exchange Website.

Regular trading hours for the Exchange will be Monday to Friday, 8:30am CT to 3:00pm CT unless otherwise noted. The Exchange reserves the right to adjust trading hours as necessary.

RULE 504. Market Suspension and Emergencies

- (a) The Exchange reserves the right to adjust Trading Hours and suspend market activities for all or a subset of Contracts in the case of extenuating market circumstances which include, but are not limited to, any occurrence or circumstance which threatens or may threaten such matters as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contracts and which is determined by the Exchange to require immediate action.
- (b) During an Emergency, the Board may take temporary emergency action and/or implement temporary emergency procedures and Rules ("**Emergency Actions**"), subject to Applicable Law. In the event that the Exchange is unable in sufficient time under the circumstances to convene a meeting of the Board, the Chief Executive Officer or an Officer designated by the Chief Executive Officer may take Emergency Actions on behalf of the Board, pursuant to this Rule. The Exchange shall convene a meeting of the Board as soon as practicable thereafter to ratify, modify or rescind such Emergency Action.
- (c) Emergency Action may require or authorize the Exchange, the Board, any Committee of the Board or the Chief Executive Officer to take actions necessary or appropriate to respond to the Emergency, on its own or in coordination with another relevant Person, including but not limited to the following actions:
 - (1) imposing or modifying position accountability limits;
 - (2) imposing or modifying price limits;
 - (3) imposing or modifying intraday market restrictions;

- (4) imposing special margin requirements;
- (5) ordering the liquidation or transfer of open positions in any Contract;
- (6) ordering the fixing of a settlement price;
- (7) canceling or voiding Transactions in Contracts;
- (8) extending or shortening Expiry dates or Trading Hours;
- (9) suspending or curtailing trading in any Contract;
- (10) transferring Contracts as permitted by Applicable Law;
- (11) altering any Contract's settlement terms or conditions;
- (12) limiting access to the Trading Platform by any Clearing Member, Participant or ISV; or
- (13) taking such other actions as may be directed by the CFTC or other regulatory authority.

(d) The Exchange will document the decision-making process related to any Emergency Action. The Exchange will promptly notify the CFTC of any Emergency Action. In taking any Emergency Action, the Exchange and its Officers shall preserve books and records relating to the deliberative process, the reasons for taking the action and how conflicts of interest were minimized and shall preserve such books and records in accordance with Applicable Law.

RULE 505. Conflicts of Interest in Emergencies

Whenever any Emergency Action or other significant action may, in the judgment of the Board or any Officer with the power to act on behalf of the Board under these Rules, have a material effect on the price of any Contract or a material impact on the market for such Contracts, the following procedures set forth under this Rule 505 shall apply.

(a) Disclosure. Prior to consideration of the matter, each member of the Board or any relevant committee who participates in the deliberations or voting on such Emergency Action shall disclose positions held on the Exchange in accordance with the disclosure requirements set forth under Rule 210.

(b) Disqualification. Any member declining to make position disclosures in accordance with Rule 210 shall recuse themselves from participating in or voting on the matter under consideration. Any participant who has, or whose Affiliate has, a position required to be disclosed under Rule 210 and this Rule shall recuse themselves from deliberations on the matter under consideration. If such withdrawal results in the lack of a quorum, the Board or committee shall appoint an ad hoc committee comprised of members who are not disqualified and shall delegate to such ad hoc committee all the powers of the Board or relevant committee with respect to the matter under consideration.

(c) Documentation. The minutes of any meeting at which Emergency or other significant action is considered shall reflect the following information: (i) the names of all Board or committee members who attended the meeting in person or by electronic means; (ii) the name of any member who recused themselves voluntarily or who were required to abstain from deliberations or voting; and (iii) information on the position disclosures made by each participant.

RULE 506. Rule Violations

It shall be a violation for a Participant to engage in fraud, dishonorable or dishonest conduct or conduct which is inconsistent with just and equitable principles of trade.

RULE 507. Fraudulent Acts Prohibited

No Participant shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any Transaction in Contracts on the Exchange or the Clearing House.

RULE 508. Fictitious, Wash or Non-Competitive Transactions Prohibited

No Participant shall engage in fictitious transactions, wash transactions or non-competitive transactions except, in the case of noncompetitive transactions, as otherwise authorized by the Rules, or execute any such Order with knowledge of its nature as a fictitious transaction, wash transaction, or non-competitive transaction.

RULE 509. Market Disruption Prohibited

Orders entered into the Exchange Trading Platform for the purpose of disrupting the orderly functioning of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant that enters or assists in entering any

such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, will be deemed to have engaged in an act detrimental to the Exchange and a violation of these Rules.

RULE 510. Market Manipulation Prohibited

No Participant shall attempt to manipulate or manipulate the market in any Contract. For purposes of this Rule 510 “attempt to manipulate” and “manipulation” shall be defined and understood by reference to interpretive guidance issued by CFTC staff, and administrative and enforcement proceedings commenced by the CFTC.

RULE 511. Disruptive Trading Practices Prohibited

All Orders entered into the Exchange Trading Platform must be entered for the purpose of executing Transactions, in good faith and for commercially legitimate purposes. No Participant shall engage in any trading, practice or conduct that:

- (a) violates bids or offers;
- (b) demonstrates intentional or reckless disregard for the orderly execution of Transactions;
- (c) is, or is of the character commonly known as, “spoofing;” or
- (d) constitutes any other disruptive trading practice under the CEA or CFTC Regulations.
- (e) constitutes any violation pursuant to CFTC Regulation 38.152 – Abusive trading practices prohibited. Specifically, “customer-related abuses including, but not limited to, trading ahead against customer orders, accommodation trading and improper cross trading.” Additionally, trading practices that must be prohibited by all designated contract markets including front-running, wash trading, pre-arranged trading (except for certain transactions specifically permitted under part 38), fraudulent trading, money passes, and any other trading practices that the Exchange deems to be abusive. Refer to the IMX Market Supervision Manual for a more comprehensive list of trading abuse alerts and potential surveillance considerations.

RULE 512. Prohibition of Misstatements

No Participant shall intentionally or recklessly make any misstatement of a material fact to the Exchange, any Exchange Official, any Board committee or any Disciplinary Panel (including any Hearing Panel, Review Panel or Appeals Panel) convened under these Rules.

RULE 513. Acts Detrimental to Welfare of the Exchange Prohibited

No Participant shall engage in any act that is detrimental to the welfare of the Exchange.

RULE 514. Adherence to Law

No Participant shall engage in conduct that is a violation of Applicable Law, including without limitation the CEA and the CFTC Regulations.

RULE 515. Supervision

A Participant shall establish, maintain and administer reasonable supervisory procedures to monitor the compliance of its Authorized Users, partners, directors, officers, agents, contractors, representatives and employees with these Rules and Applicable Law and such Participant may be held accountable for the actions of such Authorized Users, partners, directors, officers, agents, contractors, representatives and employees in connection with Transactions in Contracts on the Exchange.

RULE 516. Contracts Trading on the Exchange

The Exchange will from time to time make Contracts available for trading on the Exchange, subject to Applicable Law and these Rules, including applicable Contract specifications and subject to review of such specifications by the CFTC as required by the CEA and the CFTC Regulations thereunder. All trading in Exchange Contracts must occur on or through the Trading Platform and in accordance with the Exchange Rules and Applicable Law.

RULE 517. Pre-Trade Risk Controls

- (a) The Clearing Member must designate a natural Person as a risk manager, and such risk manager shall be responsible for setting and thereafter adjusting, as appropriate, pre-trade risk controls to a level that is appropriate for the Trading Activity of a Participant. Participants should employ other necessary pre-trade risk controls appropriate for such Person's Trading Activity.
- (b) When pre-trade risk parameters have been met or exceeded, the Exchange's Trading Platform:

- (1) may reject all new Orders in their entirety;

- (2) may accept new Orders if the Participant canceled existing Orders, but only to the extent that the pre-trade risk parameter was not met or exceeded; or
- (3) in the Exchange's sole discretion, may accept Orders exceeds such risk parameters with the Clearing Member's prior approval.

RULE 518. Acceptable Orders

At the discretion of the Exchange, any of the following types of Orders, as well as any other types that may be approved from time to time, and as set forth on the Exchange's Website, may be entered into the Exchange Trading Platform with respect to any Contract:

- (a) Limit Order - Limit Orders are Orders to buy or sell a stated quantity at a specified price or at a better price if obtainable.
- (b) Market to Limit Order - Market to Limit Orders will match with the first available contra order (effectively a market order.)
- (c) Stop Order - A Stop Order becomes a Market-to-limit Order once it has been triggered.
- (d) Stop Limit Order - A Stop Limit Order when triggered becomes a Limit Order.
- (e) Time in Force Orders, including:
 - (i) Day Order: An Order that expires automatically at the end of each day's trading session;
 - (ii) Good Until Canceled Order (GTC): An Order which is valid and remains in force until canceled by the Customer;
 - (iii) Immediate or Cancel (IOC): An Order to bid or offer that must be immediately filled and any unfilled portion of the Order is canceled; and
 - (iv) Fill-or-Kill Order (FOK): An Order that demands immediate execution or cancellation. Typically involving a designation, added to an Order, instructing the broker to offer or bid (as the case may be) one time only; if the Order is not filled immediately, it is then automatically canceled.

RULE 519. Spread Orders

A spread Order is an Order to simultaneously buy and sell at least two different Contracts in a form permitted by the Exchange, as set forth on the Exchange's Website. The Exchange spreads operate on a central limit order book ("**Book**") and therefore accept a single price and quantity even though they are constructed as combinations of multiple Contracts.

RULE 520. Modification and Cancellation of Orders

Any Order that has been entered into the Exchange Trading Platform may be modified or canceled, unless and until the Order has been fully executed, by any means permitted under these Rules.

RULE 521. Orders of Other Clearing Members

No Clearing Member shall accept or submit any Order for or on behalf of another Clearing Member without the prior written consent of such other Clearing Member. If such Order results in a Transaction, the Clearing Member accepting the Order must promptly send a duplicate confirmation of the transaction to the Clearing Member from which the prior written consent is required pursuant to this Rule.

RULE 522. Misuse of the Exchange Trading Platform

- (a) Misuse of the Exchange Trading Platform is strictly prohibited. It shall be deemed an act detrimental to the Exchange to permit any unauthorized use of the Exchange Trading Platform, to assist any Person in obtaining unauthorized access to the Exchange Trading Platform, to trade on the Exchange Trading Platform without an agreement conforming in substance to the requirements of these Rules and a clearing account with a Clearing Member, to alter the equipment associated with the Exchange Trading Platform (except with the Exchange's consent), to interfere with the operation of the Exchange Trading Platform, to interfere with or intercept information provided thereby or in any way to use the Exchange Trading Platform in a manner contrary to the Exchange Rules.
- (b) All Participants permissioned to connect to the Trading Platform must be guaranteed by a Clearing Member that assumes financial responsibility for all activity through the connection. Trades may, in accordance with these Rules, the Clearing House Rules, and the operational procedures prescribed by the Exchange or the Clearing House, be given up to or transferred to Clearing Members other than the Clearing Member that has initially cleared the Trade by

virtue of the guarantee in favor of the Participant that executed the Trade. Pending any such “give-up” or transfer, the Clearing Member that issued the guarantee in favor of the Participant executing the Trade and that initially cleared the Trade pursuant to that guarantee, shall be financially responsible for the Trade.

- (c) Clearing Members shall assist the Exchange in any investigation into potential violations of the Exchange Rules or the CEA which occur through or with respect to a Trading Platform connection guaranteed by the Clearing Member. Such assistance must be timely and may include, but not be limited to, requiring any Participant or Customer to cooperate with any investigation by the Exchange. Upon request by the Exchange, Clearing Members shall suspend or terminate a Participant’s or Customer’s access to the Trading Platform if the Exchange determines that the actions of the Participant or Customer threaten the integrity or liquidity of any Contract or violate any Exchange Rule or the CEA or if the Participant or Customer fails to cooperate in an investigation.
- (d) If a Clearing Member has actual or constructive notice of a violation of Exchange Rules in connection with the use of the Trading Platform by a Participant or Customer and the Clearing Member fails to terminate the connection, the Clearing Member may be found to have committed an act detrimental to the Exchange,

RULE 523. Errors and Omissions in Handling Orders

- (a) If a Participant or Clearing Member discovers an error in the handling of an Order for a Customer after the relevant Trade is executed, and the Order cannot be executed in the market at a price which is better than or equal to that which the Order should have received, the Participant or Clearing Member shall re-execute the Order in the market and compensate the Customer for the difference if the price is worse than that which the Customer should have originally received. This Rule shall not be construed to permit a Participant or Clearing Member to contravene or disregard instructions received from a Customer, but shall be construed to permit execution of Orders under the conditions described herein without prior instructions from the Customer.
- (b) No Participant or Clearing Member shall compensate a Customer in respect of a price discrepancy claim arising from an Order of such Customer executed on the Exchange, except in accordance with Rule 531.

RULE 524. Withholding Orders Prohibited

Any Participant entering Orders on the Exchange Trading Platform for its Customer shall not withhold or withdraw from the market any Order, or any part of an Order, for the benefit of any Person other than such Customer.

