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July 25, 2011

Mr. David A. Stawick
Office of the Secretariat
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Change of Entity Name and Amendment to ICE OTC Rule 2.03 (b) – “The Business Conduct Committee”
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

The IntercontinentalExchange, Inc. (“ICE” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC”) that it is self-certifying the following amendments to its regulatory rulebook.

ICE is changing the title of its rulebook, and any references therein, to “ICE U.S. OTC Commodity Markets, LLC. Regulatory Rulebook for Significant Price Discovery Contracts” (“Rulebook”). To reflect this change, ICE has also amended its Participation Agreement. Additionally, Rule 2.03(b) of its Rulebook will be amended.

The amended Rulebook and Participation Agreement are attached, with deletions shown in red. These rule amendments shall become effective for trade date Monday, July 25, 2011.

Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies the attached amendment complies with the Act, including any regulations thereunder.

If you have any questions or need further information, please contact me at Kurt.Windeler@theice.com or (312) 836-6725, or Trabue Bland at Trabue.Bland@theice.com or (770) 916-7832.

Sincerely,

Kurt Windeler
Director, Market Regulation
ICE U.S. OTC Commodity Markets, LLC.

Enclosures

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ANNEX L

ICE U.S. OTC COMMODITY MARKETS, LLC. REGULATORY RULEBOOK FOR SIGNIFICANT PRICE DISCOVERY CONTRACTS

TABLE OF CONTENTS

DEFINITIONS	4
Chapter 1	
EMERGENCIES	
Rule 1.01 Emergency Action.....	9
Rule 1.02 Physical Emergencies.....	11
Rule 1.03 Suspension of Trading.....	11
Rule 1.04 Conflicts of Interest Involving Emergency and Other Significant Actions.....	11
Rule 1.05 Alternate Settlement Price Determination.....	13
Rule 1.06 (Reserved).....	13
RECORDS	
Rule 1.07 General Requirements.....	14
Rule 1.08 (Reserved).....	15
Rule 1.09 (Reserved).....	15
Rule 1.10 (Reserved).....	15
REPORTABLE POSITIONS AND SPECULATIVE POSITION LIMITS	
Rule 1.11 Emergency Powers Not Limited.....	15
Rule 1.12 Aggregation of Positions.....	15
Rule 1.13 Enforcement of Position Limits and Position Accountability Levels.....	15
Rule 1.14 Exchange Access to Position Information.....	17
Rule 1.15 Reportable Positions and Daily Reports.....	17
Rule 1.16 Hedge Exemption.....	18
Rule 1.17 Arbitrage, Straddle and Spread Exemption.....	18
Rule 1.18 Independently Controlled Position Exemption.....	19
Rule 1.19 Risk Management Exemption.....	21
Rule 1.20 Conflict with Government Regulations.....	22
Rule 1.21 Open Interest.....	22

Chapter 2

DISCIPLINARY RULES

Rule 2.01	Jurisdiction.....	24
Rule 2.02	ICE Market Regulation Staff Powers and Duties.....	24
Rule 2.03	The Business Conduct Committee.....	25
Rule 2.04	Notice of Charges.....	25
Rule 2.05	Answer; Request for Hearing; Failure to Answer or Deny Charges.....	26
Rule 2.06	Reply.....	26
Rule 2.07	Selection of Hearing Panel.....	26
Rule 2.08	Challenge to Members of the Hearing Panel.....	27
Rule 2.09	Hearing on Penalty in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Penalty.....	27
Rule 2.10	Settlement Prior to Commencement of Hearing.....	27
Rule 2.11	Hearing Procedures.....	27
Rule 2.12	Written Decision of Hearing Panel.....	28
Rule 2.13	Liability for Expenses.....	29
Rule 2.14	Effective Date of Penalties.....	29
Rule 2.15	Extension of Time Limits.....	30
Rule 2.16	Conflicts of Interest Involving Named Participant in Interest.....	30
Rule 2.17	Restrictions of Certain Persons Who Possess Material, Non Public Information.....	31
Rule 2.18	Regulatory Oversight Committee.....	31

Chapter 3

TRADING SESSIONS

3.01	Pre-Open Session.....	32
3.02	Opening Match.....	32
3.03	Open and Close of Electronic Trading Session ("ETS").....	32
3.04	Trading Hours.....	32

Chapter 4	(Reserved).....	32
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Chapter 5

TRADING STANDARDS

Rule 5.01	Rule Violations.....	33
Rule 5.02	Fictitious, Wash or Non-Competitive Transactions.....	33

Rule 5.03	Good Faith Bids and Offers.....	33
Rule 5.04	Pre-Execution Discussions	33
Rule 5.05	Error Trades.....	33
Rule 5.06	Misuse of Exchange.....	33
Rule 5.07	Acts Detrimental to ICE's Welfare	34
Rule 5.08	Supervision of Authorized Traders	34
Rule 5.09	Acceptable Orders	34
Rule 5.10	Revising Orders	36
Rule 5.11	Requirements for Persons Submitting Orders	36
Rule 5.12	(Reserved).....	37

Chapter 6

CONTRACT SPECIFICATIONS

Rule 6.01	Henry Financial LD1 Fixed Price.....	38
Rule 6.02	Alberta, Nova Inventory Transfer (AECO) Basis Swap ("AEC").....	39
Rule 6.03	Chicago Citygate Basis Swap ("DGD").....	40
Rule 6.04	Houston Ship Channel Basis Swap ("HXS").....	41
Rule 6.05	Northwest Pipeline Corp – Rocky Mountain Basis Swap ("NWR").....	42
Rule 6.06	PG&E Citygate Basis Swap ("PGE")	44
Rule 6.07	SoCal Border Basis Swap ("SCL")	45
Rule 6.08	Waha Hub – West Texas Basis Swap ("WAH").....	46
Rule 6.09	Mid-C Financial Peak Swap ("MDC")	47
Rule 6.10	Mid-C Financial Off-Peak Swap ("OMC")	48
Rule 6.11	PJM WH Real Time Peak Swap ("PJM").....	49
Rule 6.12	PJM WH Real Time Off-Peak Swap ("OPJ")	50
Rule 6.13	SP-15 Financial Day-Ahead LMP Peak Swap ("SPM")	51
Rule 6.14	SP-15 Financial Day-Ahead LMP Off-Peak Swap ("OFP").....	52

DEFINITIONS

Except where the context requires otherwise, the following terms shall have the following meaning when used in the rules. Use of the singular shall include the plural and vice versa, unless the context requires otherwise.

Act

The term "Act" shall mean the Commodity Exchange Act, as amended from time to time.

Arbitrage Position

The term "Arbitrage Position" shall mean

- (i) an Exchange Significant Price Discovery Contract ("SPDC") in one delivery month for an account which is offset by a Futures Contract for the same Commodity in the same or a different delivery month for such account which is executed on or subject to the rules of the CME Group Inc., and;
- (ii) an Exchange SPDC Option to sell or purchase the same Commodity as the Underlying SPDC Contract for such Exchange SPDC option, which is executed on or subject to the rules of the Intercontinental Exchange.

Authorized Trader

The term "Authorized Trader" shall mean a person acting on behalf a Participant.

Board

The term "Board" shall mean the Board of Directors of the Exchange. Any reference to "Board of Governors" in the Rules shall also mean the Board of Directors of the Exchange.

Business Day

The term "Business Day" shall mean, with respect to an Exchange SPDC any day on which a SPDC is available for trading on the electronic trading platform for the full regular electronic trading session for such SPDC.

Call Option

The term "Call Option" shall mean an Option whereby:

- (i) the Purchaser has the right, but not the obligation, to enter into an Underlying Futures or Swap Contract to buy a Commodity for delivery in the Option Month, at the Strike Price specified; and
- (ii) the Grantor has the obligation, upon exercise, to enter into an Underlying Futures or Swap Contract to sell a Commodity for delivery in such Option Month, at such Strike Price.

Cash Commodity

The term "Cash Commodity" shall mean a physical or actual commodity.

CFTC

The term "CFTC" shall mean the Commodity Futures Trading Commission.

Class

The term "Class" shall mean, with respect to any Option, a Put Option or a Call Option covering the same Underlying Futures or Swap Contract.

Clearing Member

The term "Clearing Member" shall mean any Participant who is a member of a Clearing Organization.

Clearing Organization

The term "Clearing Organization" shall mean with respect to any Commodity Contract, the entity designated by the Board as being authorized to clear such Commodity Contract.

Clearing Organization Rules

The term "Clearing Organization Rules" shall mean the certificate of incorporation, by-laws, rules, regulations, resolutions, orders, directives and procedures of the Clearing Organization as adopted or amended from time to time.

Commodity

The term "Commodity" shall mean any and all goods, articles, services, rights and interests in which contracts for future delivery are presently or in the future dealt in, on or subject to the Rules.

Emergency

The term "Emergency" shall have the meaning set forth in Rule 1.01(a).

Exchange

The term "Exchange" shall mean ICE U.S. OTC Commodity Markets, LLC.'s exempt commercial market.

Expiration Day

The term "Expiration Day" shall mean the day on which Options in any Option Month expire.

Firm

The term "Firm" shall mean a corporation, partnership, limited liability company, sole proprietorship or other entity.

ICE

The term "ICE" shall mean ICE U.S. OTC Commodity Markets, LLC.

ICE OTC

The term ICE OTC shall mean the ICE U.S. OTC Commodity Markets, LLC. exempt commercial market.

Last Trading Day

The term "Last Trading Day" shall mean, with respect to any SPDC the last day on which trading is permitted for such SPDC in accordance with the Rules.

Lot

The term "Lot" shall mean the par quantity of the Commodity deliverable under a particular Significant Price Discovery Contract.

Option

The term "Option" shall mean a contract or Transaction whereby one (1) party grants to another the right, but not the obligation, to buy, sell or enter into a Significant Price Discovery Contract.

Out-of-the-Money Option

The term "Out-of-the-Money Option" shall mean an Option which has a Strike Price that is higher (in the case of a Call Option) or lower (in the case of a Put Option) than the price of the Underlying Significant Price Discovery Contract for such Option on any day.

Participant

The term "Participant" shall mean an individual or Firm

Participant Agreement

The term "Participant Agreement" shall mean the agreement executed by Participants to enter transactions on the ICE U.S. OTC Commodity Markets, LLC. platform.

Position

The term "Position" with respect to any Participant shall mean all the Significant Price Discovery Contracts held by such Participant.

President

The term "President" shall mean the President of the Exchange, or one duly authorized to act with the authority of the President.

