

BY-LAWS OF ICE Clear U.S.[®], Inc. (A New York Corporation)

ARTICLE I

Definitions; Offices; Time References

Section 1.1. Definitions

Unless the context otherwise clearly requires, the following terms as used in the By-Laws and Rules shall have the following meanings:

~~Position Risk, Permitted Position Risk, Supermargin Position Risk, Permitted Supermargin Position Risk~~

~~The meanings set forth in Section 5.6(a).~~

Adopted by the Board April 11, 2005; effective April 22, 2005.

Amended by the Board June 18, 2015; effective

ARTICLE V
Clearing Members

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Section 5.6. Position Risk

(a) The Corporation will be entitled at its discretion to establish, amend or revoke limits on position risk for Clearing Members or in respect of particular accounts. The position risk of any Clearing Member shall mean the amount of original margin, required from such Clearing Member, exclusive of Option liquidating value, as calculated by the Corporation.

(b) The limit on position risk for each Clearing Member and account will be determined at the Corporation's discretion and may take into account the Corporation's evaluation of the financial and operational capacity of the Clearing Member and such other factors as the Corporation at its discretion deems appropriate.

(c) Breach of Limits on Position Risk

(i) If a Clearing Member exceeds its limits on position risk, the Corporation may, at its discretion: (A) require a Clearing Member to provide information to the Corporation in respect of any of its positions; (B) require a Clearing Member to allocate, transfer or terminate such Contracts or close out its open position in any affected account to the extent necessary to reduce its open position so as to meet its limit on position risk within such time as the Corporation may prescribe; (C) make an additional call for such Margin as the Corporation in its discretion determines; and/or (D) impose such additional Capital requirements on the Clearing Member as the Corporation in its discretion determines.

(ii) If the Clearing Member fails to comply with any requirement imposed on it pursuant to By-Law 5.6(a), the Clearing Member shall be in breach of these Rules and, without limitation, the Corporation may, at its discretion, in respect of the Clearing Member concerned: (A) declare an Event of Default; (B) terminate or suspend membership of the Clearing Member; (C) terminate such Contracts as the Corporation at its discretion selects on behalf of the Clearing Member; (D) instigate an investigation or disciplinary proceeding under Part 9 of the Rules; and/or (E) impose such other requirements on the Clearing Member as it sees fit.

~~(a) For the purpose of this By Law, the following terms shall have the meanings set forth below, unless the context otherwise requires:~~

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~~(i) "Position Risk" of any Clearing Member shall mean the amount of original margin required from such Clearing Member, exclusive of Option liquidating value, as calculated by the Corporation.~~

~~(ii) "Permitted Position Risk" of any Clearing Member shall mean the maximum Position Risk which the Clearing Member is permitted to have pursuant to paragraph (b) of this By-Law.~~

~~(iii) "Supermargin Position Risk" of any Clearing Member shall mean the amount by which a Clearing Member's Position Risk exceeds its Permitted Position Risk.~~

~~(iv) "Permitted Supermargin Position Risk" of any Clearing Member shall mean the maximum Supermargin Position Risk which the clearing member is permitted to have pursuant to paragraph (c) of this By-Law.~~

~~The Position Risk, Permitted Position Risk, Supermargin Position Risk and Permitted Supermargin Position Risk of a Clearing Member shall be determined separately for all of its customer accounts in the aggregate and for all of its proprietary accounts in the aggregate.~~

~~(b) Permitted Position Risk~~

~~Subject to the provisions of paragraph (c) below, no clearing member may carry contracts with the Corporation that result in Position Risk in excess of (i) 150% of its Capital, in the case of all the Clearing Member's customer accounts in the aggregate, (ii) 75% of its Capital in the case of all the Clearing Member's proprietary accounts in the aggregate and (iii) 200% of its Capital, in the case of all accounts combined, provided, however, that for purposes of this By-Law, no Clearing Member with Capital greater than \$100 million but less than \$1 billion shall be deemed to have Capital greater than \$100 million and no Clearing Member with Capital equal to or greater than \$1 billion shall be deemed to have Capital greater than \$200 million.~~

~~(c) Supermargin Deposits~~

~~A Clearing Member with deposits with the Corporation as margin (in addition to all other deposits for margins, fees or other charges that may be required, but not including option liquidation value) in an amount equal to the Supermargin Position Risk of its customer accounts or its proprietary accounts plus an amount equal to 50% of such Supermargin Position Risk, may carry Contracts that result in Position Risk in excess of such Clearing Member's Permitted Position Risk for such accounts, provided, however, that no Clearing Member may carry Contracts that result in Position Risk in excess of (i) 200% of its Capital, in the case of the Clearing Member's customer accounts, (ii) 100% of its Capital, in the case of the Clearing Member's proprietary accounts, and (iii) 250% of its Capital, in the case of all accounts combined without the approval of the Board or President pursuant to paragraph (h) below. In the event that a Clearing Member exceeds its Permitted Position Risk with respect to all accounts combined as well as all its proprietary accounts and/or its customer accounts, the amount of additional margin required to be deposited pursuant to this paragraph (c) shall be the greater of (A) the amount of additional margin required for all accounts combined and (B) the sum of the amount of additional margin required with respect to the proprietary accounts and the amount of additional margin required with respect to the customer accounts.~~