RULE 525. Priority of Customers' Orders

No Participant shall enter an Order into the Exchange Trading Platform for its own Trading Account, a Trading Account in which it has a direct or indirect financial interest or a Trading Account over which it has discretionary trading authority, including, without limitation, an Order allowing discretion as to the time and price, when such Participant is in possession of a Customer Order that is executable on the Exchange Trading Platform.

RULE 526. Disclosing Orders Prohibited

No Participant shall disclose the terms of an Order prior to entry into the Trading Platform except to an Exchange Official or pursuant to a request by the CFTC, NFA or other Government Agency or Self-Regulatory Organization. No Participant shall solicit or induce another Participant to disclose Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this Rule.

RULE 527. Position Transfers

Clearing Members may transfer positions in cleared Contracts in accordance with the Rules and operational procedures of the Clearing House in force from time to time.

RULE 528. Wash Sales Prohibited

No Participant shall place or accept buy and sell Orders in the same product and Expiry, where such Participant 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 sale). Buy and sell Orders by Participants that are entered with the intent to negate market risk or price competition, or to effect a money-pass between Trading Accounts with common beneficial ownership shall be deemed to have violated the prohibition on wash trades.

Additionally, no Participant shall knowingly or recklessly execute or accommodate the execution of such Orders by direct or indirect means.

RULE 529. Recordkeeping Requirements for Entering Orders into the Exchange Trading Platform

(a) General Requirements

- (1) Each Participant entering Orders into the Exchange Trading Platform shall input for each Order the Exchange required fields for an Order to be accepted.
- (2) With respect to Orders received by an Authorized User that are capable of being immediately entered into the Exchange Trading Platform, no record other than that set forth above need be made. However, if an Authorized User receives an Order that cannot be immediately entered into the Exchange Trading Platform, the Authorized User must prepare a written Order and include the account designation, date, an electronic timestamp reflecting the time of receipt and other information required pursuant to section (a)(1) above. The Order must be entered into the Exchange Trading Platform when it becomes executable.

(b) Electronic Audit Trail Requirements for Electronic Order Routing/Front-End Systems

- (1) Each Clearing Member and Participant that accesses the Exchange Trading Platform electronically is responsible for maintaining or causing to be maintained a front-end audit trail for all electronic Orders, which shall include Order entry, modification, and cancellation information (the “**Audit Trail**”) entered into the Exchange Trading Platform by the Participant for which the Clearing Member is identified in the Order or quote submission as the Clearing Member for the execution of the Order or quote, including all related modifications and cancellations.
- (2) The Audit Trail must be maintained for a minimum of five years, and Participants must have the ability to produce this data in a standard format upon request of the Exchange Regulatory Department. This Audit Trail must contain all Order receipt, Order entry, Order modification, Order cancellation and response/receipt times to the highest level of precision

achievable by the operating system, but at least to the hundredth of a second. The times captured must not be able to be modified. The data must also contain all FIX Tag information and fields which should include, the following: a record of all fields relating to Order entry, including transaction date, product, Exchange code, Expiry, quantity, Order Type, Order Qualifier, price, buy/sell indicator, stop/trigger price, Order number, unique transaction number, Trading Account number, session ID, operator ID, host Order number, trader Order number, Clearing Member, type of action, action status code, customer type indicator, origin, and timestamps. For executed Orders the audit trail must record the execution time of the trade along with all fill information. Each Clearing Member and Participant shall maintain such Audit Trail information for a minimum of five (5) years and must have the ability to produce Audit Trail data in a standard format upon request of the Exchange. Notwithstanding anything to the contrary herein, each Participant is required to comply with the provisions of CFTC Regulation 1.35 as applicable to that Participant.

- (3) Pursuant to CFTC Regulation 38.553(a)(1) the Exchange will enforce its Audit Trail and recordkeeping requirements through at least annual reviews of all Members and Persons and Firms subject to IMX recordkeeping rules to verify their compliance with IMX's Audit Trail and recordkeeping requirements.
- (4) Pursuant to CFTC Regulation 38.553(b), failure to adhere to the electronic Audit Trail and recordkeeping requirements may result in a regulatory investigation and, if determined to be necessary, further disciplinary action as outlined in Chapter 6 of this rulebook.

(c) Exchange System

Notwithstanding the foregoing above, a Person can rely on electronic order routing or order execution systems of the Exchange to record the Audit Trail information from the point that it enters the Exchange Trading Platform in accordance with Commission requirements. The Exchange shall maintain all information on behalf of such Person any information entered into the Exchange Trading Platform and shall provide such information to such Person upon request in a time-frame sufficient for the Person to meet their

regulatory requirements. All market participants must maintain any aspect of the Audit Trail that occurs outside of the Trading Platform.

(d) Customer Type Indicator (“CTI”) Codes

Each Clearing Member must identify each transaction executed on the Exchange Trading Platform on the record of transactions submitted to the Exchange with the correct CTI Code. The CTI Codes are as follows:

- (1) CTI 1: Transactions initiated and executed by an individual Member for their own Trading Account, for a Trading Account they control or for a Trading Account in which they have an ownership or financial interest;
- (2) CTI 2: Transactions executed for the proprietary Trading Account of a Clearing Member or Member firm;
- (3) CTI 3: Transactions where an individual Member executes for the personal Trading Account of another individual Member, for a Trading Account the other individual Member controls or for a Trading Account in which the other individual Member has an ownership or financial interest; and
- (4) CTI 4: Any transaction not meeting the definition of CTI 1, 2 or 3.

RULE 530. Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited

- (a) No Person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any Transaction, except in accordance with Section (b) below.
- (b) Pre-Execution Communications Regarding the Exchange Trading Platform Trades

Parties may engage in pre-execution communications with regard to Transactions executed or to be executed on the Exchange Trading Platform where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the first party’s Order subject to the restrictions below.

- (1) A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
- (2) Parties to pre-execution communications shall not:
 - (i) disclose to a nonparty the details of such communications; or
 - (ii) enter an Order to take advantage of the information conveyed during such communications except in accordance with this Rule.
- (3) The first party's Order must be entered into the Exchange Trading Platform first and the second party's Order may not be entered into the Exchange Trading Platform until a period of 15 seconds has elapsed from the time of entry of the first Order.

RULE 531. Responsibility For Customer Orders

(a) Standard of Responsibility

- (1) A Participant shall exercise due diligence in the handling and execution of Customer Orders. Failure to act with due diligence shall constitute negligence. In the case of a dispute as to whether a Participant has exercised due diligence, the appropriate arbitration or disciplinary committee is authorized to determine whether the Participant was negligent and, if so, whether an adjustment is due to the Customer.
- (2) A Participant is prohibited from directly or indirectly guaranteeing the execution of an Order or any of its terms such as the quantity or price. A Participant may only report an execution that has been effected through the Exchange Trading Platform. Nothing herein shall be construed to prevent a Participant from assuming or sharing in the losses resulting from an error or the mishandling of an Order.

(b) Liability for Negligence

A Participant may not adjust the price at which an Order was executed or be held responsible for executing or failing to execute an Order unless such Participant was negligent or is settling a bona fide dispute regarding negligence. A Participant may not compel an adjustment from another Participant in the absence of a bona-fide dispute regarding negligence. Participants and Clearing Members shall document all adjustments. Participants and Clearing Members shall make and retain a record which contains the date the adjustment was received, the name of the Participant making the adjustment, the Trading Account to which the adjustment was credited, the amount of the adjustment, the Order number and the reason for the adjustment. Such records must be provided to the Exchange upon request.

RULE 532. Discretionary Orders

No Participant shall submit a discretionary order to the Exchange Trading Platform for any Trading Account of another Person, without the prior written consent of such other Person to exercise such discretion (which may take the form of a written agreement between such Participant and such Person conferring on such Participant by power of attorney or otherwise the right to control trading in Contracts in a Trading Account beneficially owned by such Person).

RULE 533. Priority of Execution

Customer Orders received by a Participant shall be entered into the Exchange Trading Platform in the sequence received. Orders that cannot be immediately entered into the Exchange Trading Platform must be entered when the Orders become executable in the sequence in which the Orders were received.

RULE 534. Average Price System

(a) Application of Average Prices

A proprietary average price system (“**APS**”) developed by a Participant allows a Participant to confirm to Customers an average price when multiple execution prices are received on an Order or series of Orders for the same Contract. An Order or series of Orders executed for the same instrument during the same trading session at more than one price may be averaged pursuant to APS only if each Order is for the same Trading Account or group of Trading Accounts and for the same Contract.

(b) Requirements for APS Trades

- (1) The Customer must have requested average price reporting.
- (2) Each individual trade must be submitted to the Exchange and cleared by the Clearing House at the executed price.
- (3) A Participant must compute and confirm the weighted mathematical average price, as set forth in Section (c).
- (4) A Participant must possess the records to support the calculations and allocations to Customer Trading Accounts and must maintain these records pursuant to CFTC regulations.
- (5) A Participant must ensure that its proprietary trades are not averaged with Customer APS trades.

(c) Computation of Average Price

- (1) Upon receipt of an execution or match at multiple prices for an APS Order, the weighted mathematical average must be computed by:
- (2) multiplying the number of instruments purchased or sold at each execution price by that price;
- (3) adding the results together; and,
- (4) dividing by the total number of instruments.

An average price for a series of Orders will be computed based on the average prices of each Order in that series. The actual average price or the average price rounded to the next price increment may be confirmed to Customers. If a Participant confirms the rounded average price, the Participant must round the average price up to the next price increment for a buy Order or down to the next price increment for a sell Order. The residual created by the rounding process must be paid to the Customer, provided that if Customer refuses payment of such residual in writing, Participant may retain such residual for its own account.

(d) Disclosure

Each Participant that confirms an average price to a Customer must indicate on the confirmation and monthly statement that the price represents an average price.

RULE 535. Position Limits and Exemptions

- (a) The Exchange shall designate for each Contract applicable position limits and/or accountability levels. Such position limits or accountability levels may be specific to a particular Contract or Contract Expiry. Position limits and position accountability levels will be closely monitored by the Regulatory Department. The Exchange will publish position limits and position accountability levels on its Website. For any Contract that is subject to a position limit established by the CFTC, the Exchange shall set a position limit at a level not less than the position limit established by the CFTC.
- (b) A Person seeking an exemption from position limits must apply to the Regulatory Department in a manner prescribed by the Exchange. In order to obtain an exemption from position limits, a Person must:
- (1) provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation 150.1 or any other applicable CFTC Regulation, risk management positions or arbitrage/spread positions;
 - (2) provide a complete and accurate explanation of the underlying exposure related to the exemption request;
 - (3) agree to promptly provide, upon request by the Regulatory Department, information or documentation regarding the Person's financial condition;
 - (4) agree to comply with all terms, conditions or limitations imposed by the Regulatory Department with respect to the exemption;
 - (5) agree that the Regulatory Department may modify or revoke the exemption at any time;
 - (6) agree to initiate and liquidate positions in an orderly manner; and,
 - (7) agree to promptly submit a supplemental statement to the Regulatory Department whenever there is a material change to the information provided in the most recent application.
- (c) A Person intending to exceed position limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from

the Regulatory Department prior to exceeding such limits. Notwithstanding the foregoing, a Person who establishes an exemption-eligible position in excess of position limits and files the required application with the Regulatory Department shall not be in violation of this Rule provided the filing occurs within one (1) Business Day after assuming the position.

- (d) In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant and Clearing Member will be in violation of speculative limits for the period of time in which the excess positions remained open.
- (e) The Regulatory Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Regulatory Department may approve, deny, condition or limit any exemption request based on factors deemed by the Regulatory Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner.
- (f) Nothing in this Rule shall in any way limit:
 - (1) the authority of the Exchange to take Emergency Action; or
 - (2) the authority of the Regulatory Department to review at any time the positions owned or controlled by any Person and to direct that such position be reduced to the accountability or position limit in force from time to time.
- (g) A Person who has received written authorization from the Regulatory Department for an exemption from position limits must annually file an updated application on the date which is one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.

(h) Eligible Exemptions

(1) Bona Fide Hedging Positions

The Regulatory Department may grant exemptions from position limits for bona fide hedge positions as defined by CFTC Regulation 150.1 or any other applicable CFTC Regulation. Approved bona fide hedgers may be exempted from Emergency Rules that reduce position limits or restrict trading.

(2) Risk Management Positions

The Regulatory Department may grant exemptions from the position limits for risk management positions. For the purposes of this Rule, risk management positions are defined as Contracts which are held by or on behalf of a Person or its Affiliate which typically buys, sells or holds positions in the underlying cash market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between Exchange market in Contracts and the underlying cash market in question. Exemptions related to indexed positions in the over-the-counter market may include corresponding commodity index-based Contracts used as components in replicating an index.

(3) Arbitrage and Spread Positions

The Regulatory Department may grant exemptions from the position limits for arbitrage, intra-commodity spread, inter-commodity spread, and eligible spread positions.

(i) Aggregation of Positions

(1) Positions to be Aggregated

The position limits in Rule 535 shall apply to all positions in Trading Accounts for which a Person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in Rule 535 shall also apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single Person.