Principal

The term "Principal" shall mean with respect to any Firm, any Person who is an executive officer, general partner, director or other person, who, in each case, exercises a controlling influence over the Exchange-related business of such Firm, and any Person who owns ten percent (10%) or more of the outstanding shares of stock of, or has contributed ten percent (10%) or more of the capital to, such Firm.

Public Director

The term "Public Director" shall mean any person who:

- (i) qualifies as a "public" director within the meaning of the regulations proposed by the CFTC as of September 14, 2006 for determining qualification of public directors or, if the CFTC adopts any such regulations, within the meaning of such regulations in effect from time to time, and;
- (ii) the independence requirement of the New York Stock Exchange, Inc. for directors serving on the boards of listed companies, as amended from time to time.

Put Option

The term "Put Option" shall mean an Option whereby:

- (i) the Purchaser has the right, but not the obligation, to enter into an Underlying Significant Price Discovery Contract to sell a Commodity for delivery in the Option Month at the Strike Price specified; and
- (ii) the Grantor has the obligation, upon exercise, to enter into an Underlying Futures Contract to buy a Commodity for delivery in such Option Month at such Strike Price.

Respondent

The term "Respondent" shall mean any Person who is charged with a Rule violation.

Rule or Rules

The term "Rule" or "Rules" shall mean the Participant Agreement and Annexes, rules, resolutions, interpretations, statements of policy, decisions, directives and orders of the Exchange.

Significant Price Discovery Contract

The term "Significant Price Discovery Contract" means any contract listed on the Exchange that has been deemed by the Commodity Futures Trading Commission to serve a significant price discovery function.

Significant Price Discovery Equivalent Contract

The term "Significant Price Discovery Equivalent Contract" shall mean an Option that has been converted to a Significant Price Discovery Contract equivalent in accordance with Rule 1.13(a).

Trade or Transaction

The terms "Trade" and "Transaction" shall mean any purchase or sale of any Significant Price Discovery Contract made in accordance with the Rules.

Underlying Significant Price Contract

The term "Underlying Significant Price Discovery Contract" shall mean the Significant Price Discovery Contract which is the subject of an Option.

Chapter 1

EMERGENCIES

Rule 1.01 Emergency Action

(a) Definitions. As used in this section:

The term "Emergency" means any occurrence or circumstance which, in the opinion of the Exchange, 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 agreements, Significant Price Discovery Contracts, or Transactions on the Exchange, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of Positions; any circumstances which may materially affect the performance of agreements, Significant Price Discovery Contracts or Transactions traded on the Exchange, including failure of the payment system or the bankruptcy or insolvency of any Participant; any action taken by any governmental body, or any other board of trade, market or facility which may have a direct impact on trading on the Exchange and any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange.

(b) Emergency Action may be taken by the following:

- (i) By the Governing body empowered to take Emergency action;
- (ii) By the Board in the case of any Emergency;
- (iii) By any two members of the Board in the case of any Emergency where it is impracticable, in the opinion of the Chief Executive Officer, the President and Chief Operating Officer or in their absence, any two (2) members of the Board, to call a meeting of the Board to deal with the Emergency; or
- (iv) By any committee of the Exchange pursuant to powers conferred on said committee under the Rules.

(c) Vote Required

The vote required of the governing body authorized to take any Emergency action hereunder shall be:

- (i) In the case of action by the Board, the affirmative vote of not less than two-thirds of the members of the Board present and voting at a meeting at which there is physically in attendance a quorum; or
- (ii) In the case of action by a committee, the affirmative vote of two (2) or more Persons constituting not less than two-thirds of the members of said committee physically present and voting at a meeting at which there is physically in attendance a quorum; provided, however, that the consent in writing to such action of all members of such governing body shall be sufficient to take such Emergency action without a meeting;

(iii) A member of the Board or of a committee shall be deemed physically present or physically in attendance at a meeting if such a Person participates in the meeting by means of a conference telephone or similar communications equipment allowing all Persons participating in the meeting to hear each other at the same time.

(d) Action which may be taken

(i) In the event of an Emergency, the Exchange may, subject to Part 40 of the Regulations under the Act, place into immediate effect a rule which may provide for, or may authorize the Exchange, or the Exchange or any committee, to undertake actions which, in the opinion of the Exchange are necessary or appropriate to meet the Emergency, including, but not limited to, such actions as:

- (A) Imposing limits or restrictions on position size, limiting trading to liquidation only, in whole or in part, or limiting trading to liquidation only except for new sales or grants of Significant Price Discovery Contracts by parties who have the commodity underlying such contracts;
- (B) Extending or shortening the expiration date for trading in Significant Price Discovery Contracts;
- (C) Extending the time of delivery under or expiration of Significant Price Discovery Contracts;
- (D) Ordering the liquidation, or transfer of open Significant Price Discovery Contracts, the fixing of a Settlement Price or Settlement Premium, or the reduction in positions;
- (E) Ordering the transfer of Significant Price Discovery Contracts, and the money, securities, and property securing such contracts, held on behalf of Participants by a Clearing Member to another Clearing Member or other Participants, willing to assume such contracts or obligated to do so;
- (F) Extending, limiting or changing hours of trading;
- (G) Modifying price limits;
- (H) Suspending or curtailing trading;
- (I) Changing the amount of money to be paid, or the quality of merchandise to be received, under Exchange Significant Price Discovery Contracts, whether theretofore or thereafter entered into or otherwise altering delivery terms or conditions;
- (J) Requiring additional margin to be collected from Participants; and
- (K) Modifying or suspending any provision of the Rules.

(ii) Whenever any action is taken under this Rule pursuant to which trading is suspended or other changes in procedure are made, all matters relating to

notices, deliveries and other obligations may be suspended or deferred in such manner as the Governing body may determine.

Rule 1.02 Physical Emergencies

- (a) In the event the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by a "Physical Emergency", such as fire or other casualty, bomb threat, substantial inclement weather, power failure, communication or transportation breakdown, computer malfunction, screen-based trading system break-down, malfunction of plumbing, heating, ventilation and air conditioning systems, backlog or delay in clearing or in the processing of data related to clearing Trades, the Chief Executive Officer, the Chief Operating Officer, or in their absence any Senior Vice President or in all of their absences any other officer may take any action which, in the opinion of such officer is necessary or appropriate to deal with the Physical Emergency, including, but not limited to, suspending trading in any one (1) or more Significant Price Discovery Contracts, delaying the opening of trading in any one (1) or more Significant Price Discovery Contracts, extending the Last Trading Day and/or the time of trading.
- (b) In the event a designated officer has ordered suspension of trading, the Chief Executive Officer, the Chief Operating Officer, or in their absence any Senior Vice President, or in all of their absences any other officer may order restoration of trading on the Exchange, or may remove other restrictions so imposed, if such officer determines that the Physical Emergency has sufficiently abated to permit the physical functions of the Exchange to continue in an orderly manner.
- (c) Any action taken hereunder shall be filed with the Commission in accordance with Part 40 of the Regulations under the Act.

Rule 1.03 Suspension of Trading

- (a) The Board may, in its discretion, by an affirmative vote of two-thirds of the members of the Board present at a meeting (which, in an Emergency, may be held without previous notice), close the Exchange or suspend trading in any one (1) or more Significant Price Discovery Contracts on such days or portions of days as will, in its judgment, serve to promote the best interest of the Exchange;
- (b) In the event of an Emergency when a quorum of the Board is not available, all trading on the Exchange may be suspended by an affirmative vote of two-thirds of the members of the Board present, or by action of one (1) member of the Board if only one (1) member is present, for such period of time as in their or his judgment is necessary. In the event of an Emergency which prevents normal attendance at the Exchange, when no member of the Board is present, any officer of the Exchange shall have authority to order suspension of trading on the Exchange for such period of time as in his judgment is necessary. Any action taken under this paragraph shall be subject to review and modification by the Board.

Rule 1.04 Conflicts of Interest Involving Emergency and Other Significant Actions

- (a) Definitions. For purposes of this Rule, the following definitions shall apply;

(i) The term "Emergency" shall have the meaning set forth in Rule 1.01.

(b) Whenever any Emergency or other significant action which, in the judgment of the deliberating body, is likely to have a material effect upon the price of any Significant Price Discovery Contracts traded on or subject to the Rules or might otherwise have a material impact on the market for such Significant Price Discovery Contracts is being considered by the Exchange (not including any committee which is only authorized to make recommendations for action by the Board or some other committee), the following procedures shall apply:

(i) Disclosure. Prior to consideration of the matter, each member of the Board or committee who desires to participate in deliberations or voting on such action shall disclose to the Board or committee position information that is known to such member, with respect to any particular month or months that are under consideration, and any other positions which the Board or committee reasonably expects could be affected by the action under consideration. The size of positions shall be disclosed by reference to ranges as determined by the Board or committee and shall be made with respect to the following categories:

(A) gross positions in Significant Price Discovery Contracts carried in:

(1) accounts in which the member's ownership interest is 10% or greater;

(2) "controlled accounts" as defined in CFTC Regulation 1.3(j); and

(3) accounts of any individual with whom the member has a "Family Relationship" as such term is defined in Rule 2.16

(B) gross positions in Significant Price Discovery Contracts carried in proprietary accounts, as defined in CFTC Regulation 1.3(y), at any Affiliated Firm of such member;

(C) net positions in Significant Price Discovery Contracts in "Customer" accounts, as defined in CFTC Regulation 1.17(b)(2), at any Affiliated Firm of such member; and

(D) any other types of positions, whether maintained in Significant Price Discovery Contracts or otherwise, that the Board or committee reasonably expects could be affected by the action being considered.

(ii) To the extent that a Participant desires to make the required disclosures but does not know position information with respect to any of the foregoing categories, the President or his designee shall make the disclosure for such member to the extent that such information can be obtained from data and clearing records readily available to the Exchange under the exigency of the action being contemplated.

(iii) Disqualification. Any Participant who does not want to make position disclosures must withdraw from the meeting before disclosure by other members begins and may not participate in the discussion of, or voting

on, the matter under consideration. Any member who has, or whose Affiliated Firm has, a position required to be disclosed under subparagraph (b)(i) (other than a position which the Board or committee has determined to be de minimus), shall be disqualified from voting and must withdraw from the room before a vote is taken. If such withdrawal results in the lack of a quorum, the Board or committee shall appoint an ad hoc committee comprised of those members who are not disqualified from voting and shall delegate to such ad hoc committee all the powers of the Board or relevant committee with respect to the matter under consideration. No Participant shall be disqualified from voting upon the appointment of an ad hoc committee solely because of positions held by such member or an Affiliated Firm of such member.