~~(d) Notwithstanding paragraph (c) hereof, the Board may establish for any Clearing Member a Permitted Position Risk and Permitted Supermargin Position Risk which is lower than those established pursuant to paragraphs (b) and (c) hereof, based on the Board's evaluation of the financial and operational capacity of the Clearing Member, and such other factors as the Board, in its discretion, deems appropriate, including but not limited to, (A) the~~

~~Capital, business needs and financial condition of the Clearing Member; (B) the number of memberships on other clearing organizations held by the Clearing Member; (C) the average number of contracts cleared by the Clearing Member through each clearing organization each day and each month during the preceding twelve months and the extent to which such contracts were cleared for either customer accounts, proprietary accounts, or both; (D) the length of time the Clearing Member has been a Clearing Member; and (E) the number of guarantees given by such Clearing Member of the obligations of any member of any futures or options exchange in the United States.~~

~~Any Clearing Member may elect to have its Permitted Position Risk computed on the basis of an amount of Capital designated by it which is less than its actual Capital by giving written notice of such designation to the Corporation.~~

~~(e) Any Clearing Member which exceeds the Permitted Position Risk specified in paragraph (b) hereof by more than the amount permitted by paragraph (c) hereof shall transfer and/or liquidate such number of Contracts as may be necessary to eliminate the excess within such time as the Corporation may prescribe and shall report to the Corporation when such transfers and/or liquidations have been completed. If a Clearing Member fails so to transfer and/or liquidate Contracts within the time prescribed by the Corporation, the Corporation may liquidate such Contracts as the Corporation deems necessary on behalf of such Clearing Member in accordance with Rule 803. The Corporation in its discretion may require any Clearing Member whose Position Risk exceeds its Permitted Position Risk by more than the amount permitted by paragraph (c) hereof to deposit with the Corporation, in such form and by such time as it shall specify, such additional original margin as the Corporation determines is necessary with respect to the excess until such excess has been eliminated. Any instance of a Clearing Member exceeding Permitted Position Risk Limit by more than the amount permitted by paragraph (c) hereof is a violation of the Rules which subjects a Clearing Member to possible disciplinary action under the Rules.~~

~~(f) For purposes of this Section 5.6:~~

~~(i) The term "Contracts" shall include options.~~

~~(ii) A Clearing Member which collects margin with respect to an account that otherwise would be classified as a proprietary account of such Clearing Member, may treat such account as a customer account.~~

~~(g) The Board or the President may at any time reduce the Permitted Position Risk of any Clearing Member if in the judgment of the Board or the President such reduction is necessary for the protection of the Corporation. After receiving notice of any such reduction, a Clearing Member shall transfer and/or liquidate such number of Contracts as may be necessary to reduce its Position Risk to the level of its Permitted Position Risk, within such time as the Board or the President may prescribe. The Board shall be apprised of any reduction made by the President to the Permitted Position Risk of a Clearing Member not later than its next regularly scheduled meeting.~~

~~(h) Notwithstanding the Capital limitations in Section 5.6(b) of these By-Laws, the Board or the President may at any time increase the Permitted Position Risk determined pursuant to such Section 5.6(b) of any Clearing Member with Capital greater than \$100 million if in the judgment of the Board or the President such increase is justified by the financial condition of the Clearing Member as reported in its financial statements on file with the Corporation and such other considerations as they may deem appropriate; provided, however, that no Clearing Member may carry Contracts that result in a Position Risk in excess of (i) 600% of the Capital it is deemed to have, in the case of the Clearing Member's customer accounts, (ii) 600% of the Capital it is~~

~~deemed to have, in the case of the Clearing Member's proprietary accounts, and (iii) 600% of the Capital it is deemed to have in the case of all accounts combined. The Board shall be apprised of any such increase made by the President in the Permitted Position Risk of a Clearing Member not later than its next regularly scheduled meeting.~~

~~(i) Where any two or more Clearing Members are Affiliated Persons, the Board may impose limits on the Position Risk that such Clearing Members may in the aggregate carry with the Corporation.~~

Amended and Effective November 1, 2000.

Amended by the Board November 8, 2004; effective December 3, 2004 [¶¶ (h) and (i)].

Amended by the Board April 11, 2005; effective April 22, 2005 [¶¶ (a)(ii) and (d)].

Amended by the Board November 10, 2008; effective November 14, 2008 [¶¶ (c), (g) and (h)].

Amended by the Board March 17, 2010; effective March 30, 2010 [¶¶ (b) and (h)].

Amended by the Board June 18, 2015; effective

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