(2) Ownership of Trading Accounts

Except as set forth below, any Person holding positions in more than one Trading Account, or holding Trading Accounts or positions in which the Person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such Trading Accounts or positions, unless such Person is a pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the Person is a commodity pool operator, controls the commodity pool's trading decisions, or has an ownership or equity interest of 25%

or more in a commodity pool whose operator is exempt from registration with the CFTC.

(j) Limited Exceptions to Aggregation for Independently Controlled Positions

Exemptions from aggregation in all Contracts subject to Exchange position limits must comply with the provisions of CFTC Regulation 150.4(b). Any person claiming an exemption from Exchange position limits under the provisions of CFTC Regulation 150.4(b)(1)(ii), (b)(2), (b)(3), (b)(4), or (b)(7) must provide a notice to the Regulatory Department which sets forth 1) a description of the relevant circumstances that warrant disaggregation and 2) a statement by a senior officer or executive of the entity certifying that the conditions set forth in the applicable CFTC aggregation exemption provision have been met. Upon request by the Regulatory Department, any Person claiming an exemption from aggregation under this Rule must provide any requested information that demonstrates the person meets the applicable requirements for the exemption. The Regulatory Department, in its sole discretion, may amend, suspend, terminate, or otherwise modify a person's exemption from aggregation for failure to comply with the provisions of this Rule.

In the event of a material change to the information provided in any notice filed under this Rule, an updated or amended notice must be promptly filed with the Regulatory Department detailing the material change.

(k) Violations

- (1) No Person shall exceed the position limits set forth in the Rules unless an exemption is granted by the Regulatory Department.
- (2) The Regulatory Department shall have the authority to enforce the Exchange Rules regarding position limits
- (3) Any Person making a bid or offer that would, if accepted, cause such Person to exceed the applicable position limits shall be in violation of this Rule.
- (4) A Clearing Member shall not be in violation of this Rule if it carries positions for a Customer in excess of the applicable position limits for such reasonable period of time, not to exceed one Business Day, as the Clearing

Member may require to investigate and liquidate, or cause such Customer to liquidate, the excess Customer positions.

- (5) A Customer who exceeds the position limits as a result of maintaining positions at more than one Clearing Member shall be deemed to have waived confidentiality regarding his positions and the identity of the Clearing Members at which they are maintained. A Clearing Member carrying such positions shall not be in violation of this Rule if, upon notification by the Regulatory Department, it liquidates, or causes Customer to liquidate, its pro-rata share of the positions in excess of the limits or otherwise ensures that the Customer is in compliance with the limits within a reasonable period of time, generally not exceed one Business Day.

(6) Violations

Position limit violations by a Participant (and by Clearing Members clearing positions in violation of this Rule) shall be subject to Disciplinary Proceedings and sanctions under these Rules and under Applicable Law.

RULE 536. Position Accountability

- (a) A Participant that holds or controls, or a Clearing Member that carries for another Person, aggregate positions in excess of those specified on the Exchange Website, shall:

- (1) provide, in a timely manner upon request by the Regulatory Department, information regarding the nature of the position, trading strategy, and hedging information, if applicable;
- (2) be deemed to have consented, when so ordered by the Exchange, not to further increase the positions which exceed the levels specified on the Exchange Website; and
- (3) initiate and/or liquidate such positions in an orderly manner.

- (b) For purposes of this Rule, all positions in Trading Accounts for which a Participant, by power of attorney or otherwise, directly, or indirectly controls trading shall be included with the positions held by such Participant. The provisions of this Rule shall apply to positions held by two or more Participants acting pursuant to an expressed or implied agreement or

understanding, the same as if the positions were held by or the trading of the positions was controlled by a single Participant.

RULE 537. Reports of Large Positions

- (a) Upon request, Clearing Members must provide the Regulatory Department with information, in a form and manner acceptable to the Regulatory Department, identifying the owner, any controlling parties and any additional required information for each reportable account.
- (b) Each Clearing Member shall submit to the Exchange (i) a daily report of all positions that exceed the reportable position levels set forth in the product Rules and (ii) a copy of the CFTC Form 102 filed by the Participant or Clearing Member with the CFTC for such Participant's or Clearing Member's Customers' reportable accounts. The Form 102 shall be submitted to the Exchange no later than the Business Day following the date on which the account becomes reportable, in accordance with such procedures as the Exchange may from time to time prescribe.
- (c) Positions in Exchange products at or above the reportable level set forth in the product Rules trigger reportable status. For a Participant in reportable status, all positions, regardless of size, in relevant Exchange products must be reported to the Exchange, in addition to any regulatory obligations a Participant may have separate and apart from these Rules.

RULE 538. Identification of Authorized Users and Related Parties

Each Authorized User shall be identified to the Exchange, in the manner prescribed by the Exchange, and shall be subject to the Exchange Rules. If User IDs are required to be registered with the Exchange, it is the duty of the Participant to ensure that registration is current and accurate at all times. Each individual must use a unique User ID to access the Exchange Trading Platform. In no event may a Person enter an Order or permit the entry of an Order by an individual using a User ID other than the individual's own unique User ID.

RULE 539. The Exchange Trading Platform Algorithms

- (a) The Exchange Trading Platform Book uses a Price/Time algorithm (also known as the First In, First Out or FIFO method). Under the Price/Time algorithm, Orders will be matched with the earliest bid or offer to arrive in the Exchange Trading Platform at the best price. If there are multiple bids and offers that have the same price, the earliest to arrive in the Exchange Trading Platform will be the bid or offer to which the Order is matched. If the Order exceeds

the quantity of the bid or offer, the Participant will be filled at the next, best bid or offer for their Order up to their limit order price.

- (b) Additionally, the Exchange may employ an auction methodology in the pre-open period, during which the Book is not in a tradable state, but Participants can submit orders (including bids and offers which would cross under normal market conditions). Upon opening, an algorithm calculates the price at which the highest volume of resting bids and offers can be matched, and matches them at that price.
- (c) Additional information on the operation of the matching algorithms is available on the Exchange Website.

RULE 540. Trade Cancellations and Price Adjustments

(a) Trade Cancellations and Price Adjustments

- (1) The Exchange has authority to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Exchange Trading Platform or by system defects.
- (2) Notwithstanding any other provisions of this Rule, the Exchange may adjust trade prices or cancel any trade if the Exchange determines that allowing the trade to stand as executed may have a material adverse effect on the integrity of the market.
- (3) Any trade price adjustments or trade cancellations will be transparent to the market and subject to standards that are clear, fair, and publicly available.
- (4) All decisions of the Exchange shall be final.

(b) Review of Trades

- (1) The Exchange may determine to review a trade based on its independent analysis of market activity or upon request for review by a Participant of the Exchange Trading Platform. A request for review must be made within 15 minutes of the execution of the trade.

- (2) The Exchange shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Exchange deems it to be appropriate, the Exchange may determine, in its sole discretion, that a trade shall not be subject to review.
- (3) Upon deciding to review a trade, the Exchange will notify all Participants via the Exchange Trading Platform or electronic mail indicating that the trade is under review.

(c) Price Adjustments and Cancellations

- (1) In reviewing a trade, the Exchange will first determine whether the trade price is within the range for that Contract that will not be busted (“**No Bust Range**”).
- (2) In applying the No Bust Range, the Exchange shall determine the fair value market price for that Contract at the time the trade under review occurred. The Exchange may consider any relevant information, including, but not limited to, the last trade price in the Contract or a better bid or offer price on the Exchange Trading Platform, a more recent price for a different maturity date, the price of the same or related Contract established in another venue or another market, the market conditions at the time of the trade and theoretical value of an option based on the most recent implied volatility.

(3) Trade Price Inside the No Bust Range

If the Exchange determines that the price of the trade is inside the No Bust Range, the Exchange will issue an alert indicating that the trade shall stand.

(4) Trade Price Outside the No Bust Range

i. Futures Contracts

If the Exchange determines that a trade price is outside of the No Bust Range for a futures contract, the trade price shall be adjusted to a price that equals the fair value market price for that Contract at the time the trade under review occurred,

plus or minus the No Bust Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the Exchange has the authority, but not the obligation, to bust rather than price adjust such transactions. The Exchange will issue an alert regarding its decision.

ii. Option Contracts

If the Exchange determines that a trade price is outside of the applicable No Bust Range for an option contract, the trade price shall be adjusted. In the case of a buy (sell) error, the price will be adjusted to the determined ask (bid) price set forth in the Bid/Ask Reasonability Allowance in Section G plus or minus the No Bust Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the Exchange has the authority, but not the obligation, to bust rather than price adjust such transactions. The Exchange will issue an alert regarding its decision.

iii. Busted trade prices and any prices that have been adjusted shall be canceled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

(d) Alternative Resolution by Agreement of Parties

- (1) With the approval of the Exchange, parties to a trade that is price adjusted may instead mutually agree to cancel the trade.
- (2) With the approval of the Exchange, parties to a trade that is busted may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of this Rule.
- (3) Subject to Section (d)(1) and (d)(2), parties to a trade that is canceled, or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange and the parties maintain a record of the adjustment.
- (4) An executed trade may not be reversed via transfer except where such trade is determined by the Exchange to be outside of the No Bust Range but not reported timely, subject to agreement of the parties and approval of

the Exchange. Any such transfer must occur at the original trade price and quantity; however, the parties may mutually agree to a cash adjustment.

(e) Liability for Losses Resulting from Price Adjustments or Cancellations

- (1) A party entering an order that results in a price adjustment or trade bust shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or busted provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.
- (2) A claim for a loss pursuant to this Section must be submitted to the Exchange on an Exchange claim form within one business day of the event giving rise to the claim. The Exchange will reject any claim that is not filed in a timely manner and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the Clearing Member through which the trade was placed. Such party, or the Clearing Member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten Business Days shall be considered a denial of liability.
- (3) To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten Business Days shall be considered a denial of liability for purposes of this Rule. A copy of any such written agreement must be provided to the Exchange.
- (4) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Chapter 7 of the Rules. Such claims must be submitted to the Exchange within ten Business Days of the date the party was issued notification that liability was denied.

(f) Schedule of Administrative Fees

- (1) When the Exchange busts or price adjusts a trade, the party responsible for entering the Order into the Exchange Trading Platform that gave rise to

the trade bust or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence.

- (g) No Bust Ranges for each Contract will be determined by the Exchange prior to the initial listing of such Contract and published on the Exchange Website.

CHAPTER 6. DISCIPLINARY RULES

RULE 601. General

- (a) All Participants shall be subject to the Exchange's jurisdiction in accordance with Rule 301. All Participants are subject to this Chapter 6 if they, or with respect to a Participant, any other Person using any of its User IDs, are alleged to have violated or to have aided and abetted a violation any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.
- (b) The Exchange, acting through the Regulatory Department and other committees or panels appointed by the Board or convened under these Rules, will conduct inquiries, investigations, Disciplinary Proceedings and appeals from Disciplinary Proceedings, summary impositions of fines, summary suspensions or other Summary Actions in accordance with this Chapter 6.
- (c) Each Participant, upon becoming a Participant, shall file with the Exchange an address, including an electronic mail address, to which Exchange notices of Exchange investigations and commencements of Disciplinary Proceedings may be served. If a Participant fails to designate an address for such purpose, Participant consents to the Exchange using the Participant's physical address as the service address. Delivery thereof shall be deemed to have occurred as of the date of such mailing.
- (d) Upon becoming a Participant and thereafter, the Participant will, prior to any change of service, physical, or mailing address, file with the Exchange a notice, written or electronically through the Website or by such means as may be prescribed by the Exchange, designating an address for receiving service of documents. The obligation to maintain service address, physical, and mailing address for service of documents is in addition to the Participant's obligation to maintain an updated electronic mail address with the Exchange at all times which is the default communication method.
- (e) The provisions of Chapter 6 shall not apply to or limit the authority of the Exchange to limit Trading Privileges or take other actions under Chapter 3 of these Rules or to take Emergency Actions.

- (f) No Exchange Official or Director will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal (“**Appeal**”) from a disciplinary proceeding, summary imposition of fines, summary suspension or other Summary Action (collectively “**Disciplinary Proceeding**”), except to the extent provided under the Rules with respect to a proceeding in which the Director or Exchange Official is a member.
- (g) Any Participant may be represented by counsel during any Disciplinary Proceeding pursuant to this Chapter 6.
- (h) Participant Liability – Individual and Joint Liability/Controlling Person Liability
 - (1) The Exchange may hold a Participant liable for, and impose sanctions against such Participant for such Participant’s own acts and omissions that constitute a violation of the Rules as well as for the acts and omissions of each (A) Authorized User authorized by such Participant, (B) other Person using a User ID of such Participant or (C) other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant.
 - (2) The Exchange may hold an Authorized User liable for, and impose sanctions against such Authorized User, for such Authorized User’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 User that constitute a violation of the Rules as if such violation were that of the Authorized User.
- (i) Ex Parte Communications
 - (1) A Person subject to a Disciplinary Proceeding or an appeal from a Disciplinary Proceeding (and any counsel or representative of such Person) and the Regulatory Department (and any counsel or representative of the Regulatory Department) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a Disciplinary Proceeding or an Appeal from a Disciplinary Proceeding to any member of a Disciplinary Panel or Appeal Panel, as appointed by the Board, hearing such proceeding.