- (iv) Documentation. The minutes of any meeting at which Emergency or other significant action is considered shall reflect the following information:
 - (A) the names of all Participants who attended the meeting in person or by electronic means;
 - (B) the name of any Participant who voluntarily recused himself or was required to abstain from deliberations or voting; and
 - (C) information on the position disclosures made by each member.
- (v) For purposes of this Rule, a margin change shall not be deemed to have a material effect upon the price of a Significant Price Discovery Contract traded on the Exchange or a material impact on the market, if such margin change was made in response to a change in the price of any delivery month of such Significant Price Discovery Contract which is equal to or less than 15% of the Settlement Price of such delivery month on the previous Business Day.

Rule 1.05 Alternate Settlement Price Determination

- (a) The Exchange reserves the right to use available market information to determine an alternate settlement price:
 - (i) in the event that a physical emergency, as defined in Rule 1.02, prohibits the Exchange from determining settlement prices as it would during the normal course of business;
 - (ii) in the event that the determined settlement price is not representative of the fair market value of the contract; or
 - (iii) in the event that the determined settlement price creates risk management concerns.

Rule 1.06 (Reserved)

RECORDS

Rule 1.07 General Requirements

- (a) Each Participant shall make and file reports and maintain records in accordance with the rules and regulations of, and in such manner and form and at such times as may be prescribed by, the CFTC, showing the details and terms of all Transactions involving Significant Price Discovery Contracts or Options on Significant Price Discovery Contracts consummated on the Exchange or subject to the Rules. All such records must be in permanent form, showing the parties to all such Transactions, including the Persons for whom made, any assignments or transfers thereof, with the parties thereto, and the manner in which said Transactions are fulfilled, discharged or terminated. Such record shall be kept for a period of five (5) years from the date thereof, or for a longer period if the CFTC shall so direct, and shall at all times be open to the inspection by Exchange staff, any representative of the CFTC or the United States Department of Justice.
- (b) For the purpose of defining the enforcement duties of the Exchange, paragraph (d) of this Rule shall be limited to the following items:
 - (i) all orders (filled, unfilled and canceled);
 - (ii) all journals and ledgers;
 - (iii) all copies of confirmations, copies of statements of purchase and sale, and copies of daily and month-end statements;
 - (iv) all written records of orders;
 - (v) all records of Transactions;
 - (vi) all other documents necessary to prepare a precise trade register.
- (c) Each Participant shall make and file reports with the Exchange, and maintain such records for such length of time, in such manner and form and at such times as the Rules or the Exchange may prescribe. Such records shall at least consist of the following:
 - (i) all orders (filled, unfilled and canceled);
 - (ii) all journals and ledgers;
 - (iii) all copies of confirmations, copies of statements of purchase and sale, and copies of daily and month-end statements;
 - (iv) all written records of Orders;
 - (v) all records of Transactions;
 - (vi) all other documents necessary to prepare a precise audit trail.
- (d) Unless otherwise specifically provided, all records listed in this Rule must be retained in accordance with the Act and the regulations thereunder.

Rule 1.08 (Reserved)

Rule 1.09 (Reserved)

Rule 1.10 (Reserved)

REPORTABLE POSITIONS AND SPECULATIVE POSITION LIMITS

Rule 1.11 Emergency Powers Not Limited

- (a) Nothing contained in the Rules relating to position limits and position accountability levels shall in any way be construed to limit the Emergency powers enumerated in the Rules, and, unless the Exchange in taking an Emergency action shall state otherwise, any such Emergency action shall be effective with respect to all Participants, regardless of whether an exemption from the position limits has previously been granted pursuant to these Rules.

Rule 1.12 Aggregation of Positions

- (a) The position limits and position accountability levels established by these Rules shall apply to all positions held by any Participant, including those positions in accounts for which such Participant by power of attorney or otherwise directly or indirectly (i.e., has 10% or greater ownership or equity interest) controls trading; and in the case of positions held by two (2) or more Participants acting pursuant to an express or implied agreement or understanding, the same as if all of the positions were held by a single Participant.
- (b) The positions of spouses, parents, and children living in the same household shall be aggregated for purposes of the foregoing position limits and position accountability levels.

Rule 1.13 Enforcement of Position Limits and Position Accountability Levels

- (a) No Participant may maintain a combination of Significant Price Discovery Contracts and Significant Price Discovery Contracts Equivalents which is, or which when aggregated in accordance with Rule 1.12 is, in excess of the limits established by this Chapter. For the purpose of the Rules contained in this Chapter:
- (i) the Significant Price Discovery Contract equivalent of each Option Contract deemed a Significant Price Discovery Contract is the delta ratio published daily by the Exchange;
- (ii) a long Significant Price Discovery Contract, a long Significant Price Discovery Call Option and a short Significant Price Discovery Put Option are on the same side of the market; similarly, a short Significant Price Discovery Contract, a short Significant Price Discovery Call Option and a long Significant Price Discovery Put Option are on the same side of the market;

- (iii) in calculating an Equivalent Contract position for Significant Price Discovery Contracts, all serial and regular Significant Price Discovery Options for the Underlying Significant Price Discovery Contract shall be combined.
- (b) Participants are responsible for maintaining their position within the limits contained in this Chapter on both an inter-day and intra-day basis. If, however, a Participant's position exceeds speculative position limits on any given Business Day due to changes in the deltas of the Significant Price Discovery Options, the Participant or Customer shall have one (1) Business Day to bring the position within the limits.
- (c) In the event the Exchange learns that a Participant maintains positions in accounts with more than one (1) Clearing Member such that the aggregate position in all such accounts exceeds the position limits and position accountability levels established by this Chapter, the Exchange may notify all Clearing Members maintaining or carrying such accounts of the total positions of such accounts. Such notice may also instruct each such Clearing Member to reduce the positions in such accounts twenty-four (24) hours after receipt of the notice, proportionately or otherwise so that the aggregate positions of such accounts at all such Clearing Members does not exceed the position limits and position accountability levels established by this Chapter, unless as provided by paragraph (d) below, a request for an exemption is made and granted by the Exchange pursuant to this Chapter. Any Clearing Member receiving such notice shall immediately take such steps as may be necessary to liquidate such number of Significant Price Discovery Contracts as shall be determined by the Exchange in order to cause the aggregate positions of such accounts at such Clearing Member to comply with the position limits and position accountability levels established by this Chapter. Notwithstanding the foregoing, the Participant may reduce the positions of such accounts by a different number of Significant Price Discovery Contracts so long as after all reductions have been accomplished at all Clearing Members carrying such accounts, the positions at all such Clearing Members complies with the position limits and position accountability levels established by this Chapter.
- (d) In the event a Participant exceeds its position limit due to sudden unforeseen increases in its bona fide hedging needs, such Participant shall not be considered in violation of the Rules provided that such Participant requests a hedge exemption to carry such increased position within one (1) Business Day for following the day on which the Participant's position limit was exceeded and provided that such exemption is granted by the Exchange.
- (e) Subject to the foregoing provisions of this Rule, in the event that a Participant's position exceeds the position limits established by this Chapter or ordered by the Exchange such Participant shall liquidate such number of Contracts as the Exchange shall direct in order to eliminate the excess within such time as the Exchange may prescribe and shall report to the Exchange when such liquidations have been completed. If a Participant fails so to liquidate Contracts within the time prescribed by the Exchange, then, in addition to any other actions the Exchange may take, the Exchange may take such steps as it may deem necessary or appropriate to liquidate such Contracts on behalf and at the expense of such Participant to the extent necessary to eliminate such excess. In addition, the Exchange in its discretion may require any Clearing Member

carrying an account for such Participant to obtain and hold additional original margin from such Participant or Customer in such amount and form and by such time as the Exchange shall specify until such excess has been eliminated.

- (f) In the event a Participant exceeds its position limit and is instructed to liquidate all or a portion of the position, the Participant must liquidate the position in an orderly manner, as to eliminate or significantly reduce substantial market impact or price fluctuations.

Rule 1.14 Exchange Access to Position Information

- (a) Without limiting any provision of these Rules, the Exchange shall have the authority to obtain from any Participant information with respect to positions of such Participant. In the event a Participant fails to provide the requested information the Exchange, in addition to any other remedy provided in these Rules, may order that the Participant liquidate the positions which are related to the inquiry.

Rule 1.15 Reportable Positions and Daily Reports

- (a) Clearing Firms which own, control, or carry for any Participant a reportable position, as such term is defined by the Act and the Regulations thereunder, shall submit daily reports with respect to such positions to the Exchange containing such information as may be prescribed by the CFTC.
- (i) Without limiting any provisions of the Rules, Clearing Firms and Omnibus Accounts shall provide such additional information with respect to Significant Price Discovery Contracts and Option Contracts positions and the ownership of such positions as may be requested by the Exchange.
- (ii) Clearing Firms and Omnibus Accounts are required to submit the CFTC Form 102 ("Identification of Special Accounts") in order to identify the owner, controlling parties, and any other required information for each reportable account. This form must be submitted to the Exchange no later than one (1) US Business Day after an account becomes reportable. Clearing Firms and Omnibus Accounts must also notify the Exchange of any material changes to this account information, and submit an updated CFTC Form 102 detailing these changes within three (3) US Business Days of the account changes taking effect.
- (iii) Clearing Firms and Omnibus Accounts in reportable status for a particular contract month must report all positions held in any contract at the Exchange, regardless of the size of the position. These large trader positions must be reported to the Exchange every day for which a Participant is in reportable status. Additionally, these large trader reports must be submitted in a form acceptable to the Exchange.
- (iv) The Clearing Firm carrying reportable positions for an Omnibus Account is ultimately responsible for obtaining and submitting to the Exchange the ownership and control information for these positions if the Omnibus Account has failed to submit such information to the Exchange.

- (v) The reportable levels for each contract are included in the contract specifications, which are listed in Chapter 6 of this Rulebook.

Rule 1.16 Hedge Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to bona fide hedging positions as defined in Section 1.3(z)(1) of the Regulations under the Act.
- (b) To be eligible for an exemption under this Rule, a Participant must submit a written request in the form provided by the Exchange to the Exchange which shall include the following:
 - (i) a description of the size and nature of the proposed Transactions;
 - (ii) information which will demonstrate that the proposed Transactions are bona fide hedging Transactions;
 - (iii) a statement indicating whether the Participant on whose behalf the request is made (1) maintains positions in the SPDC for which the exemption is sought with any other Clearing Member; and/or (2) has made a previous or contemporaneous request pursuant to this Rule through another Clearing Member, and if so, the relationship of the information set forth in such requests;
 - (iv) a statement that the intended Transactions will be bona fide hedges;
 - (v) a statement that the applicant will immediately supply the Exchange with any material changes to the information submitted pursuant hereto;
 - (vi) such further information as the Exchange may request.
- (c) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until (1) the Participant requests a withdrawal; or (2) the Exchange revokes, modifies or places further limitations thereon.
- (d) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding position limits. Failure to file notice period exemption requests on a timely basis shall subject the Participant to disciplinary action pursuant to the Rules.