- (2) Participants of a Disciplinary Panel or Appeal Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a Disciplinary Proceeding or an Appeal from a Disciplinary Proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Regulatory Department (and any counsel or representative of the Regulatory Department).
- (3) Any Person who receives, makes or learns of any communication that is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Regulatory Department and all parties to the proceeding to which the communication relates.
- (4) 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.

RULE 602. Inquiries and Investigation

- (a) The Regulatory Department will investigate any matter within the Exchange's jurisdiction of which it becomes aware that warrants investigation. The Regulatory Department will commence an investigation upon the receipt of a request from CFTC staff or upon the discovery or receipt of information by the Exchange that, in the judgment of the Regulatory Department, indicates a possible basis for finding that a Rule violation has occurred or will occur. The Regulatory Department will determine the nature and scope of its inquiries and investigations in its sole discretion and will function independently of any commercial interests of the Exchange.
- (b) The Regulatory Department has the authority to:
 - (1) initiate and conduct inquiries and investigations;
 - (2) prepare investigative reports and make recommendations concerning initiating Disciplinary Proceedings;
 - (3) prosecute alleged violations within the Exchange's disciplinary jurisdiction;
 - and,

- (4) represent the Exchange on Appeal from any Disciplinary Proceeding, summary imposition of fines, summary suspension or other Summary Action.

(c) Each Participant:

- (1) is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Regulatory Department in connection with:

- (i) any Rule or any relevant requirement of Applicable Law;

- (ii) any inquiry or investigation; or

- (iii) any preparation and presentation during a Disciplinary Proceeding;

- (2) 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 Regulatory Department in connection with:

- (i) any Rule or any relevant requirement of Applicable Law;

- (ii) any inquiry or investigation; or

- (iii) any preparation and presentation during a Disciplinary Proceeding; and

- (2) may not impede or delay any Disciplinary Proceeding.

- (d) The Chief Regulatory Officer, upon a good faith determination that there is a substantial reason to believe that such immediate action is necessary to protect the best interests of the Exchange, may order that any Participant be denied access to the Exchange for a period not to exceed sixty (60) Business Days. Notice shall promptly be given to the Participant subject to the access denial. Such notice shall state the reasons for the denial, the effective date, time and the duration of the denial and advise the Participant of their right to an expedited hearing before a Disciplinary Panel by filing a request with the Chief Regulatory Officer within ten (10) Business Days after receiving the notice. The Exchange shall immediately notify the CFTC of any denial of access under this Rule 602 in accordance with the requirements of CFTC Regulation 9.12(b).

RULE 603. Reports of Investigations

- (a) The Regulatory Department will maintain a log of all investigations and their disposition. The Regulatory Department will prepare a written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within the Exchange'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 written report of investigation ("**Investigative Report**") will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, the Regulatory Department staff's analysis and conclusions, the Participant's disciplinary history at the Exchange and the recommendation of the Regulatory Department. For each Participant subject to an investigation ("**Respondent**"), the Regulatory Department will recommend either:
- (1) closing the investigation without further action;
 - (2) Settlement;
 - (3) Summary Action;
 - (4) the preparation and service of a Notice of Charges for instituting a Disciplinary Proceeding; or,
 - (5) resolving the investigation through an informal disposition, including the issuance of a Warning Letter. An informal disposition (including the issuance of a Warning Letter) will not constitute a finding of a violation or a sanction, however, the Investigative Report must include a copy of any Warning Letter and no more than one Warning Letter for the same potential violation may be issued to the same Respondent during a rolling 12-month period.
- (c) The Investigative Report will be provided to the Chief Regulatory Officer for a determination as to whether the Investigative Report is complete. The Chief Regulatory Officer will then provide the completed Investigative Report to a Review Panel of a Disciplinary Panel.

RULE 604. Review of Investigative Reports

(a) Review of Investigative Reports by the Chief Regulatory Officer

- (1) Within sixty (60) days of the receipt of a completed Investigative Report, the Chief Regulatory Officer will review the completed Investigative Report to determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.
- (2) If the Chief Regulatory Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the Chief Regulatory Officer will direct the Regulatory Department to conduct further investigation.
- (3) Upon receiving the completed Investigative Report or after receiving additional information upon the completion of an investigation, the Chief Regulatory Officer will determine for each potential Respondent whether to authorize:
 - (i) the informal disposition of the investigation (by issuing a Warning Letter or otherwise) because Disciplinary Proceedings are unwarranted;
 - (ii) the closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur; or
 - (iii) the commencement of a Disciplinary Proceeding because a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

(b) Review of Investigative Reports by a Review Panel of a Disciplinary Panel

- (1) After receiving a completed Investigative Report pursuant to this Rule, a Review Panel must promptly review the report and, within thirty (30) Business Days of such receipt, must take one of the following actions:

- (i) if a Review Panel determines that additional investigation or evidence is needed, it must promptly direct the Regulatory Department to conduct further investigation;
 - (ii) if a Review Panel determines that no reasonable basis exists for finding a violation of a Rule or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing and must include a written statement setting forth the facts and analysis supporting the decision; or
 - (iii) if the Review Panel determines that a reasonable basis exists for finding a violation of a Rule and adjudication is warranted, it must direct that the Person or entity alleged to have committed the violation be served with a Notice of Charges and proceed in accordance with the Rules of Chapter 6.
- (2) A failure of a Disciplinary Panel to act within the time prescribed in this Chapter shall not prevent the Chief Regulatory Officer from acting pursuant to their duties hereunder. The Chief Regulatory Officer shall inform the Regulatory Oversight Committee of any such failure of a Disciplinary Panel to act.
- (3) Any conflict between the actions of the Chief Regulatory Officer pursuant to this Chapter and a Disciplinary Panel shall be resolved by the Regulatory Oversight Committee.

RULE 605. Notice of Charges

- (a) If the Chief Regulatory Officer or a Review Panel determines that a matter should be adjudicated in a formal hearing before a Disciplinary Panel, the Regulatory Department will prepare and serve a Notice of Charges on the Respondent.
- (b) A Notice of Charges will:
- (1) state the acts, practices or conduct that the Respondent is alleged to have engaged in;
 - (2) state the Rule or provision of Applicable Law alleged to have been violated or about to be violated;

- (3) state the proposed sanctions;
- (4) advise the Respondent of its right to a hearing;
- (5) advise the Respondent of the right to be represented by legal counsel or any other representative of Respondent's choosing in all succeeding stages of the disciplinary process, except by any member of the Board or Disciplinary Panel, any employee of the Exchange, or any Person substantially related to the underlying investigations, such as a material witness;
- (6) 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;
- (7) 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;
- (8) advise the Respondent that the failure of the Respondent to file an answer ("**Answer**") within twenty (20) Business Days after service of the Notice of Charges will be deemed an admission of all of the allegations in the Notice of Charges; and
- (9) advise the Respondent that any allegation in the Notice of Charges that is not expressly denied will be deemed to be admitted.

RULE 606. Opportunity to Respond

- (a) After completing its Investigative Report, the Regulatory Department may, upon approval of the Chief Regulatory Officer, notify each potential Respondent that the Regulatory Department has recommended formal disciplinary charges against the potential Respondent.
- (b) The Regulatory Department may allow a Respondent to propose a settlement ("**Settlement**") of the matter or to submit a written statement explaining why a Disciplinary Proceeding should not be instituted or one or more of the potential charges should not be brought. The Respondent shall submit such written statement within the time limit established by the Regulatory Department.

RULE 607. Service of Notice of Charges

- (a) Any Notice of Charges or other documents to be served pursuant to this Chapter 6 may be served upon the Respondent and service shall be deemed complete either personally, by electronic mail to an electronic mail address on record with the Exchange, or by leaving the same at Respondent's place of business, 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 the Exchange.
- (b) Any Notice of Charges or other documents contemplated to be served pursuant to this Chapter 6 may be served upon the Respondent and service shall be deemed complete via electronic mail to the electronic mail address as it appears on the books and records of the Exchange.

RULE 608. Answer to Notice of Charges; Reply

- (a) The Respondent shall serve the Regulatory Department with a written Answer to the Notice of Charges and/or a written request for a hearing on the charges within twenty (20) Business Days of the date of service of the Notice of Charges.
- (b) An Answer shall be signed by the Respondent, or its representative, and contain a statement specifying the allegations that the Respondent:
 - (i) denies or admits;
 - (ii) does not have sufficient information to either deny or admit;
 - (iii) if denied, specify any specific facts that contradict the Notice of Charges;
 - (iv) if denied, specify any affirmative defenses to the Notice of Charges;
and
 - (v) sign and serve the Answer to the Chief Regulatory Officer.
- (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 of Charges. 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 general denial by the Respondent, without more, will not satisfy the requirements of Paragraph (b) of this Rule.

- (d) The Regulatory Department may serve to the Respondent a reply to the Answer (“**Reply**”) within ten (10) Business Days of the date of service of the Answer. The Reply must be limited to the matters set forth in the Answer.

RULE 609. Settlements

- (a) A Respondent may at any time propose in writing an offer of settlement (“**Offer of Settlement**”) related to anticipated or instituted Disciplinary Proceedings.
- (b) Any Offer of Settlement should contain proposed findings and sanctions and be signed by the Respondent and submitted to the Regulatory Department.
- (c) A Respondent may offer to settle any Disciplinary Proceedings without admitting or denying the findings but must accept the jurisdiction of the Exchange over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.
- (d) If a Respondent submits an Offer of Settlement, the Regulatory Department will forward the Offer of Settlement to the Chief Regulatory Officer with a recommendation on whether to accept or reject the Offer of Settlement. Any preliminary determination by the Chief Regulatory Officer to accept the Offer of Settlement shall be submitted for review by the Disciplinary Panel. If the Disciplinary Panel agrees, then the Chief Regulatory Officer shall conditionally accept an Offer of Settlement and that the settlement will become final upon the expiration of twenty (20) Business Days after an order of the Disciplinary Proceedings consistent with the terms of the Offer of Settlement is served on the Respondent.
- (e) If an Offer of Settlement is accepted by the Disciplinary Panel, the Disciplinary Panel accepting the offer must issue a written decision (“**Decision**”) specifying the Rule violations it has reason to believe were committed, including the basis or reasons for the Disciplinary Panel’s conclusions, and any sanction to be imposed, which must include full Customer restitution where Customer harm is demonstrated. If an Offer of Settlement is accepted without the agreement of the Regulatory Department or Chief Regulatory Officer, the Decision must adequately support the Disciplinary Panel’s acceptance of the Settlement. If applicable, the Decision must also include a statement that the Respondent has accepted the sanctions imposed without either admitting or denying the Rule violations.

- (f) If an Offer of Settlement is accepted and the related order of Disciplinary Proceedings 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 Exchange Rules.
- (g) If the Offer of Settlement of a Respondent is not accepted by agreement between the Chief Regulatory Officer and the Disciplinary Panel, fails to become final or is withdrawn by the 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 the Respondent nor the Regulatory Department may use an unaccepted Offer of Settlement as an admission or in any other manner at a hearing of, or Appeal from any Disciplinary Proceedings.

RULE 610. Disciplinary Panel

- (a) The Disciplinary Panel shall function as a Review Panel and Hearing Panel.
 - (1) The Review Panel shall review completed Investigative Reports in order to determine whether a reasonable basis exists for finding a violation of the Rules and for authorizing the issuance of Notices of Charges against Persons.
 - (2) The Hearing Panel shall conduct hearings in connection with any Disciplinary Proceedings (except for summary impositions of fines pursuant to Rule 617), to make findings, render decisions and impose sanctions pursuant to this Chapter 6.
 - (3) The individuals on the Review Panel who determine that a violation has occurred shall not be the same individuals on the Hearing Panel who will adjudicate the matter.
- (b) The Board shall appoint individuals at the recommendation of the Chief Regulatory Officer to serve as participants on the Disciplinary Panel.
- (c) The Disciplinary Panel will consist of three or five panelists. At least one member of any Hearing Panel must be someone who qualifies as a Public Director who will also serve as he Chair.

- (d) Disciplinary Panels shall not include any members of the Regulatory Department or any Person involved in adjudicating any other stage of the same proceeding.
- (e) Disciplinary Panels must meet the composition requirements set forth in Appendix B to Part 38 of the CFTC Regulations, Acceptable Practices to Core Principle 16, Section (b)(4) Disciplinary Panels.
- (f) The Disciplinary Panel shall conduct hearings in connection with any Disciplinary Proceedings, to make findings, render decisions and impose sanctions (other than summary fines under Rule 617) pursuant to this Chapter 6.
- (g) No person shall serve on a Disciplinary Panel unless that person has agreed in writing that they will not publish, divulge, or make known in any manner, any facts or information regarding the business of any Person or any other information which may come to their attention in their capacity as a member of the Disciplinary Panel, except when reporting to the Board or to a committee concerned with such information or to the Regulatory Department, when requested by the CFTC or other Government Agency or when compelled to testify in any judicial or administrative proceeding.
- (h) All information, records, materials and documents provided to the Disciplinary Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by Applicable Law.
- (i) No member of the Disciplinary Panel shall have a financial, personal, or other direct interest in the matter under consideration

RULE 611. Convening Hearings of Disciplinary Proceedings

- (a) A hearing will be conducted before participants of the Hearing Panel and will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Hearing 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 Hearing 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 Regulatory Department.

- (c) The Chair of the Hearing Panel may continue, adjourn or otherwise conduct the hearing as he or she may deem appropriate. The Chair of the Hearing Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining the procedural and evidentiary matters, the Chair of the Hearing Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Hearing Panel may consider and attach the weight it believes appropriate to evidence or other materials.

RULE 612. Respondent Review of Evidence

- (a) Prior to the commencement of a 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 the Exchange that the Regulatory Department will use to support the allegations and proposed sanctions in the Notice of Charges or which the Chair of the Hearing Panel deems relevant to the Disciplinary Proceedings. Notwithstanding the foregoing, no Respondent will have the right to review, and the Exchange will have no obligation to disclose, any information protected by attorney-client privilege.
- (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 Regulatory Department, the Regulatory 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 Regulatory Department:
 - (1) 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
 - (2) will provide the Respondent with access to the information and portions of the documents that the Regulatory Department intends to rely on to support the allegations or proposed sanctions in the Notice of Charges.
- (d) For purposes of this Rule 612, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or

liquidating positions, the identity of any Participant or Authorized User and the personal finances of the Person providing the information.

RULE 613. Conducting Hearings of Disciplinary Proceedings

- (a) At a hearing conducted in connection with any Disciplinary Proceeding, the Regulatory Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Hearing Panel. If a Respondent has timely filed an Answer to the Notice of Charges in accordance with Rule 608, the Respondent is entitled to attend and participate in the hearing.
- (b) At a hearing conducted in connection with any Disciplinary Proceeding, the Hearing Panel or the Regulatory Department and each Respondent may:
 - (1) present evidence and facts determined relevant and admissible by the Chair of the Hearing Panel;
 - (2) call and examine witnesses; and
 - (3) cross-examine witnesses called by other parties.
- (c) If the Respondent failed 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 Chair of the Hearing Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a Respondent failed 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 Hearing Panel determines that the Respondent had a compelling reason for failing to timely file an Answer. If the Hearing Panel determines that the Respondent had a compelling reason for failing to timely file an Answer, the Hearing Panel will adjourn the hearing and direct the Respondent to promptly file a written Answer in accordance with Rule 608.
- (d) Any Person entitled, or required or called upon, to attend a hearing before a Hearing Panel pursuant to paragraph (b)(2) above will be given reasonable notice, confirmed in writing, specifying the date, time and place of the hearing and the caption of the Disciplinary Proceeding. All Authorized Users and other individual related parties of Participants that are called as witnesses are required to appear at the hearing and, where applicable, produce

evidence. The Exchange will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

- (e) If during any Disciplinary Proceedings the Hearing Panel determines that a reasonable basis exists to believe that the Respondent has violated or is about to violate a Rule or a provision of Applicable Law. Other than the violations alleged in the Notice of Charges, the Hearing Panel may consider those apparent violations after providing the Respondent with an opportunity to answer the additional allegations. In connection with considering apparent violations pursuant to this paragraph (e), the Hearing Panel may request that the Regulatory Department provide the Hearing Panel with any additional information related to the violations at issue.
- (f) The Hearing Panel may summarily impose sanctions on any Participant or Authorized User that impedes or delays the progress of a hearing.
- (g) The Exchange 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 Chair of the Hearing Panel may within their sole discretion require the Respondent to pay the costs for transcribing the recording of the hearing.
- (h) No interlocutory appeals of rulings of any Hearing Panel or Chair of the Hearing Panel are permitted.

RULE 614. Decision of Hearing Panel

- (a) As promptly as reasonable following a hearing, the Hearing Panel will issue a written order rendering its decision (“**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.
- (b) The Exchange will serve a copy of the Decision of the Disciplinary Proceedings on the Respondent and the Regulatory Department. The Decision will include:
 - (1) the Notice of Charges or summary of the allegations;
 - (2) the Answer, if any, or a summary of the Answer;

- (3) a brief summary of the evidence introduced at the hearing or, where appropriate, incorporation by reference of the Investigative Report;
 - (4) findings of fact and conclusions concerning each allegation, including a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each allegation;
 - (5) each specific Rule and provision of Applicable Law that the Respondent is found to have violated;
 - (6) the sanctions, if any, including the basis for such sanctions and the effective date of each sanction; and
 - (7) the availability to the Respondent under CFTC Regulation 9.11 for a review of any Disciplinary Proceeding or denial of access.
- (c) Unless a timely Notice of Appeal is filed pursuant to Rule 616, the Decision of the Hearing Panel will become final upon the expiration of twenty (20) Business Days after the Decision is served on the Respondent and provided to the Regulatory Department.

RULE 615. Sanctions

- (a) If the Hearing Panel determines that a Respondent has committed a violation for which the Exchange has jurisdiction, the Hearing Panel may impose one or more of the following sanctions or remedies:
- (1) censure or reprimand;
 - (2) restriction, suspension or termination of Trading Privileges;
 - (3) Warning Letter, subject to the limitations in the applicable CFTC regulations;
 - (4) a cease and desist order;
 - (5) a fine;
 - (6) restitution or disgorgement; or
 - (7) any other sanction or remedy deemed to be appropriate.

- (b) Pursuant to CFTC Regulation 38.710, the Exchange will take into account the Respondent's disciplinary history when imposing sanctions upon a Respondent that has committed a violation.
- (c) In the event of demonstrated Customer harm, any disciplinary sanction will include full Customer restitution, except where the amount of restitution, or to whom it should be provided, cannot be reasonably determined.

RULE 616. Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions

- (a) A Respondent found by the Hearing Panel to have violated (or, in the case of a Respondent, whose Authorized User or other Person using its User ID was found to have violated) a Rule or a provision of Applicable Law or who is subject to any summary fine ("**Summary Fine**") or any ("**Summary Action**") may Appeal the Decision within twenty (20) Business Days of receiving the Decision of the Hearing Panel or the notice of Summary Action, as the case may be, by filing a notice ("**Notice of Appeal**") with the Chief Regulatory Officer. While an Appeal is pending, the effect of the Decision or the Summary Action (including any sanctions, remedies or costs imposed thereby) shall be suspended, except as provided in this Rule 616 with respect to any denial or limit on Trading Privileges or the ability to otherwise access the Exchange Trading Platform.
- (b) The Notice of Appeal must state in writing the grounds for Appeal, including the findings of fact, conclusions or sanctions to which the Respondent objects. A Respondent may Appeal the Decision or any Summary Fine or Summary Action on the grounds that:
 - (1) the Decision, Summary Fine or Summary Action was arbitrary, capricious, an abuse of discretion or not in accordance with the Rules;
 - (2) the Decision, Summary Fine or Summary Action exceeded the authority or jurisdiction of the Hearing Panel, the Chief Regulatory Officer or the Exchange;

- (3) the Decision, Fine or Summary Action was unsupported by the facts or evidence; or
 - (4) the imposed sanctions, remedies or costs are inappropriate or unsupported by the record.
- (c) Upon receipt of a Notice of Appeal, the Chief Regulatory Officer will forward copies to the non-appealing party to the Disciplinary Proceeding or Summary Action. On or before twenty (20) Business Day after filing a Notice of Appeal, the Respondent must file with the Chief Regulatory Officer and serve on the Regulatory Department a brief supporting the Notice of Appeal and documents supporting the brief.
- (d) In connection with any Appeal, the Regulatory Department will furnish to the Chief Regulatory Officer and to the Respondent any transcript of the hearing, any exhibits introduced at the hearing, the Notice of Appeal and briefs filed to support and oppose the Appeal.
- (e) Within thirty (30) Business Days after the last submission filed pursuant to paragraph (c) above, the Board will appoint an Appeal Panel to consider and determine the Appeal. The Board shall appoint individuals at the recommendation of the Chief Regulatory Officer to serve on the Appeal Panel for a term of one year, subject to reappointment by the Board, as potential participants on Appeal Panels. Any Appeal Panel shall include at least one Public Director. The term of an individual that has been selected as a member of an Appeal Panel will not expire until the related proceedings are completed. Individuals are prohibited from participating as a member of an Appeal Panel if such individual participated on a prior Review Panel, Hearing Panel or Appeal Panel proceeding in the same matter. Exchange Officials or employees are prohibited from serving on an Appeal Panel.
- (f) The Chair of the Appeal Panel shall be an individual who would qualify as a Public Director.
- (g) Within ten (10) Business Days of being notified of the appointment of the Appeal Panel, a Respondent may seek to disqualify any individual named to the Appeal Panel for the reasons identified in Rule 210 or for any other reasonable grounds, including, but not limited that such individual participated on a prior Review Panel, Hearing Panel or Appeal Panel proceeding in the same matter, by serving written notice on the Chief Regulatory Officer. By not timely filing a request for disqualification, the Respondent will be deemed to have waived any objection to the composition of an Appeal Panel. Legal counsel to the Exchange will decide the merits of any request for disqualification.

- (h) The Appeal Panel will hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeal Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeal Panel will not be bound by evidentiary or procedural rules or law.
- (i) The Appeal Panel will only consider on appeal the record before the Hearing Panel or, in the case of a Summary Action, the record considered by the Chief Regulatory Officer, the Notice of Appeal, the briefs filed in support and opposition of the Appeal and any oral arguments of the parties. The Appeal Panel may only consider new evidence when the Appeal Panel determines that good cause exists as to why the evidence was not introduced during the Disciplinary Proceeding or when imposing the Summary Action.
- (j) After completing its review, the Appeal Panel may affirm, modify or reverse any Decision of the Hearing Panel, Summary Fine 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, remanding the matter to the same or a different Hearing Panel for further Disciplinary Proceedings or ordering a new hearing.
- (k) As promptly as reasonably possible following its review, the Appeal Panel will issue a written decision (“**Appeal Decision**”) based on the weight of the evidence before the Appeal Panel. The Appeal Decision 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.
- (l) The Appeal Panel’s written Appeal Decision will be the final action of the Exchange and will not be subject to appeal within the Exchange.

RULE 617. Summary Imposition of Fines

- (a) The Chief Regulatory Officer may summarily impose a fine against a Participant or Authorized User for failing:
 - (1) to make timely payments of fees, cost, charges or fines to the Exchange or the Clearing House;

- (2) to make timely and accurate submissions to the Exchange of notices, reports or other information required by Rules; and
 - (3) to keep any books and records required by the Rules.
- (b) The Regulatory Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule 617 to each Participant or Authorized User subject thereto. The notice will specify:
 - (1) the violations of the Rules for which the fine is being imposed;
 - (2) the date of the violation for which the fine is being imposed;
 - (3) the amount of the fine; and
 - (4) the due date of the fine.

Within twenty (20) Business Days of serving the notice of fine, the Participant or Authorized User, as the case may be, must either pay or cause the payment of the fine or file Notice of an Appeal pursuant to Rule 616. Unless timely Notice of Appeal is filed, the fine will become final upon the expiration of twenty (20) Business Days after the notice of fine is served on the Participant or Authorized User, as the case may be.

- (c) The Exchange will set the amount of any fines imposed pursuant to this Rule 617, with the maximum fine for each violation not to exceed \$15,000. Summary imposition of fines pursuant to this Rule 617 will not preclude the Exchange from bringing any other action against the Participant or Authorized User, as the case may be.

RULE 618. Summary Suspensions and Other Summary Actions

- (a) Notwithstanding anything in the Exchange Rules to the contrary, the Chief Regulatory Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify a Participant's Trading Privileges and/or ability to otherwise access the Exchange Trading Platform, and may take other Summary Action against any Participant or any of its Authorized Users in accordance with the Exchange Rules; provided, however, that the Chief Regulatory Officer must reasonably believe that the business, conduct or activities of the Participant, including Authorized Users in question is not in the best interests of the Exchange or the marketplace, including based on any of the following:

- (1) statutory disqualification from registration as provided in CEA Section 8a(2) or Section 8a(3);
- (2) nonpayment of fees, costs, charges, fines or arbitration awards; or
- (3) the reasonable belief that immediate action is necessary to protect the public or the best interests of the Exchange.

Pursuant to CFTC Regulation 38.151(c), action taken by the Exchange to deny, suspend, or revoke a member or person with trading privileges' access or privileges to the Exchange will be implemented equally and impartially across the Exchange and its participants. Disciplinary action that is determined to have a conflict of interest will be governed according to the rules regarding Conflicts of Interest outlined in Exchange Rulebook chapter 210.