Rule 1.17 Arbitrage, Straddle and Spread Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to Arbitrage, Straddle or Spread positions.
- (b) To be eligible for an exemption under this Rule, a Participant must submit to the Exchange a written request in the form provided by the Exchange which shall include the following:

- (i) a description of the size and nature of the proposed Transactions;
 - (ii) a statement that the intended positions will be Arbitrage or Straddle positions;
 - (iii) a statement that the Participant on whose behalf the request is made complies with whatever limitations are imposed by the Exchange with regard to said positions;
 - (iv) a statement that the Participant on whose behalf the request is made agrees to submit immediately a supplemental statement explaining any change in circumstances affecting the position;
 - (v) a statement that the Participant on whose behalf the request is made complies with all other Rules and requirements;
 - (vi) a statement that such positions will be moved in an orderly manner and will not be initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The Participant on whose behalf the request is made will not use said position in an attempt to violate or avoid the Rules, or otherwise impair the good name or dignity of the Exchange; and
- (c) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding the position limit. Failure to file notice period exemption requests on a timely basis shall subject the Participant to disciplinary action pursuant to the Rules.
- (d) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until either:
- (i) the Participant requests a withdrawal; or
 - (ii) the Exchange revokes, modifies or places further limitations thereon.

Rule 1.18 Independently Controlled Position Exemption

- (a) For the purposes of this Chapter, "Eligible Entity" means a commodity pool operator, an operator of a trading vehicle, which is excluded, or which has qualified for exclusion from the definition of the term "pool" or "commodity pool operator," respectively, under Regulation 4.5 of the Act or a commodity trading advisor which:
- (i) authorizes an independent account controller to control independently all trading decisions for positions it holds directly or indirectly, or on its behalf, but without its day-to-day direction; and
 - (ii) maintains only such minimum control over the independent account controller as is consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf. "Eligible

Entity” shall also mean such other person or entity deemed exempt by CFTC Regulations or Guidelines (including Regulation 150.3).

- (b) For the purposes of this Chapter, “Independent Account Controller” means a Person who
- (i) is registered with the CFTC as a Futures Commission Merchant, introducing broker, commodity trading advisor, or as an associated person of any such registrant;
 - (ii) is authorized by the Eligible Entity to control independently trading by, and on behalf of, but without the day-to-day direction of the Eligible Entity;
 - (iii) trades independently of the Eligible Entity and of any other Independent Account Controller trading for the Eligible Entity;
 - (iv) is supervised by the Eligible Entity only to the minimal degree necessary to fulfill its fiduciary responsibilities and duty to supervise diligently the trading done on its behalf; and
 - (v) has no knowledge of trading decisions by any other Independent Account Controller.
- (c) an Eligible Entity may carry positions that exceed speculative position limits if such positions:
- (i) are not for the spot month if there is a position limit which applies to individual trading months during their expiration; and
 - (ii) are carried for the Eligible Entity in the separate account or accounts of an Independent Account Controller; provided, however, that the overall positions held or controlled by each such Independent Account Controller may not exceed the speculative positions limits; and
 - (iii) such Eligible Entity provides the Exchange with information respecting the Eligible Entity and the Independent Account Controller.
- (d) If an Independent Account Controller is affiliated with the Eligible Entity or another Independent Account Controller, each of the affiliated entities must:
- (i) have, and enforce, written procedures to preclude the affiliated entities from having knowledge of, gaining access to, or receiving data about trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities; provided, however, that such procedures may provide for the disclosure of information which is reasonably necessary for an Eligible Entity to maintain the level of control consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf;
 - (ii) trade such accounts pursuant to a separately developed and independent trading systems;
 - (iii) market such systems separately; and

- (iv) solicit funds for such trading by separate Disclosure Documents that meet the standards of CFTC Regulation 4.21 or 4.31, as applicable, where such Disclosure Documents are required under Part Four of the Regulations.
- (e) Upon call by Exchange staff, any Participant claiming an exemption from speculative position limits under this Rule must provide to the Exchange such information as specified in the call relating to the positions owned or controlled by that Participant; trading done pursuant to the claimed exemption; the Futures, Options or cash market positions which support the claim of exemption; and the relevant business relationships supporting a claim of exemption.
- (f) The Exchange may at any time condition an exemption on the Eligible Entity's business needs, financial status and integrity and on the liquidity, depth and volume of the market for which the exemption is sought. The Exchange may at any time modify or revoke the exemption if it is found that the Eligible Entity's status or market conditions have changed.

Rule 1.19 Risk Management Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to Risk Management positions.
- (b) To be eligible for an exemption under this Rule, a Participant must submit to the Exchange a written request in the form provided by the Exchange which shall include the following:
 - (i) a description of the size and nature of the proposed Transactions;
 - (ii) a statement that the intended positions will be Risk Management positions;
 - (iii) a statement that the Participant on whose behalf the request is made complies with whatever limitations are imposed by the Exchange with regard to said positions;
 - (iv) a statement that the Participant on whose behalf the request is made agrees to submit immediately a supplemental statement explaining any change in circumstances affecting the position;
 - (v) a statement that the Participant on whose behalf the request is made complies with all other Rules and requirements;
 - (vi) a statement that such positions will be moved in an orderly manner and will not be initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The Participant on whose behalf the request is made will not use said position in an attempt to violate or avoid the Rules, or otherwise impair the good name or dignity of the Exchange; and
- (c) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding the position limit. Failure to file notice period exemption requests on a timely basis shall subject the Participant and/or the Carrying Participant to disciplinary action pursuant to the Rules.

- (d) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until:
- (i) the Participant requests a withdrawal; or
 - (ii) the Exchange revokes, modifies or places further limitations thereon.

Rule 1.20 Conflict with Government Regulations

- (a) Any United States Government regulations, orders or decrees affecting performance of either buyer or seller under the Rules shall take precedence over the Rules and in the event of conflict between the Rules and Government regulations, orders or decrees, the Government regulations, orders or decrees shall prevail. Neither buyer nor seller shall be responsible one to the other for delay or lack of performance hereunder resulting from compliance with such Government regulations, orders or decrees and each shall cooperate fully with the other in endeavoring to comply with such Government regulations, orders or decrees.

Rule 1.21 Open Interest

- (a) Clearing Member's open interest in any cleared contract or series of an option contract, is the number of lots, long or short, which the Clearing Member holds either for its own account or on behalf of clients (including group and associated companies) which will either be:
- (i) offset by trading out at the Exchange; or
 - (ii) in the case of options, exercised or held to expiry; or
 - (iii) in the case of swaps, offset by the exercise of a relevant option; or
 - (iv) in the case of swaps, taken to delivery or cash settlement.
- (b) The open interest figures published daily by the Exchange are calculated on the basis of the number of contracts held by Clearing Members which remain open.
- (c) Clearing Members' positions are maintained in sub-accounts in the following manner:

Sub Account	Reporting Manner
House	Net
Client Segregated	Gross (but Net by customer)
Client Non-Segregated	Gross (but Net by customer)
Individual Participant (one account for each Participant whose positions are cleared)	Net
Trade Participant (one account for each Participant whose positions are cleared)	Net
Default	Gross

- (i) Open interest at the close of business on a Trading Day for each sub-account will be calculated using the method set out above after a cut-off time on the subsequent Trading Day, and will include any settlements and position adjustments carried out before the cut-off time. The cut-off time will be notified by the Exchange to Clearing Members from time to time.
- (ii) On the last Trading Day of a contract month, an indicative 'open interest' figure in a contract for the expiring contract month may be calculated by the Exchange based on the number of contracts held by Clearing Members at the close of business on the last Trading Day in such contract month. The Exchange will notify Clearing Members from time to time of the contracts in event such calculation will be required.
- (iii) In respect to such contracts notified to Clearing Members under Rule 1.21(c)(ii), Clearing Members will be permitted to perform settlements and position adjustments in respect to positions in the relevant contract month after the cessation of trading up to a Last Trading Day cut-off time which will be notified by the Exchange to Clearing Members from time to time. Clearing Members must ensure that positions in the expiring contract month which should not be maintained gross in accordance with Rule 1.21(c) are settled on the last Trading Day of the contract month prior to the cut-off time.
- (d) In cases where clients, including certain in-house departments, hold both long and short positions, Clearing Members will need to determine, in accordance with regulatory requirements or otherwise, whether these should be maintained gross or whether, or to what extent, they should be netted.
- (e) Once positions have been netted, they may not subsequently be re-opened other than by trading in the Market, except when granted written permission by the Exchange to do so.

Chapter 2

DISCIPLINARY RULES

Rule 2.01 Jurisdiction

- (a) ICE shall have the authority to initiate, conduct investigations, and prosecute violations of these Rules committed by Participants and to impose sanctions for such Violations as provided in these Rules.
- (b) Each Participant, upon becoming a Participant and thereafter upon any change to the relevant office, shall file with ICE a written notice designating an office for receiving service of documents. If a Participant fails to designate such an office, mailing service to its address on file with ICE shall be good service, and delivery thereof shall be deemed to have occurred as of the date of such mailing.

Rule 2.02 ICE Market Regulation Staff Powers and Duties

- (a) It shall be the duty of the Chief Regulatory Officer to enforce these rules and he shall have the authority to inspect the books and records of all Participants and the authority to require any Participant to appear before him to answer questions regarding alleged Violations. The Chief Regulatory Officer may also delegate such authority to Market Regulation Staff who shall consist of ICE employees, including officers, and such other individuals (who possess the requisite independence) as ICE may hire on a contract basis.
- (b) ICE Market Regulation Staff shall conduct investigations of possible Violations, prepare written reports respecting such investigations, furnish such reports to the Business Conduct Committee and conduct the prosecution of such Violations.
- (c) If, in any case, the Chief Regulatory Officer or another ICE employee designated for this purpose by ICE concludes that a Violation may have occurred, he or she may:
 - (i) issue a warning letter to the Participant informing it that there may have been a Violation and that such continued activity may result in disciplinary sanctions; *provided* that such warning letter shall indicate that it is neither the finding of a Violation nor a penalty and is subject to the review of the Business Conduct Committee; or
 - (ii) negotiate and enter into a written settlement agreement with the Participant, whereby the Participant, with or without admitting guilt, may agree to:
 - (A) a cease and desist order or a reprimand;
 - (B) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (C) a suspension or revocation of clearing privileges or a termination of Participant status.

Any such written settlement shall be subject to the approval of the Business Conduct Committee and shall become final and effective pursuant to Rule 2.14(a).

Rule 2.03 The Business Conduct Committee

- (a) The Business Conduct Committee ("BCC") shall have the power to direct that an investigation of any suspected Violation be conducted by ICE, and shall hear any matter referred to it by ICE regarding a suspected Violation.
- (b) The BCC shall be comprised of five Exchange Participants and non-Participants. ICE shall appoint from time to time a chairman (the "**BCC Chairman**") of the BCC. Three committee members shall constitute a quorum for any action, so long as they are in attendance at the time of the relevant action.
- (c) All information, records, and documents provided to the BCC and all related records and documents shall be treated as confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law. (e) In any case where the BCC concludes, by majority vote, that a Violation may have occurred, the BCC shall advise the Participant of that fact and may:
 - (i) refer or return the matter to ICE Market Regulation Staff with instructions for further investigation;
 - (ii) approve a settlement agreement negotiated and entered into pursuant to Rule 2.02(d)(ii) with such Participant which may provide for a penalty other than that recommended by the relevant ICE Market Regulation Staff, subject to the limitations set forth in subparagraph (e)(iv) of this Rule;
 - (iii) issue charges that include, but are not limited to,
 - (1) a cease and desist order or a reprimand;
 - (2) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (3) a suspension or revocation of clearing privileges or a termination of Participant status.

Rule 2.04 Notice of Charges

- (a) The Chief Regulatory Officer shall serve a Notice of Charges (a "**Notice**") on the Participant named in the matter to have been responsible for the Violation (the "**Respondent**") and to the BCC Chairman. Such Notice shall state:
 - (i) the acts, practices or conduct in which the Respondent is charged;
 - (ii) how such acts, practices or conduct constitute a Violation;
 - (iii) that the Respondent is entitled, upon written request filed with ICE within twenty days of service of the Notice, to a formal hearing on the charges;

- (iv) that the failure of the Respondent to request a hearing within twenty days of service of the Notice, except for good cause shown, shall be deemed a waiver of its right to a hearing;
- (v) that the failure of the Respondent to file an Answer (as defined in Rule 2.05) with ICE Market Regulation Staff within twenty days of service of the Notice shall be deemed an admission of all of the acts, practices or conduct contained in the Notice; and
- (vi) that the failure of the Respondent to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

Rule 2.05 Answer; Request for Hearing; Failure to Answer or Deny Charges

- (a) The Respondent shall serve on ICE a written answer (an “Answer”) to the Notice of Charges and a written request for a hearing on the charges within twenty (20) days of the date of service of the Notice of Charges.
- (b) The Respondent’s failure to file an Answer within such twenty-day period shall be deemed an admission of all of the acts, practices or conduct contained in the Notice.
- (c) The Respondent’s failure to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.
- (d) The Respondent’s failure to request a hearing within such twenty-day period, absent good cause shown, shall be deemed a waiver of Respondent’s right to a hearing.

Rule 2.06 Reply

ICE Market Regulation Staff may serve a reply (a “Reply”) to the Respondent’s Answer within five days of the date of service of the Respondent’s Answer. The Reply must be limited to the matters set forth in the Answer.

Rule 2.07 Selection of Hearing Panel

- (a) Formal hearings on any Violation shall be conducted by a five member panel selected by the Chief Regulatory Officer (the “Hearing Panel”) who are eligible pursuant to paragraph (c) of this Rule. The BCC Chairman, in his or her sole discretion, shall set a date for the hearing (the “Hearing Date”).
- (b) The BCC Chairman shall notify ICE Market Regulation Staff and the Respondent of the Hearing Date and the names of the members of the Hearing Panel at least fifteen days prior to the Hearing Date.
- (c) No member of the Hearing Panel shall hear a case in which that member, in the determination of the BCC Chairman, has a direct financial, personal or other interest in the matter under consideration. If there are insufficient available members to constitute a Hearing Panel, the BCC Chairman may appoint such other individuals who do not have such an interest as it determines appropriate, to complete the Hearing Panel.

Rule 2.08 Challenge to Members of the Hearing Panel

Within ten days after service on the Respondent of notice of the Hearing Date and names of the members of the Hearing Panel, the Respondent may challenge, in writing, the inclusion of any member of the Hearing Panel for cause, including without limitation, if the member has a direct financial, personal or other interest in the matter under consideration. The merits of such challenge shall be finally decided by the BCC Chairman in his or her sole discretion. If said written challenge is not received within such ten-day period, absent good cause shown, any such right to challenge is deemed waived.

Rule 2.09 Hearing on Penalty in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Penalty

In the event the Respondent fails to file an Answer or admits to or fails to deny the charge of a Violation contained in the Notice, the Hearing Panel shall find the Respondent guilty of each such Violation and may impose a penalty for each such Violation subject to the limitations set forth in Rule 2.12(b)(v). The Hearing Panel shall promptly notify the Respondent of any such penalty and of the Respondent's right to a hearing on the penalty within ten days, or such longer period as the Hearing Panel may determine, after the imposition of such penalty. Failure to request a hearing on the penalty in a timely manner, absent good cause shown, shall be deemed to be acceptance of the penalty.

Rule 2.10 Settlement Prior to Commencement of Hearing

- (a) Prior to the commencement of the hearing, the Chief Regulatory Officer or BCC may negotiate and enter into a written settlement agreement with the Respondent, whereby the Respondent, with or without admitting guilt, may agree to:
- (i) a cease and desist order or a reprimand;
 - (ii) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (iii) a suspension of trading or clearing privileges or expulsion

Rule 2.11 Hearing Procedures

- (a) Each Hearing Panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:
- (i) The prosecution shall be conducted by ICE Market Regulation Staff.
 - (ii) The Respondent shall be allowed to be represented by legal counsel or any other representative of its choosing and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses.
 - (iii) ICE Market Regulation Staff and the Respondent shall deliver to each other a statement listing the witnesses expected to be called and the documents expected to be introduced into evidence, together with copies of such documents, by 10 days prior to the hearing or as the Hearing Panel may reasonably specify. Unless the Hearing Panel, in its discretion, waives

compliance with this requirement, no witness may testify and no documentary evidence may be introduced into evidence unless listed in and, in the case of documents, furnished with such statement. On written request, ICE Market Regulation Staff shall provide the Respondent with access to all books, documents or other tangible evidence in the possession or under the control of ICE which is to be relied upon by ICE or which are relevant to the charges, provided, however, that protected attorney work product, attorney-client communications and investigative work product, including the investigation report and any exception reports, are neither discoverable by a Respondent nor subject to review by a Respondent as part of the investigation file.

- (iv) No formal rules of evidence shall apply, and the Hearing Panel shall be free to accept or reject any and all evidence it considers proper.
- (v) Neither ICE Market Regulation Staff, the Respondent, any witnesses testifying before the Hearing Panel nor any other Person within ICE's jurisdiction shall engage in conduct that may impede the progress of a hearing or the fair and just resolution of the subject matter thereof, and any such conduct may itself constitute a Violation or an admission of a Violation.
- (vi) *Ex parte* contacts by any of the parties with members of the Hearing Panel shall not be permitted.
- (vii) A substantially verbatim record capable of being accurately transcribed shall be made of the proceedings, *provided, however*, that such record need not be transcribed, unless the transcript is requested by the Respondent or an applicable regulator.
- (viii) The Notice of Charges, the Answer, the Reply, any stenographic transcript of the hearing, the documentary evidence and any other material presented to the Hearing Panel by either party with notice to the other shall constitute the record of the hearing (the "**Hearing Record**").
- (ix) The burden of proof shall be on the prosecution. A finding of a Violation shall be made by majority vote based on the Hearing Panel's good faith judgment as to the weight of the evidence contained in the Hearing Record.

Rule 2.12 Written Decision of Hearing Panel

- (a) If the Hearing Panel finds that the Respondent has not committed any Violation charged, it shall render a written decision to that effect, and the Respondent shall not be subject to any further proceedings with respect to the Violation charged. The written decision shall include:
 - (i) a summary of the violations contained in the Notice of Charges;
 - (ii) a summary of the Answer;
 - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report; and

- (iv) a statement of the findings and conclusions of the Hearing Panel with respect to each charge.
- (b) If the Hearing Panel finds the Respondent has committed the Violation charged, it shall render a written decision to that effect. The written decision shall include:
- (i) a summary of the violations contained in the Notice of Charges;
 - (ii) a summary of the Answer;
 - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report; and
 - (iv) a statement of the findings and conclusions of the Hearing Panel with respect to each charge, including how Respondent is found to have committed a Violation; and
 - (v) an order stating any penalty imposed and the effective date of such penalty; the penalty that may be imposed on the Respondent shall be one or more of the following:
 - (A) a cease and desist order or a reprimand;
 - (B) a fine for each Violation plus the monetary value of any benefit received as a result of the violation; and/or
 - (C) the issuance of a suspension or revocation of clearing privileges or a termination of Participant status of the Respondent.

Rule 2.13 Liability for Expenses

Any Respondent that, after notice and opportunity for hearing, has been found to have committed a Violation may, in the discretion of the Hearing Panel appointed in the matter, be required to pay to ICE an amount equal to any and all out-of-pocket expenses incurred by ICE in connection with the prosecution of such Violations, in addition to any penalty which may be imposed upon such Participant by virtue of the Violations found by the Hearing Panel.

Rule 2.14 Effective Date of Penalties

- (a) If a Participant enters into a settlement agreement with relevant ICE Market Regulation Staff, the terms of which have been approved by the BCC or Hearing Panel, any penalty included as a part of such settlement agreement shall become final and effective on the date that the BCC or Hearing Panel approves or enters into such settlement agreement.
- (b) Any decision (including any penalty) by a Hearing Panel shall be the final decision of ICE and shall become effective fifteen days, or such longer time as the Hearing Panel may specify, after a copy of the written decision of the Hearing Panel has been served on the Respondent; *provided, however*, that in any case where the Respondent has consented to the action taken and to the timing of its effectiveness or the matter was referred to the Hearing Panel pursuant to Rule 2.11, the Hearing Panel may cause the decision involving any disciplinary action (including any penalty) to become effective prior to the fifteen day period.

- (c) Any fine imposed by a Hearing Panel shall be due and payable on the effective date of the decision imposing such fine or on such later date as the Hearing Panel may specify.