- (b) Whenever practicable, the Exchange shall provide prior written notice to the Respondent against whom any action in accordance with paragraph (a) of this Rule shall be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the Respondent against whom the action is brought.
- (c) Unless timely Notice of Appeal is filed pursuant to Rule 616, the Summary Action will become final upon the expiration of twenty (20) Business Days after the notice of action is served on the Respondent.
- (d) At the request of the Exchange, a Respondent against whom a Summary Action is brought pursuant to this Rule 618 must provide books and records over which the Respondent has access or control and must furnish information to, or appear or testify before, the Exchange in connection with the enforcement of any Rule.
- (e) A Participant for which Trading Privileges and/or ability to otherwise access the Exchange Trading Platform are suspended, revoked, limited, conditioned, restricted or qualified pursuant to this Rule 618 may apply for reinstatement by filing with the Regulatory Department a written request stating the party's reasons for seeking reinstatement. The Exchange will not consider a request for reinstatement if the Participant (i) owes any fines, fees, charges or costs to the Exchange, (ii) continues to fail to appear at Disciplinary Proceedings without good cause or (iii) continues to impede the progress of Disciplinary Proceedings.
- (f) Within a reasonable period after the filing of a request for reinstatement, the Appeal Panel will conduct a hearing to consider the request. At the hearing for reinstatement, the Respondent

will present its case supporting the reinstatement and the Regulatory Department, acting on behalf of the Chief Regulatory Officer may, in its discretion, present its case opposing or supporting the reinstatement and each may present evidence and facts and call, examine and cross-examine witnesses. At the hearing for reinstatement, the Exchange may require any Participant or Authorized User to appear as witnesses and produce evidence if the Appeal Panel determines that the evidence is relevant.

- (g) As promptly as reasonably possible after a reinstatement hearing, the Appeal Panel will issue an order reinstating, denying the reinstatement, or placing conditions on the reinstatement of the Trading Privileges and/or ability to otherwise access the Exchange Trading Platform of the Respondent. The order will include a brief summary of the evidence introduced at the reinstatement hearing and, if applicable, findings of fact and conclusions not contained in the notice of Summary Action. The Appeals Panel's order may not be appealed.

RULE 619. Failure to Pay Fine

If a Respondent fails to pay any fine imposed by the Hearing Panel on or before the date on which such fine becomes due and payable, such Respondent shall be suspended automatically without further action by the Exchange and shall remain suspended until such fine is paid in full and the Respondent is reinstated by the Exchange; provided however, that on written application received prior to such date, the Hearing Panel, in its sole discretion, may postpone the date when payment is due.

RULE 620. Rights and Responsibilities After Suspension or Termination

- (a) When a Participant's or Authorized User's Trading Privileges and/or ability to otherwise access the Exchange Trading Platform are suspended, none of its rights (including the right to hold oneself out to the public as a Participant or Authorized User, enter Orders into the Exchange Trading Platform and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized User in question to assert claims against others as provided in the Rules. Any such suspension will not affect the rights of creditors under the Rules or relieve the Participant or Authorized User in question of its, his or her obligations under these Rules to perform any Contracts entered into before the suspension, or for payment of any Exchange fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Participant or Authorized User under this Chapter 6 for

any violation of a Rule or provision of Applicable Law committed by the Participant or Authorized User before, during or after the suspension.

- (b) When a Participant's or Authorized User's Trading Privileges and/or ability to otherwise access the Exchange Trading Platform are terminated, all of its related rights will terminate, except for the right of the Participant or Authorized User 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 or Authorized User may only seek to be reinstated by applying for Trading Privileges pursuant to Rule 302.
- (c) The Exchange will not consider the application of a terminated Participant or Authorized User if such Participant or Authorized User, as the case may be, continues to fail to appear at Disciplinary Proceedings without good cause or continues to impede the progress of Disciplinary Proceedings.
- (d) A suspended or terminated Participant or Authorized User remains subject to the Rules and the jurisdiction of the Exchange for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, Disciplinary Proceeding, Appeal of Disciplinary Proceedings, summary suspension or other Summary Action as if the suspended or terminated Participant or Authorized User still had Trading Privileges or the ability to otherwise access the Exchange Trading Platform.
- (e) In the event of the suspension or revocation of a Participant's Trading Privileges and/or ability to otherwise access the Exchange Trading Platform, the Exchange shall seek to facilitate the transfer of any Customer Trading Accounts held by such Participant to other Participants with Trading Privileges and/or the ability to otherwise access the Exchange Trading Platform.

RULE 621. Notice to the Respondent and the Public

- (a) The Exchange will provide written notice of Disciplinary Proceedings to the parties consistent with applicable CFTC Regulations. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any Person access to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.
- (b) A brief summary of the disposition of a finding by the Chief Regulatory Officer, or the Hearing Panel, and each hearing, settlement, and each imposition of any penalty, shall be kept permanently in the Participant's regulatory history file maintained by the Exchange. The

record of any hearing, together with all related records, shall be retained for a period of five (5) years.

- (c) All information, records, and documents provided to the Panel, as well as proceedings conducted before the Hearing Panel shall be confidential and shall not be disclosed to any Person except: (i) as required by Applicable Law or the Rules; (ii) in any action or proceeding brought by or against the Exchange; and (iii) as may be determined from time to time by the Board.

RULE 622. Enforcement Staff

The Exchange must establish and maintain sufficient enforcement staff and resources to effectively and promptly prosecute possible Rule violations within the disciplinary jurisdiction of the Exchange. The Exchange must also monitor the size and workload of its enforcement staff annually, and ensure that its enforcement resources and staff are at appropriate levels. The Exchange's enforcement staff may not include persons whose interests' conflict with their enforcement duties. A member of the Exchange's enforcement staff may not operate under the direction or control of any person or persons with Trading Privileges at the Exchange. The Exchange's enforcement staff may operate as part of its Regulatory Department.

CHAPTER 7. ARBITRATION RULES

RULE 701. Disputes Subject to Arbitration

(a) Mandatory Arbitration of Disputes Among Participants

- (1) It is contrary to the objectives and policy of the Exchange for Participants to litigate Exchange-related disputes. By accessing the Exchange for the purpose of entering into Transactions in Contracts on the Exchange each Participant agrees that it shall arbitrate all disputes that relate to or arise out of any such Transaction, through the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules. In the event of a conflict between the Rulebook and the AAA’s Commercial Arbitration Rules, the terms of the Rulebook shall control.
- (2) Notwithstanding the foregoing, this Rule 701 does not require an employee of a Participant to submit to arbitration any claim that includes allegations of a violation of federal, state, or local employment discrimination, sexual harassment, wage payment or benefits laws.

(b) Claims Against the Exchange or Clearing House

- (1) Claims Against the Exchange
- (2) Claims against the Exchange pursuant to the provisions of Rule 540, subject to the limitations of Rules 910 and 911 can be submitted to arbitration through the American Arbitration Association or another arbitration program permitted by the CFTC Regulations. Such arbitration shall be conducted pursuant to the Rules and the AAA’s Commercial Arbitration Rules.
- (3) Claims Against the Clearing House
- (4) Claims against the Clearing House must be pursued pursuant to the Rules of the Clearing House.

(c) Permissive Arbitrations

The following may be submitted for arbitration through the American Arbitration Association and, in the event such a claim is submitted against a Participant, that Participant is required to arbitrate the dispute under these Rules, unless otherwise provided:

- (1) claims of a Customer that is not a Participant against a Participant that relate to or arise out of any Transaction on or subject to the Rules of the Exchange;
- (2) claims against a Participant pursuant to Rule 540;
- (3) claims of a Customer that is not a Participant against a Clearing Member responsible for the performance of a Contract on or subject the Rules of the Exchange and/or against a Participant in connection with a Transaction; and
- (4) at the discretion of the Chief Regulatory Officer, any claim involving the interests of the Exchange, its Participants, their business relations, or commodity futures trading in general not otherwise arbitrable under these Rules, provided the parties have consented to such arbitration.

(d) Waiver of Any Objection to Jurisdiction

Any Person who is not a Participant who submits a claim or grievance to arbitration or any Person who appeals any arbitration decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the American Arbitration Association to hear and determine the claim or appeal.

(e) Referral to the American Arbitration Association

If a complaint is received by the Exchange from a Customer, it shall be referred to the Regulatory Department, which shall inform the Customer of alternatives under Applicable Law for asserting a claim based on that complaint.

(f) IMX is adopting the AAA Commercial Arbitration Rules as set forth in this Rule 701. Any violation of the AAA Commercial Arbitration Rules shall be a violation of this Rule 701.

RULE 702. Initiating an Arbitration Claim

- (a) A claimant may initiate a claim by submitting the required documents and fees to the American Arbitration Association.
- (b) A claimant shall provide notice of such arbitration claim to the Exchange.

RULE 703. Exceptions to Required Arbitration

This Chapter 7 does not apply to disputes between Participants where: (1) such Participants are required by the Rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or (2) that such Participants have, by valid and binding agreement, committed to negotiate or litigate in a forum other than AAA.

RULE 704. Notice

The Exchange will ensure that Persons subject to arbitration under this Chapter 7 will be provided with adequate notice of the claims presented against such Person, as well as any fees and costs that may be assessed against such Person.

RULE 705. Right to Counsel

Every Person is entitled to represent his or her own interests, be represented by counsel of his or her choosing and at his or her own expense who is admitted to practice before the highest court in any State, by a family member or be represented by any other non-compensated representative. An entity must be represented by an officer or owner of the entity or by counsel.

RULE 706. Penalties

- (a) Any failure on the part of a Participant to arbitrate a dispute subject to this Chapter, or the commencement by any such Participant of a suit in any court prior to arbitrating a case subject to this Chapter, violates the Rules and may subject such Person to a Disciplinary Proceeding pursuant to Chapter 6 of these Rules.
- (b) The Exchange may summarily suspend, pursuant to Chapter 6 of these Rules, a Participant that fails to timely satisfy an arbitration award or settlement rendered in any arbitration pursuant to this Chapter.

CHAPTER 8. CLEARING

RULE 801. Submission to Clearing House

All Contracts shall be cleared through the Clearing House in accordance with Clearing House Rules and in conformity with all Rules specified in this Chapter.

RULE 802. Clearing House Rules

(a) The clearing services provided by the Clearing House with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including without limitation rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), shall be governed by the Clearing House Rules, except as otherwise provided in the Rules or Notices to Participants issued from time to time by the Exchange.

(b) The Clearing House provides clearing and settlement services for the Contracts.

(c) The Clearing House Rules shall prevail in the event of any conflict or inconsistency between the Rules and the Clearing House Rules with respect to any Clearing Member's responsibilities or obligations under the Clearing House Rules. All Clearing Members are bound by the Clearing House Rules.

(d) The Clearing House shall have the right to reject Contracts that arise from Transactions and to suspend clearing of such Transactions without notice, in accordance with the Clearing House Rules.

(e) Open positions in any Contract may only be offset by opposite Transactions in the same Contract that are executed on the Exchange.

RULE 803. Clearing Members

(a) All Participants must be a Member of the Clearing House or have an agreement with an FCM Clearing Member that establishes an account for the Participant for the purpose of clearing the Participant's Transactions through the Clearing House. A Participant that is also a Clearing Member guarantees its own performance on any Contract executed on the Exchange to both the Exchange and the Clearing House. An FCM Clearing Member that has established a Clearing House account for an Exchange Participant thereby guarantees such Participant's

performance on any Contract executed on the Exchange to both the Exchange and the Clearing House.

- (b) A Clearing Member may at any time revoke any authorization granted and guarantee made by it to any Participant in accordance with the preceding paragraph, by providing written notice of such revocation to the Exchange. The guarantee will remain in effect until the Participant has liquidated or transferred its positions and funds to another Clearing Member and no revocation made under this Rule shall have retroactive effect on any Transaction in Contracts entered into prior to the effectiveness of such revocation.
- (c) For clearing purposes, a Participant must specify Trading Accounts that it wishes to be separately tracked and margined by its Clearing Member. The Exchange will give each of these Trading Accounts a Trading Account ID for use by the Clearing House and its Clearing Members.
- (d) The Clearing Member will set risk limits for each of the Participant's Trading Account IDs, and has the right to suspend trading by a Participant on the Exchange.
- (e) Each Clearing Member shall develop and implement a written compliance program approved in writing by senior management of such Clearing Member that is reasonably designed to achieve and monitor the Clearing Member's compliance with all applicable requirements of the Bank Secrecy Act, and the Executive Orders and regulations issued pursuant thereto, including the regulations issued by the U.S. Department of the Treasury and, as applicable, the CFTC. The compliance program shall, at a minimum:
 - (i) establish and implement policies, procedures and controls reasonably designed to assure compliance with all applicable provisions of the Bank Secrecy Act, and all applicable Executive Orders and regulations issued pursuant thereto;
 - (ii) provide for independent testing for compliance to be conducted by Clearing Member personnel or a qualified outside party;
 - (iii) designate an individual or individuals responsible for implementing and monitoring the day-to-day operations and internal controls of the program; and
 - (iv) provide ongoing training for appropriate personnel.

RULE 804. Responsibilities of Participants

Each Participant must assist its FCM Clearing Member, if any, and the Clearing House in the clearing of its Transactions in Contracts. Without limiting the generality of the foregoing, each Participant must provide its FCM Clearing Member, if any, contact information sufficient to ensure that such Participant may be reached at any time that Transactions in Contracts are open at the Clearing House.

RULE 805. Settlement

The Exchange will provide the Clearing House with Settlement Prices each Business Day. The Daily Settlement Price shall be determined at the conclusion of Trading Hours on a Business Day as defined under the relevant Contract Specification. For each Contract Expiry, the Exchange shall publish on the Exchange Website a Daily Settlement Price and other pricing information (open, close, high, low), as well as volume and open interest.

The Exchange will provide the Clearing House with the Final Settlement Prices at the end of the Final Settlement Period on the Expiry of the Contract. Settlement Prices will be calculated as defined by the Contract Specification.