Rule 2.15 Extension of Time Limits

- (a) Any time limit provided for in Rules 2.04, 2.05, 2.06, 2.07., 2.08, 2.09 or 2.11 may be extended by mutual consent of the Respondent and ICE, by the BCC Chairman, or, if a Hearing Panel has been appointed, by the majority vote of the Hearing Panel.

Rule 2.16 Conflicts of Interest Involving Named Participant in Interest

- (a) Definitions. For purposes of this Rule the following definitions shall apply:
 - (i) The term "Family Relationship" shall mean the Person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
 - (ii) The term "Named Participant in Interest" shall mean a Person or entity 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 Market Regulation Staff, BCC, Hearing Panel or other entity 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) shall knowingly participate in such body's deliberations or voting in any matter involving a Named Participant in Interest where such member
 - (i) is a Named Participant in Interest;
 - (ii) is an employer, employee, fellow employee or guarantor of a Named Participant in Interest;
 - (iii) has a family relationship with a Named Party in Interest; or
 - (iv) has any other significant, ongoing business relationship with a Named Participant in Interest, excluding relationships limited to executing futures or option transactions opposite each other or to clearing futures or options transactions through the same Clearing Member.
- (c) Disclosure. Prior to consideration of any matter involving a Named Participant in Interest, each member of the deliberating body shall disclose to the President, or his designee, whether such member has one (1) of the relationships listed in paragraph (b) of this Rule with a Named Participant in Interest.
- (d) Procedure and Determination. Exchange staff shall determine whether any member of the deliberating body is subject to a conflict restriction under this paragraph (d). Such determination shall be based upon a review of the following information:

- (i) information provided by the member pursuant to paragraph (b), above, and
- (ii) any other source of information that is maintained by and reasonably available to the Exchange.

Rule 2.17 Restrictions of Certain Persons Who Possess Material, Non Public Information

- (a) No Board Member or employee shall use or disclose, for any purpose other than the performance of his official duties, Material, Non-Public Information obtained as a result of the member's participation on the Board or any committee of the Exchange; provided, however, that if any such member who effects any Transaction after having received any such Material, Non-Public Information so obtained can show that such Transaction was effected in the ordinary course of such member's business, such member shall not be deemed to have used such information for purposes of this paragraph, unless it can be shown that such member would not have effected such Transaction in the absence of such information.

Rule 2.18 Regulatory Oversight Committee

- (a) The Regulatory Oversight Committee ("ROC") shall be a Standing Committee and shall consist of the Public Directors.
- (b) The Committee shall:
 - (i) Monitor the Exchange's regulatory program for sufficiency, effectiveness, and independence;
 - (ii) Oversee all facets of the Exchange's regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities; and the conduct of investigations;
 - (iii) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
 - (iv) Supervise the Exchange's Chief Regulatory Officer, who will report directly to the ROC;
 - (v) Prepare an annual report assessing the Exchange's self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;
 - (vi) Recommend changes that would ensure fair, vigorous, and effective regulation;
 - (vii) Review regulatory proposals and advise the Board as to whether and how such changes may impact regulation.

Chapter 3

TRADING SESSIONS

3.01 Pre-Open Session

- (a) Prior to the opening of a trading session for a designated Significant Price Discovery Contract, there will be a Pre-Open Session designated by the Exchange during which time only Limit orders may be entered.
- (b) Throughout the Pre-Open Session, an uncrossing algorithm will run at one (1) minute intervals and will provide indicative opening prices.
- (c) All orders submitted during the Pre-Open Session must be entered in accordance with the requirements set forth in Chapter 5 of the Rulebook.

3.02 Opening Match

- (a) The period of time after the termination of the Pre-Open Session and prior to the Open of trading, shall be referred to as the "Opening Match". During the Opening Match, all Limit orders entered and designated as active during the Pre-Opening Session may be matched, as appropriate, resulting in executed Trades at the Opening Match price.
- (b) The price level and quantity of contracts traded during the Opening Match will be determined by an Uncrossing Algorithm determined by the Exchange. No new orders may be submitted during the Opening Match.

3.03 Open and Close of Electronic Trading Session ("ETS")

- (a) The Open of an ETS will be indicated by the display of the "open" indicator on ETS.
- (b) The Close of an ETS will be indicated by the display of the "closed" indicator on ETS.

3.04 Trading Hours

- (a) The ETS hours shall be as specified by the Exchange from time to time.
- (b) The Trading Session on the Last Trading Day for each Significant Price Discovery Contract shall be as specified by the Exchange from time to time.

Chapter 4 (Reserved)

Chapter 5

TRADING STANDARDS

Rule 5.01 Rule Violations

It shall be an offense for a Participant to violate any Rule regulating the conduct or business of a Participant, to violate the Act, or to engage in fraud, dishonorable conduct, or in conduct which is inconsistent with just and equitable principles of trade.

Rule 5.02 Fictitious, Wash or Non-Competitive Transactions

No Participant shall create fictitious transactions, wash transactions or non competitive transactions except as otherwise authorized under these Rules.

Rule 5.03 Good Faith Bids and Offers

A Participant shall not knowingly enter or cause to be entered, bids or offers into the Exchange other than in good faith for the purpose of executing bona fide transactions.

Rule 5.04 Pre-Execution Discussions

- (a) Participants may engage in pre-execution discussions with regard to transactions executed on the Exchange where one party wishes to be assured that a contra party will take the opposite side of the order under the following circumstances:
- (i) The Pre-Execution discussions occur on a medium provided by and monitored by ICE (i.e. chat room, bulletin board, instant message platform, etc.).
 - (ii) The first party's order must be entered into the ETS platform while the second party's order must wait 5 seconds from the time of the first order entry before placement.

Rule 5.05 Error Trades

In order to ensure fair and orderly market conditions, the Exchange may cancel any order and may cancel any trade executed on Exchange pursuant to the ICE Error Trade Policy.

Rule 5.06 Misuse of Exchange

Misuse of the Exchange is strictly prohibited. It shall be a violation of the Rules for any Participant to willfully or negligently engage in unauthorized access to the Exchange, to assist any Participant in obtaining unauthorized access to the Exchange, to trade on Exchange without the authorization of a Clearing Member, to alter the equipment associated with Exchange, to interfere with the operation of Exchange, to use or configure a component of Exchange in a manner which does not conform to the Rules, to intercept or interfere with information provided on or through Exchange, or in any way to use Exchange in a manner contrary to the Rules.

Rule 5.07 Acts Detrimental to ICE's Welfare

It shall be an offense to engage in any act which is detrimental to the interest or welfare of ICE.

Rule 5.08 Supervision of Authorized Traders

A Participant shall be responsible for establishing; maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders comply with Applicable Laws, ICE Rules, and ICE Clear Europe Rules. The Participant may be held responsible for the actions of such Authorized Trader.

Rule 5.09 Acceptable Orders

- (a) An acceptable order is in one of the following order types:
- (i) "Limit orders" – Limit orders are orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is withdrawn or executed.
 - (ii) "Market orders" – Market orders are executed at the best price or prices available in the order book at the time the order is received by the electronic trading system ("ETS") until the order has been filled in its entirety. However, a market order will not trade outside of the Reasonability Limits and any residual volume from an incomplete market order is canceled. Market orders are rejected if the market is not open.
 - (iii) "Stop orders" – Acceptable Types
 - (A) In the event that a particular Significant Price Discovery Contract is subject to different NCRs based on the delivery months, the widest NCR that is listed for the particular Significant Price Discovery Contract shall be applied for Stop Limit Orders and Stop Orders with Protection, regardless of the delivery month specified in such order.
 - (B) "Stop-Limit Orders" – A Stop Limit Order has two components: (1) the stop price and (2) the limit price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.
 - (1) The allowable price range between the stop price and the limit price of a Stop-Limit Order will be restricted to 100% of the No Cancellation Range (NCR) for the specified Significant Price Discovery Contract.
 - (2) A buy Stop-Limit becomes executable when a trade occurs at or higher than the stop price. When entered, the stop price must be above the current best offer or, if no working offer, above the

current anchor price. The limit price must be equal to or greater than the stop price.

- (3) A sell Stop-Limit becomes executable when a trade occurs at or lower than the stop price. When entered, the stop price must be below the current best bid or, if no working bid, then below the current anchor price. The limit price must be equal to or less than the stop price.

(C) "Stop Orders with Protection" – A Stop Order with Protection has two components:

- (1) the stop price; and
- (2) an Exchange set protection limit price. The Exchange set limit price is the NCR for the specified Significant Price Discovery Contract from the stated stop price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the Exchange set limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.
- (3) A buy Stop will have as its Exchange set limit price the stated stop price plus the NCR for the specified Significant Price Discovery Contract.
- (4) A sell Stop will have as its Exchange set limit price the stated stop price minus the NCR for the specified Significant Price Discovery Contract.
- (5) For Significant Price Discovery Contracts with daily price limits, the Exchange set limit price will not exceed the absolute maximum price permitted.

(iv) "Trade At Settlement orders" – Trade At Settlement ("TAS") orders are orders to buy or sell a stated quantity at:

- (A) the Trading Session's Settlement Price or up to two (2) minimum price fluctuations above or below the Trading Session's Settlement Price; or
- (B) if a Calendar Spread, at the spread differential between the Trading Session's Settlement Prices of the two (2) delivery months up to two (2) minimum price fluctuations above or below the spread differential between the Trading Session's Settlement Prices of the two (2) delivery months. TAS orders may be submitted only for those Significant Price Discovery Contracts and delivery months and during such time periods as specified by the Exchange from time to time. TAS orders may result in transactions priced outside the daily price limits.

(b) An ETS order may contain one (1) of the following functionalities:

- (i) "Reserve Quantity orders" - An ETS order may specify a maximum disclosure volume to be shown to the market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released, it is placed in its entirety at the end of the order priority queue.
- (ii) "Good After Logout orders" – Good After Logout ("GAL") orders remain in the ETS market even after the trader has logged out or the connection to the ETS platform is lost. However, all orders, including GAL orders, will be deleted when the system closes at the end of the trading session.
- (iii) "Good 'Til Canceled orders" – Good 'Til Canceled ("GTC") orders are orders to buy or sell a stated quantity at a stated price which remain active in ETS until such orders are either executed, canceled by the trader or automatically canceled at the Commodity Contract's expiration. GTC orders may be submitted for those Commodity Contracts as determined by the Exchange. Corrections or additions to the information recorded on the written record of the order shall be made in a manner that does not obliterate or otherwise make illegible the originally recorded information.

Rule 5.10 Revising Orders

The price or volume of an ETS order that has not fully traded may be revised. If the volume is reduced, the time priority originally assigned to the order does not change. Revising the price or increasing the volume will change the order's time priority in the queue to the time ETS receives the revision.

Rule 5.11 Requirements for Persons Submitting Orders

- (a) Each order designated for clearing upon execution shall be submitted under the applicable authorized trader id, and shall indicate the Clearing Account Number for the Participant.
- (b) No Person shall submit any order using the authorized trader id of any other person.
- (c) Each Participant shall provide in writing to ICE, and keep current such information as ICE may require concerning itself and each of its Authorized Traders or any other person it permits to have access.
- (d) Each Participant shall:
 - (i) identify in writing to ICE one or more Designated contacts as ICE may determine; and
 - (ii) ensure that at least one of its Designated Contacts is available by telephone at all times when any person to whom it has given permission is accessing ICE.
- (e) Each Participant shall be responsible for all ICE orders placed using any of the User IDs assigned to it.

Rule 5.12 (Reserved)

Chapter 6

CONTRACT SPECIFICATIONS

Rule 6.01 Henry Financial LD1 Fixed Price

- (a) Contract Size. The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) Units of Trading. Any multiple of 2,500 MMBtu.
- (c) Minimum Price Fluctuation. Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.001 per MMBtu.
- (d) Contract Series. Up to 156 consecutive calendar months commencing with the next calendar month.
- (e) Last Trading Day. Close of business three US business days prior to the first calendar day of the contract series.
- (f) Fixed Price. The traded price or the previous day's settlement price.
- (g) Floating Price. In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement the Floating Price will be a price in USD and cents per MMBtu dry equal to the monthly last settlement price for natural gas as published by the New York Mercantile Exchange (NYMEX) for the month of production per ISDA commodity definitions.
- (h) Position Accountability. A Participant holding or controlling twenty four thousand (24,000) or more Henry Hub LD1 Natural Gas contracts net long or short in any single month or forty eight thousand (48,000) or more Henry Hub LD1 Natural Gas contracts, net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) Position Limit. Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Henry Hub LD1 Natural Gas contract is four thousand (4,000) contracts for the last three days before expiration.
- (j) Conditional Limit. A Participant may own or control in the Henry Hub LD1 Natural Gas contract up to twenty thousand (20,000) contracts for the last three days before expiration provided that the Participant agrees:

- (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading; and
- (ii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub.

Rule 6.02 Alberta, Nova Inventory Transfer (AECO) Basis Swap ("AEC")

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the first Canadian Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas (as published by NYMEX) for the month of production from the AECO 'C' & Nova Inventory Transfer price for the month of production in the first publication of the month as reported by Canadian Gas Price Reporter.
- (h) **Position Accountability.** A Participant holding or controlling twelve thousand five hundred (12,500) or more Alberta, Nova Inventory Transfer (AECO) Basis Swap contracts net long or short in any single month or fifty thousand (50,000) or more Alberta, Nova Inventory Transfer (AECO) Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1)

Participant may own or control in the Alberta, Nova Inventory Transfer (AECO) Basis Swap contract is twelve thousand five hundred (12,500) contracts for the last five U.S. business days of the month proceeding the expiry month and remains in place through contract expiration.

- (j) Conditional Limit. A Participant may own or control in the Alberta, Nova Inventory Transfer (AECO) Basis Swap contract up to twenty five thousand (25,000) contracts for the last five U.S. business days of the month proceeding the expiry month and remains in place through contract expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the AECO 'C' & Nova Inventory Transfer price for the month of production in the first publication of the month as reported by Canadian Gas Price Reporter during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Alberta, Nova Inventory Transfer (AECO) Hub.

Rule 6.03 Chicago Citygate Basis Swap ("DGD")

- (a) Contract Size. The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) Units of Trading. Any multiple of 2,500 MMBtu.
- (c) Minimum Price Fluctuation. Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) Contract Series. Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) Last Trading Day. Close of business on the second Business Day of the contract series.
- (f) Fixed Price. The traded price or the previous day's settlement price.
- (g) Floating Price. In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for Chicago Citygate Hub natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey.
- (h) Position Accountability. A Participant holding or controlling ten thousand (10,000) or more Chicago Citygate Basis Swap contracts net long or short in any single month or fifteen thousand (15,000) or more Chicago Citygate Basis Swap contracts net long or net short in all months combined:

- (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Chicago Citygate Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Chicago Citygate Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
- (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Chicago Citygate Hub natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Chicago Citygate Hub.

Rule 6.04 Houston Ship Channel Basis Swap ("HXS")

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 84 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry

Hub (Louisiana) natural gas for the month of production from the price for the Houston Ship Channel natural gas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.

- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more Houston Ship Channel Basis Swap contracts net long or short in any single month or thirty five thousand (35,000) or more Houston Ship Channel Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Houston Ship Channel Basis Swap contract is seven thousand five hundred (7,500) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Houston Ship Channel Basis Swap contract up to fifteen thousand (15,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Houston Ship Channel natural gas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Houston Ship Channel Hub.

Rule 6.05 Northwest Pipeline Corp – Rocky Mountain Basis Swap (“NWR”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.

- (e) Last Trading Day. Close of business on the second Business Day of the contract series.
- (f) Fixed Price. The traded price or the previous day's settlement price.
- (g) Floating Price. In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the Northwest Pipeline, Rockies Hub for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.
- (h) Position Accountability. A Participant holding or controlling ten thousand (10,000) or more Northwest Pipeline Corp – Rocky Mountain Basis Swap contracts net long or short in any single month or thirty five thousand (35,000) or more Northwest Pipeline Corp – Rocky Mountain Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) Position Limit. Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Northwest Pipeline Corp – Rocky Mountain Basis Swap contract is seven thousand five hundred (7,500) contracts for the last seven business days before expiration.
- (j) Conditional Limit. A Participant may own or control in the Northwest Pipeline Corp – Rocky Mountain Basis Swap contract up to fifteen thousand (15,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Northwest Pipeline, Rockies Hub for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Northwest Pipeline, Rockies Hub.

Rule 6.06 PG&E Citygate Basis Swap (“PGE”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day’s settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the PG&E Citygate Hub for the month of production in the first publication of the month as reported by Intelligence Press Inc’s Natural Gas Bidweek Survey.
- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more PG&E Citygate Basis Swap contracts net long or short in any single month or twenty thousand (20,000) or more PG&E Citygate Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PG&E Citygate Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the PG&E Citygate Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;

- (ii) not to hold positions reported in the PG&E Citygate Hub for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
- (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and PG&E Citygate Hub.

Rule 6.07 SoCal Border Basis Swap ("SCL")

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the SoCal Border natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey.
- (h) **Position Accountability.** A Participant holding or controlling twelve thousand five hundred (12,500) or more SoCal Border Basis Swap contracts net long or short in any single month or fifty thousand (50,000) or more SoCal Border Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SoCal Border Basis Swap contract is twelve

thousand five hundred (12,500) contracts for the last seven business days before expiration.

- (j) **Conditional Limit.** A Participant may own or control in the SoCal Border Basis Swap contract up to twenty five thousand (25,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the SoCal Border natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and SoCal Border Hub.

Rule 6.08 Waha Hub – West Texas Basis Swap (“WAH”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the Waha, West Texas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.
- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more Waha Hub – West Texas Basis Swap contracts net long or short in any single month or fifteen thousand (15,000) or more Waha Hub – West Texas Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and

- (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Waha Hub – West Texas Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Waha Hub – West Texas Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Waha, West Texas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Waha, West Texas Hub.

Rule 6.09 Mid-C Financial Peak Swap (“MDC”)

- (a) **Contract Size.** The contract quantity shall be 400 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 400 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 4 complete calendar years.
- (e) **Last Trading Day.** Close of business on the last US Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for Mid Columbia for all peak hours in the month of production as per ISDA commodity definitions.
- (h) **Position Accountability.** A Participant holding or controlling thirteen thousand (13,000) or more Mid-C Financial Peak contracts net long or short in any single

month or thirteen thousand (13,000) or more Mid-C Financial Peak contracts net long or net short in all months combined:

- (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Mid-C Financial Peak contract is one thousand three hundred (1,300) contracts for the entire spot month through expiration.

Rule 6.10 Mid-C Financial Off-Peak Swap ("OMC")

- (a) **Contract Size.** The contract quantity shall be 25 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 25 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 3 complete calendar years.
- (e) **Last Trading Day.** Close of business on the last US Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the off-peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for Mid Columbia for all off-peak hours in the month of production as per ISDA commodity definitions.
- (h) **Position Accountability.** A Participant holding or controlling one hundred thirty thousand (130,000) or more Mid-C Financial Peak contracts net long or short in any single month or one hundred thirty thousand (130,000) or more Mid-C Financial Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and

- (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Mid-C Financial Off-Peak contract is thirteen thousand (13,000) contracts for the entire spot month through expiration.

Rule 6.11 PJM WH Real Time Peak Swap ("PJM")

- (a) **Contract Size.** The contract quantity shall be 800 MWh (Megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of peak days in the month traded. For example in a 21 peak day month, such as August 2003, the unit of trading will be 21 x 800 or 16,800 MWh. This will be expressed as 21 "lots".
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** 100 consecutive months.
- (e) **Last Trading Day.** 3rd business day following the settlement month.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be by ICE based on the volume weighted average of all trades during the settlement period plus consideration of other cash and derivative markets where necessary.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the hourly prices posted by PJM Interconnection, LLC, on their official website under the heading: PJM-Daily Real-Time Locational Marginal Pricing Files; Western Hub for all peak hours in the month of production as per ISDA commodity definitions.

- (h) **Position Accountability.** A Participant holding or controlling five thousand (5,000) or more PJM WH Real Time Peak contracts net long or short in any single month or fifteen thousand (15,000) or more PJM WH Real Time Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule

limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PJM WH Real Time Peak contract is one thousand (1,000) contracts for the entire spot month through expiration.

Rule 6.12 PJM WH Real Time Off-Peak Swap ("OPJ")

- (a) **Contract Size.** The contract quantity shall be 50 MWh (megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of off peak hours of every day in the calendar month traded. This will be expressed as "lots" in TRS.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 4 complete calendar years.
- (e) **Last Trading Day.** 3rd business day following the settlement month.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of hourly prices posted by PJM Interconnection, LLC under the heading PJM-Daily Real-Time Locational Marginal Pricing Files: Western Hub for all off-peak hours in the month of production as per ISDA commodity definitions.