The Exchange reserves the right to adjust Daily and Final Settlement Prices as it deems necessary based on current market conditions or otherwise.

RULE 806. Clearing Fees

Clearing fees shall be assessed against a Clearing Member for each side of a Transaction cleared by or processed through the Clearing House as the Clearing House may from time to time prescribe. Such Clearing House-related clearing fees may be separate from or incorporated into the Exchange fees.

RULE 807. Transfer of Trades

Clearing Members may transfer positions in cleared Contracts in accordance with the Rules and operational procedures of the Clearing House in force from time to time.

RULE 808. Concurrent Long and Short Positions

Clearing Members shall adhere to the Clearing House Rules and procedures relating to concurrent long and short positions in Contracts and hold-open accounts holding such positions.

CHAPTER 9. MISCELLANEOUS

RULE 901. Governing Law

The law of the State of Illinois shall govern any dispute arising between the Exchange and a Participant without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws provisions.

RULE 902. Confidentiality

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

- (1) with the consent of the Participant or Authorized User providing such information;
- (2) to a Government Agency if the Exchange is requested or legally required to do so by such Government Agency;
- (3) pursuant to a lawful discovery request;
- (4) subject to appropriate confidentiality requirements, to any Person providing services to the Exchange;
- (5) pursuant to an information sharing agreement or other arrangement or procedures in accordance with the Rules or Applicable Law;
- (6) subject to appropriate confidentiality requirements, to the Exchange Officials, the Board, Board committees, Disciplinary Panels (including Hearing Panels, Review Panels and Appeals Panels), attorneys, auditors, and agents, independent contractors or other Persons that have been engaged by the Exchange, in each case, who require such information in connection with the discharge of their duties to the Exchange; and
- (7) as otherwise permitted under these Rules.

(b) All information and data obtained or received by the Exchange from inspections of accounting and other records will be treated as confidential by the Exchange, subject to the Exchange's

exercise of its rights and powers under Chapter 6 of these Rules and Rule 504, or any other requirement of or arising under Applicable Law.

RULE 903. Prohibition on Trading by Exchange Officials; Misuse of Material, Non-Public Information

- (a) Terms used in this Rule and not otherwise defined in the Rules of the Exchange shall have the meanings set forth in CFTC Regulations 1.3 and 1.59.
- (b) Employees of the Exchange are prohibited from:
 - (1) trading, directly or indirectly, in any product traded on or cleared by the Exchange;
 - (2) trading, directly or indirectly, in any related commodity interest;
 - (3) trading, directly or indirectly, in a commodity interest traded on contract markets or swap execution facilities or cleared by derivatives clearing organizations other than the Exchange, if such employee has access to material non-public information concerning such commodity interest; and
 - (4) trading, directly or indirectly, in a commodity interest traded on or cleared by a linked exchange, if such employee has access to material non-public information concerning such commodity interest.
- (c) Exchange Officials and consultants are prohibited from disclosing to any other Person any material non-public information which such Person obtains as a result of their employment or services at the Exchange, where such Person has or should have a reasonable expectation that the information disclosed may assist another person in trading any commodity interest; provided however, that this paragraph shall not prohibit disclosures made in the course of such Person's duties, or disclosures made to another Self-Regulatory Organization, linked exchange, court of competent jurisdiction or representative of any Government Agency.
- (d) The Chief Regulatory Officer (or in the case of the Chief Regulatory Officer the Board) may grant exemptions from the provisions of paragraph (b) of this Rule to employees of the Exchange on a case-by-case basis under circumstances which are not contrary to the purposes of this Rule and CFTC Regulation 1.59. Such circumstances may include, but are not limited to:

- (1) participation in pooled investment vehicles where such employee has no direct or indirect control with respect to transactions executed on or behalf of such vehicles;
 - (2) service by such employee as an executor or administrator of an estate;
 - (3) service by such employee in any other fiduciary capacity, such as an officer of a charitable organization, in which such employee receives no pecuniary benefit from the trading in any product traded on or cleared by the Exchange or any related commodity interest;
 - (4) trading, including trading for educational or demonstration purposes, in any product traded on or cleared by the Exchange or any related commodity interest executed on or subject to the Rules of a Swap Execution Facility, a Designated Contract Market or a National Securities Exchange under circumstances in which such employee's access to material non-public information in respect of such financial instruments is sufficiently minimal or attenuated so as to be insignificant; and
 - (5) such other circumstances as the Chief Regulatory Officer (or, in the case of the Chief Regulatory Officer, the Board) may determine.
- (e) For the avoidance of doubt, participation by an employee of the Exchange in a retirement plan sponsored by the Exchange shall not be deemed to constitute trading directly or indirectly in any product traded on or cleared by the Exchange or any related commodity interest, notwithstanding such plan's trading of such products or related commodity interests.
- (f) Any employee of the Exchange that has received an exemption under this Rule shall:
 - (1) furnish to the Exchange (or in the case of the Chief Regulatory Officer the Board) account statements and other documents relevant to the trading activities that are so exempted; and
 - (2) inform the Chief Regulatory Officer (or in the case of the Chief Regulatory Officer, the Board) within one (1) Business Day of any material change of information that may affect such employee's qualification for such exemption.

RULE 904. Gifts and Gratuities

Except as permitted in writing by the Chief Executive Officer or the Chief Regulatory Officer, no Participant shall, directly or indirectly, give or permit to be given anything of value, including gifts and gratuities, in excess of one hundred dollars (\$100) per individual per year to an Exchange Official.

RULE 905. Market Data

(a) All Participants, employees, agents, vendors and other Persons Affiliated with the foregoing understand and acknowledge that the Exchange has a proprietary interest in:

- (1) the price and quantity data from each and every Transaction executed on the Exchange Trading Platform, including the time at which the Transaction was executed by, or submitted to the Exchange Trading Platform;
- (2) the price and quantity data for each and every bid and offer submitted for entry into the Exchange Trading Platform, including the time at which the bid and offer was entered into the Exchange Trading Platform;
- (3) the Daily Settlement of each Contract;
- (4) any data and information derived from (1), (2) and (3) and the format and presentation thereof; and
- (5) the transmissions and dissemination of the data and information to Participants, any publisher of the data or information with which the Exchange has a written agreement and any other Persons (collectively **"Market Data"**).

(b) Participants may not distribute, sell or retransmit information displayed on the Exchange Trading Platform to any third party. Notwithstanding the foregoing, Participants may distribute, sell or retransmit Market Data pursuant to a duly executed Market Data agreement.

RULE 906. Amendments to the Rules

The Exchange shall be authorized to amend these Rules and any related procedures or other documents from time to time as necessary with the approval of the Board or Regulatory Oversight Committee, and without the consent of any other Person, subject to Applicable Law, and in

connection therewith to determine the effective date of any such amendment and whether, and how, any such amendment may apply to existing Contracts. Any proposed Rule changes will be sent to the CFTC pursuant to its self-certification process. The Exchange will notify Participants of Rule changes by posting a notice and revised Rulebook on the Exchange Website. Each Participant shall be bound by any such amendments.

RULE 907. Extension or Waiver of Rules

If necessary and expedient, the Exchange may, in its sole discretion, 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 CEA or the CFTC Regulations.

RULE 908. 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 a Contract and does not affect the value of open Contracts, then the effective date of any amendment or repeal of the Rule or adoption of a new the Rule relating to Contracts is binding on all Contracts entered into before and after 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 a Contract or affects the value of open Contracts, then the amendment, repeal or new Rule is binding only on Contracts listed for trading after the effective date of such amendment, repeal or adoption and Contracts 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 909. Force Majeure

Notwithstanding any other provision of the Rules, the Exchange shall not be obligated to perform its obligations under the Rules or any agreement with a Participant, or to compensate any Person for losses occasioned by any delay or failure of performance, to the extent a delay or failure of performance is the result of circumstances that the Exchange determines, in its sole discretion, may have an adverse effect upon the functions and facilities of the Exchange, including, but not limited to, acts of God, fire or other natural disasters, inclement weather, embargos, bomb threats, pressure waves, disruption of electricity, communication outages or delays, acts or threats of terrorism, riots, commotions, strikes, war, invasions, hostilities (whether declared or not), epidemics, pandemics, and contaminations.

RULE 910. Limitation on Liability

- (a) Except as otherwise set forth in this Rule, neither the Exchange nor any Exchange Official, Director, employee, agent or other representative, nor any Affiliate of the Exchange or any representative of such Affiliate ("**Covered Persons**") shall be liable to a Participant or to any partner, director, officer, branch manager, broker, supervised Person, Authorized User, employee or agent of such Participant (or any Person occupying a similar status or performing similar functions), or to any Person directly or indirectly controlling, controlled by, or under common control with, such Participant (collectively, "**Related Party of the Participant**"), for any loss, damage, injury, delay, cost, expense, other liability or claim (including loss of profits, loss of use, direct, indirect, incidental or consequential or punitive damages) (collectively, "**Losses**"), whether in contract, tort or restitution, or under any other cause of action, suffered by or made against them as a result of their use of some or all of the Exchange Trading Platform or any other action by the Exchange. By making use of the Exchange Trading Platform, such persons expressly agree to accept all liability arising from their use of same.
- (b) Except as otherwise set forth in this Rule, neither the Exchange nor any of its Covered Persons shall be liable to a Participant or any Related Party of the Participant, thereof, for Losses or other liability or claim whether in contract, tort or restitution, or under any other cause of action, suffered by or made against them arising from:
- (1) any failure or non-availability of the Exchange Trading Platform;
 - (2) any act or omission on the part of the Exchange or its Covered Persons including without limitation a decision of the Exchange to suspend, halt, or terminate trading or to void, nullify or cancel Orders or Trades in whole or in part;
 - (3) any errors or inaccuracies in information provided by the Exchange, its Covered Persons or the Exchange Trading Platform;
 - (4) unauthorized access to or unauthorized use of the Exchange Trading Platform by any Person; or
 - (5) any Force Majeure Event affecting the Exchange.

This limitation of liability will apply regardless of whether or not the Exchange, or its Covered Persons (or any designee thereof) was advised of or otherwise might have anticipated the possibility of such damages.

- (c) No Participant, or Related Party of the Participant or any other Person shall be entitled to institute a lawsuit or other legal proceeding against the Exchange or its Covered Persons for actions taken or omitted to be taken in connection with the official business of the Exchange. This provision shall not apply to Disciplinary Proceedings by the Exchange, administrative appeals of Exchange actions or in any specific instance where the Board has granted a waiver of this provision.
- (d) Any actions, suits or proceedings against the Exchange or its Covered Persons must be brought, within two years from the time they first arise, in a U.S. Federal Court located in Cook County, Illinois, or if the requirements for Federal subject matter jurisdiction are not met, in a State Court located in Cook County, Illinois. This provision shall in no way create a cause of action and shall not authorize an action that would otherwise be prohibited by the Rules of the Exchange.
- (e) Any Participant or Related Party of the Participant that fails to prevail in a lawsuit or other legal proceeding instituted by such Person against the Exchange related to the business of the Exchange, shall pay to the Exchange all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding.
- (f) This provision shall not restrict the right of such persons to apply for a review of a direction, order or decision of the Exchange by the CFTC. Notwithstanding any of the foregoing provisions, this Rule 910 shall in no way limit the liability of any Person arising from any violation by such Person of the CEA or the CFTC Regulations.
- (g) The limitations on liability in this Rule shall not protect any party for which there has been a final determination (including exhaustion of any appeals) by a United States court or arbitrator to have engaged in willful or fraudulent misconduct or has acted in bad faith. Additionally, the foregoing limitations on liability of this Rule shall be subject to the CEA and CFTC Regulations, each as in effect from time to time.

RULE 911. Limitation on Damages

- (a) The maximum aggregate liability of the Exchange, and its Covered Persons to any Participant, or any Related Party of a Participant, or any other Person, on an aggregate basis, for any and

all claims made in relation to the use of or failure of the Exchange Trading Platform or any action or failure to act in any calendar year shall be one hundred thousand dollars (\$100,000) to include any legal, court or attorney fees assessed against the Exchange or any Covered Persons, however that liability arises, including (without limitation) breach of contract, tort, misrepresentation or breach of statutory duty. This aggregate liability limit applies regardless of whether a claim is allowed under Exchange Rules or a U.S. court of competent jurisdiction unless held to be invalid, unlawful, or unenforceable.

- (b) Neither the Exchange nor any Covered Persons, solely by reason of acting in such capacity (including a Person having more than one such capacity), shall be personally liable for any expenses, liabilities, debts or obligations of the Exchange, whether arising in contract, tort or otherwise.
- (c) Except as otherwise provided, and except in instances where there has been a finding of fraud or willful misconduct, in which case the party found to have engaged in such conduct cannot avail itself of the protections in the Rules, neither the Exchange nor its Covered Persons shall be liable to any other Person, including any Participant or any Related Party of the Participant for any Losses, arising from:
 - (1) any failure or malfunction of, including any inability to enter or cancel Orders, the Exchange Trading Platform or any Exchange services or facilities used to support the Exchange Trading Platform;
 - (2) any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of the Exchange Trading Platform or any Exchange services or facilities used to support the Exchange Trading Platform; or
 - (3) any action taken or omitted to be taken in respect to the business of the Exchange except, in each case, to the extent that such Losses are attributable to the willful misconduct, gross negligence or criminal acts of the Exchange or its Covered Persons acting within the scope of their respective authority. Without limiting the generality of the foregoing, and subject to the same exception, no Covered Person shall have any liability to any Person for any Losses that result from any error, omission, or delay in calculating or disseminating any current or closing value or any reports

of Transactions in or quotations for Contracts, including underlying data and securities. The foregoing shall apply regardless of whether a claim arises in contract, tort, negligence, strict liability or otherwise. The limitations of liability and disclaimers set forth in this Rule shall be in addition to, and not in limitation of, any limitations otherwise available under Applicable Law.

(d) Whenever custody of an unexecuted Order or a message or other data is transmitted by a Participant or Related Party of a Participant to the Exchange and the Exchange acknowledges receipt of and assumes responsibility for the transmission or execution of the Order or the processing of the Order, message or other data, the Exchange may, in its sole discretion, compensate the Participant for the Losses of the Participant or its Related Party alleged to have resulted from the failure to process the Order, message or other data correctly due to the acts or omissions of the Exchange or due to the failure of the Exchange Trading Platform or facilities (each, a “**Loss Event**”), subject to the following limits and requirements:

- (1) as to any one or more requests for compensation made by a single Participant (including any Related Party of the Participant) that arose on a single Business Day, the Exchange may compensate the Participant up to, but not exceeding the larger of \$10,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange; and
- (2) as to the aggregate of all requests for compensation made by all Participants (including any Related Party of the Participants) that arose during a single calendar month, the Exchange may compensate the Participants (including any Related Party of the Participants) in the aggregate, up to but not exceeding the larger of \$25,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.
- (3) Nothing in this Rule shall obligate the Exchange to seek recovery under any applicable insurance policy.
- (4) Notice of all requests for compensation pursuant to this Rule shall be in writing in a form and manner prescribed by the Exchange, along with supporting documentation, and must be submitted no later than 12:00:00

PM Central Time on the next Business Day following the Loss Event giving rise to such requests.

- (5) The submission time frame shall commence upon the later of the occurrence of the Loss Event or when the Participant or Related Party of the Participant submitting the request for compensation reasonably should have been aware of the occurrence of the Loss Event as determined by the Exchange. Additional information related to the request as requested by the Exchange is also required to be provided in a form and manner prescribed by the Exchange. The Exchange shall not consider requests for which timely notice and submission have not been provided as required under paragraph (d) of this Rule.
- (6) If all of the granted requests submitted pursuant to paragraph (d)(i) of this Rule cannot be fully satisfied because in the aggregate they exceed the maximum amount of payments authorized in paragraph (d)(ii) of this Rule for a single calendar month, then such maximum amount shall be allocated among all such granted requests during that calendar month based upon the proportion that the amount of each such granted request bears to the sum of all such granted requests, except as provided in this Rule. Requests made pursuant to paragraph (c) of this Rule shall constitute a Participant's (including any Related Party's) sole recourse to seek compensation from Covered Persons relating to a Loss Event.
- (7) All payments to Participants (including any Related Party of the Participant) pursuant to this Rule will be contingent upon the execution and delivery to the Exchange of a release by the Participant (and any Related Party of the Participant) of all claims by it or its Affiliates against the Exchange and its Covered Persons for Losses that arise out of, are associated with or relate in any way to the Loss Event or to any actions or omissions related in any way to the Loss Event.
- (8) Failure to provide the release within fourteen (14) calendar days of notification of the payment amount by the Exchange will void the Participant's (including any Related Party of the Participant's) eligibility to receive a payment pursuant to this Rule 911 in determining whether to make payment of a request pursuant to paragraph (d) of this Rule. The

Exchange may determine whether the amount requested should be reduced based on the actions or inactions of the requesting Participant (or Related Party of the Participant), including, without limitation, whether the actions or inactions of the Participant (including by any Related Party of the Participant) contributed to the Loss Event; whether the Participant (including by any Related Party of the Participant) made appropriate efforts to mitigate its Loss, whether the Participant (including by any Related Party of the Participant) realized any gains as a result of the Loss Event, whether there were Losses of the Participant (including by any Related Party of the Participant), if any, that were offset by hedges of positions either on the Exchange or on another affiliated or unaffiliated market, and whether the Participant (including any Related Party of the Participant) provided sufficient and appropriately recorded information to document the request submitted to the Exchange.

- (9) All determinations made pursuant to this Rule by the Exchange shall be final and not subject to appeal. Nothing in the Rules, nor any payment pursuant to this Rule, shall in any way limit, waive, or proscribe any defenses a Covered Person may have to any claim, demand, liability, action, or cause of action, whether such defense arises in law or equity, or whether such defense is asserted in a judicial, administrative or other proceeding.

RULE 912. Indemnification

- (a) In the event any legal proceeding is brought by a third party against the Exchange which arises directly or indirectly from the use of the Exchange Trading Platform by a Participant, and/or any Related Party of the Participant, then such Participant or Related Party of the Participant must undertake to hold the Exchange harmless in respect of, and to reimburse to the Exchange all costs related to the same including all legal fees and expenses.
- (b) Participants and any Related Party of the Participant shall indemnify and hold the Exchange and its Covered Persons harmless from and against all costs, including without limitation amounts paid to settle an action or to satisfy a judgment, legal and professional fees, expenses for attending trials, hearings and meetings, that the Exchange incurs in any civil, criminal or administrative action, suit, proceeding, investigation, inquiry, hearing, appeal, or review that is threatened or brought against the Exchange or its Covered Persons, or in

respect of which the Exchange is compelled or requested to participate, in respect of any act committed or permitted by the Participant and/or any Related Party of the Participant.

- (c) Any Participant and/or any Related Party of the Participant which institutes an action or proceeding against the Exchange or its Covered Persons, and which fails to prevail in such action or proceeding, shall reimburse the Exchange and/or its Covered Persons for any and all costs or expenses (including but not limited to attorneys' fees, expenses of investigation and amounts paid by way of indemnifying any Exchange Officials, Directors, or other persons by the Exchange) incurred in connection with the defense of such action or proceeding.

RULE 913. Disclaimer of Warranties

- (a) The Exchange provides any licensed products, access to the Exchange Trading Platform, the equipment and any part or parts of the Exchange Trading Platform and data on an "as is" basis. The Exchange Trading Platform and all related services of the Exchange are being provided on an "as-is" basis at each Participant's, including any Authorized User's sole risk.
- (b) There are no express or implied warranties or representations provided by the Exchange or its Covered Persons relating to the Exchange Trading Platform or any Exchange services or facilities used to support the Exchange Trading Platform, including warranties of merchantability and warranties of fitness for a particular purpose or use. Neither the Exchange nor any of its Covered Persons make any warranty with respect to, and no such party shall have any liability to any Participant for the accuracy, timeliness, completeness, reliability, performance or continued availability of the Exchange Trading Platform, the Exchange or data, for delays, omissions or interruptions therein or the creditworthiness of any other Participant. The Exchange and its Covered Persons shall have no duty or obligation to verify any information displayed on the Exchange Trading Platform or otherwise to verify any information displayed on the Exchange Trading Platform or otherwise.
- (c) Each Participant acknowledges and agrees that the Exchange and its Covered Persons do not and shall not serve as the primary basis for any decisions made by any Participant and that the Exchange and its Covered Persons do not act as an advisor or fiduciary for any Participant.
- (d) No index licensor with respect to any index underlying a Contract traded on the Exchange and no Affiliate of such index licensor makes any warranty, express or implied, as to the results to be obtained by any Person from the use of such index, any opening, intra-day or closing value

therefor, or any data included therein or relating thereto, in connection with the trading of any Contract based thereon or for any other purpose.

- (e) The index licensor and its Affiliates shall obtain information for inclusion in, or for use in the calculation of, such index from sources they believe to be reliable, but the index licensor and its Affiliates do not guarantee the accuracy or completeness of such index, any opening, intra-day or closing value therefor, or any data included therein or related thereto.
- (f) The index licensor and its Affiliates hereby disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefor, any data included therein or relating thereto, or any Contract based thereon.
- (g) The index licensor and its Affiliates shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any Person arising out of any circumstance or occurrence relating to the Person's use of such index, any opening, intra-day or closing value therefor, any data included therein or relating thereto, or any Contract based thereon, or arising out of any errors or delays in calculating or disseminating such index.
- (h) For purposes of this Rule 913, the term "index licensor" includes any Person that grants the Exchange a license to use an index in connection with the trading on the Exchange of a Contract based on the index and any Person designated by the exchange as the source for calculating and/or reporting the level of an index underlying a Contract traded on the Exchange, and also includes, with respect to any index of which the Exchange or an Affiliate of the Exchange is the proprietor or for which the Exchange or an Affiliate of the Exchange calculates and/or reports levels of the index.
- (i) For purposes of this Rule 913, references to the term "index" shall also be deemed to encompass and apply to any benchmark other than an index and to any value or price of a commodity.

CHAPTER 10. RESERVED

CHAPTER 11. RESERVED

CHAPTER 12. IMX-MORNINGSTAR US HEALTHCARE INDEX FUTURES

(a) Scope of Rule:

- (1) IMX Rulebook Rule 12 pertains solely to the Contract Specifications as related to the IMX Morningstar US Healthcare Index Futures Contract. The Contract will also be subject to relevant IMX Rulebook Rules where applicable.

(b) Contract Specifications:

- (1) The IMX Morningstar US Healthcare Index Futures Contract will track and subsequently settle to the underlying Morningstar US Healthcare Index that is designed to measure the performance of companies of biotechnology, pharmaceuticals, research services, home healthcare, hospitals, long-term care facilities, and medical equipment and supplies.

(c) Trading Specifications:

(1) Trading Schedule:

- The number of contracts listed for trading per contract and the hours of trading for the Contract shall be determined by the Exchange.

(2) Trading Unit:

- The trading unit for the Contract is equal to \$10 times the index value.

(3) Price Increment:

- The minimum price increment (or tick size) of the Contract will be equal to 1 (i.e \$10 per contract)

(4) Position Limits, Exemptions, Position Accountability and Reportable Levels

- Position Limits, Exemptions, Position Accountability and Reportable Levels for this contract are within the purview of Exchange rules 535, 536, and 537. Initial Position limits, Position Accountability and Reportable levels are below:
 - IMX Position Limits:
 - Spot Month: 20,000 Contracts
 - All Month: 30,000 Contracts
 - IMX Accountability Limit:
 - Spot Month: 5,000 Contracts
 - All Month: 20,000 Contracts

- IMX Reportable Limit:
 - 25 contracts

(5) Daily Price Limits:

- Contracts listed on the Exchange are subject to intraday and daily price limits established to reduce the impact of periods of large volatility.
 - Intraday price limits are set in reference to the previous business day's settle price with two intraday price limits set at 7% and 13%, each resulting in a two-minute market halt.
 - During this halt, new orders cannot be submitted and resting orders cannot be modified, however resting orders can be cancelled.
 - A daily price limit is set to 20% and trading may not occur beyond this level.
- In addition to Exchange listed intraday and daily price limits, the Contract will be subject to Market Wide Circuit Breakers ("MWCB") as defined in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility and New York Stock Exchange Rule 7.12 for Trading Halts Due to Extraordinary Volatility. MWCB may result in the temporary halt of markets, or, in extreme cases, cause the markets to close prior to the normal close of a trading session. Details of MWCB price levels are as follows:
 - Level 1 halt (7% decline in S&P 500 index)
 - Trading will halt for at least 15 minutes if drop occurs before 14:25 p.m. CT
 - At or after 14:25 p.m. CT—trading will continue, unless there is a Level 3 halt.
 - Level 2 halt (13% decline in S&P 500 index)
 - Trading will halt for at least 15 minutes if drop occurs before 14:25 p.m. CT
 - At or after 14:25 p.m.—trading will continue, unless there is a Level 3 halt.
 - Level 3 halt (20% decline in S&P 500 index)
 - At any time during the trading day—trading will halt for the remainder of the trading day.
 - The Exchange will pause trading of the Contracts for the duration of the MWCB for a period aligning with the level of the MWCB halt (i.e a level 1 and 2 MWCB halt prior to 14:25 p.m. CT will result in at least a 15-minute

halt on the Exchange, a level 3 MWCB Halt will result in the termination of trading for the remainder of the day).

(6) Termination of Trading:

- Trading will end on the third Friday of the month at 9:30:00 CT. If the third Friday falls on a holiday, the last trading day will be the first business day preceding the third Friday.

(7) Final Settlement:

- Delivery shall be by cash settlement; clearing members holding open interest in an IMX futures contract that is subject to financial settlement at the contract's termination of trading will make or receive payment to the Clearing House via the standard variation margin procedure while utilizing the contract's Final Settlement Price.

The Final Settlement Price is determined utilizing the following methodology:

- The Final Settlement Price will be a special opening quotation ("SOQ") of the Index. The SOQ will be determined by the index calculation agent on the last trading date of the contract and, as with other equity index futures, the SOQ will be derived from opening prices of the stocks that comprise the index.
- In the event that the index is not published on the last trading day of the futures contract, then the final Settlement Price will be determined from the first preceding business day which the index is published.