- (h) **Position Accountability.** A Participant holding or controlling fifty seven thousand (57,000) or more PJM WH Real Time Off-Peak contracts net long or short in any single month or one hundred fifty thousand (150,000) or more PJM WH Real Time Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PJM WH Real Time Off-Peak contract is eleven thousand (11,000) contracts for the entire spot month through expiration.

Rule 6.13 SP-15 Financial Day-Ahead LMP Peak Swap ("SPM")

- (a) **Contract Size.** The contract quantity shall be 400 MWh (megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of peak days in the month traded. For example in a 26 peak day month, such as August 2003, the unit of trading will be 26 x 400 or 10,400 MWh. This will be expressed as 26 "lots".
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 110 months, 4 complete calendar years.
- (e) **Last Trading Day.** Close of business on the business day after the eighth calendar day following the last calendar day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the day ahead prices as published in the 'ICE Day Ahead Power Price Report' for SP-15 for all peak hours in the month of production as per ISDA commodity definitions. Upon implementation of the California ISO Market Redesign and Technology Upgrade (MRTU), the "Floating Price" will be the arithmetic average of the hourly Day Ahead LMP prices posted by CAISO for the SP-15EZ Gen Hub.

- (h) **Position Accountability.** A Participant holding or controlling six thousand (6,000) or more SP-15 Financial Day-Ahead LMP Peak contracts net long or short in any single month or fifteen thousand (15,000) or more SP-15 Financial Day-Ahead LMP Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SP-15 Financial Day-Ahead LMP Peak contract is one thousand two hundred (1,200) contracts for the entire spot month through expiration.

Rule 6.14 SP-15 Financial Day-Ahead LMP Off-Peak Swap (“OFFP”)

- (a) **Contract Size.** The contract quantity shall be 25 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 25 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 3 complete calendar years.
- (e) **Last Trading Day.** Close of business on the business day after the eighth calendar day following the last calendar day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day’s settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the off-peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for SP-15 for all off-peak hours in the month of production as per ISDA commodity definitions. Upon implementation of the California ISO Market Redesign and Technology Upgrade (MRTU), the "Floating Price" will be the arithmetic average of the hourly Day Ahead LMP prices posted by CAISO for the SP-15EZ Gen Hub.

- (h) **Position Accountability.** A Participant holding or controlling fifty thousand (50,000) or more SP-15 Financial Day-Ahead LMP Off-Peak contracts net long or short in any single month or eighty thousand (80,000) or more SP-15 Financial Day-Ahead LMP Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) Position Limit. Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SP-15 Financial Day-Ahead LMP Off-Peak contract is fifteen thousand (15,000) contracts for the entire spot month through expiration.

ANNEX L

**ICE U.S. OTC COMMODITY MARKETS, LLC. REGULATORY RULEBOOK
FOR SIGNIFICANT PRICE DISCOVERY CONTRACTS**

TABLE OF CONTENTS

DEFINITIONS4

Chapter 1

EMERGENCIES

Rule 1.01 Emergency Action9

Rule 1.02 Physical Emergencies 11

Rule 1.03 Suspension of Trading..... 11

Rule 1.04 Conflicts of Interest Involving Emergency and Other Significant Actions.. 11

Rule 1.05 Alternate Settlement Price Determination 13

Rule 1.06 (Reserved)..... 13

RECORDS

Rule 1.07 General Requirements..... 14

Rule 1.08 (Reserved)..... 15

Rule 1.09 (Reserved)..... 15

Rule 1.10 (Reserved)..... 15

REPORTABLE POSITIONS AND SPECULATIVE POSITION LIMITS

Rule 1.11 Emergency Powers Not Limited..... 15

Rule 1.12 Aggregation of Positions..... 15

Rule 1.13 Enforcement of Position Limits and Position Accountability Levels 15

Rule 1.14 Exchange Access to Position Information..... 17

Rule 1.15 Reportable Positions and Daily Reports 17

Rule 1.16 Hedge Exemption 18

Rule 1.17 Arbitrage, Straddle and Spread Exemption..... 18

Rule 1.18 Independently Controlled Position Exemption..... 19

Rule 1.19 Risk Management Exemption21

Rule 1.20 Conflict with Government Regulations22

Rule 1.21 Open Interest.....22

Chapter 2**DISCIPLINARY RULES**

Rule 2.01	Jurisdiction	24
Rule 2.02	ICE Market Regulation Staff Powers and Duties.....	24
Rule 2.03	The Business Conduct Committee.....	25
Rule 2.04	Notice of Charges.....	25
Rule 2.05	Answer; Request for Hearing; Failure to Answer or Deny Charges.....	26
Rule 2.06	Reply	26
Rule 2.07	Selection of Hearing Panel	26
Rule 2.08	Challenge to Members of the Hearing Panel	27
Rule 2.09	Hearing on Penalty in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Penalty	27
Rule 2.10	Settlement Prior to Commencement of Hearing.....	27
Rule 2.11	Hearing Procedures.....	27
Rule 2.12	Written Decision of Hearing Panel	28
Rule 2.13	Liability for Expenses.....	29
Rule 2.14	Effective Date of Penalties.....	29
Rule 2.15	Extension of Time Limits.....	30
Rule 2.16	Conflicts of Interest Involving Named Participant in Interest	30
Rule 2.17	Restrictions of Certain Persons Who Possess Material, Non Public Information	31
Rule 2.18	Regulatory Oversight Committee.....	31

Chapter 3**TRADING SESSIONS**

3.01	Pre-Open Session	32
3.02	Opening Match	32
3.03	Open and Close of Electronic Trading Session ("ETS")	32
3.04	Trading Hours.....	32

Chapter 4	(Reserved).....	32
------------------	-----------------	----

Chapter 5**TRADING STANDARDS**

Rule 5.01	Rule Violations	33
Rule 5.02	Fictitious, Wash or Non-Competitive Transactions.....	33

Rule 5.03	Good Faith Bids and Offers	33
Rule 5.04	Pre-Execution Discussions	33
Rule 5.05	Error Trades	33
Rule 5.06	Misuse of Exchange	33
Rule 5.07	Acts Detrimental to ICE's Welfare.....	34
Rule 5.08	Supervision of Authorized Traders.....	34
Rule 5.09	Acceptable Orders.....	34
Rule 5.10	Revising Orders.....	36
Rule 5.11	Requirements for Persons Submitting Orders.....	36
Rule 5.12	(Reserved).....	37

Chapter 6

CONTRACT SPECIFICATIONS

Rule 6.01	Henry Financial LD1 Fixed Price	38
Rule 6.02	Alberta, Nova Inventory Transfer (AECO) Basis Swap ("AEC")	39
Rule 6.03	Chicago Citygate Basis Swap ("DGD")	40
Rule 6.04	Houston Ship Channel Basis Swap ("HXS")	41
Rule 6.05	Northwest Pipeline Corp – Rocky Mountain Basis Swap ("NWR")	42
Rule 6.06	PG&E Citygate Basis Swap ("PGE").....	44
Rule 6.07	SoCal Border Basis Swap ("SCL").....	45
Rule 6.08	Waha Hub – West Texas Basis Swap ("WAH").....	46
Rule 6.09	Mid-C Financial Peak Swap ("MDC")	47
Rule 6.10	Mid-C Financial Off-Peak Swap ("OMC")	48
Rule 6.11	PJM WH Real Time Peak Swap ("PJM").....	49
Rule 6.12	PJM WH Real Time Off-Peak Swap ("OPJ").....	50
Rule 6.13	SP-15 Financial Day-Ahead LMP Peak Swap ("SPM")	51
Rule 6.14	SP-15 Financial Day-Ahead LMP Off-Peak Swap ("OFP").....	52

DEFINITIONS

Except where the context requires otherwise, the following terms shall have the following meaning when used in the rules. Use of the singular shall include the plural and vice versa, unless the context requires otherwise.

Act

The term "Act" shall mean the Commodity Exchange Act, as amended from time to time.

Arbitrage Position

The term "Arbitrage Position" shall mean

- (i) an Exchange Significant Price Discovery Contract ("SPDC") in one delivery month for an account which is offset by a Futures Contract for the same Commodity in the same or a different delivery month for such account which is executed on or subject to the rules of the CME Group Inc., and;
- (ii) an Exchange SPDC Option to sell or purchase the same Commodity as the Underlying SPDC Contract for such Exchange SPDC option, which is executed on or subject to the rules of the Intercontinental Exchange.

Authorized Trader

The term "Authorized Trader" shall mean a person acting on behalf a Participant.

Board

The term "Board" shall mean the Board of Directors of the Exchange. Any reference to "Board of Governors" in the Rules shall also mean the Board of Directors of the Exchange.

Business Day

The term "Business Day" shall mean, with respect to an Exchange SPDC any day on which a SPDC is available for trading on the electronic trading platform for the full regular electronic trading session for such SPDC.

Call Option

The term "Call Option" shall mean an Option whereby:

- (i) the Purchaser has the right, but not the obligation, to enter into an Underlying Futures or Swap Contract to buy a Commodity for delivery in the Option Month, at the Strike Price specified; and
- (ii) the Grantor has the obligation, upon exercise, to enter into an Underlying Futures or Swap Contract to sell a Commodity for delivery in such Option Month, at such Strike Price.

Cash Commodity

The term "Cash Commodity" shall mean a physical or actual commodity.

CFTC

The term "CFTC" shall mean the Commodity Futures Trading Commission.

Class

The term "Class" shall mean, with respect to any Option, a Put Option or a Call Option covering the same Underlying Futures or Swap Contract.

Clearing Member

The term "Clearing Member" shall mean any Participant who is a member of a Clearing Organization.

Clearing Organization

The term "Clearing Organization" shall mean with respect to any Commodity Contract, the entity designated by the Board as being authorized to clear such Commodity Contract.

Clearing Organization Rules

The term "Clearing Organization Rules" shall mean the certificate of incorporation, by-laws, rules, regulations, resolutions, orders, directives and procedures of the Clearing Organization as adopted or amended from time to time.

Commodity

The term "Commodity" shall mean any and all goods, articles, services, rights and interests in which contracts for future delivery are presently or in the future dealt in, on or subject to the Rules.

Emergency

The term "Emergency" shall have the meaning set forth in Rule 1.01(a).

Exchange

The term "Exchange" shall mean ~~ICE, Inc.~~ ICE U.S. OTC Commodity Markets, LLC's exempt commercial market.

Expiration Day

The term "Expiration Day" shall mean the day on which Options in any Option Month expire.

Firm

The term "Firm" shall mean a corporation, partnership, limited liability company, sole proprietorship or other entity.

ICE

The term "ICE" shall mean ~~IntercontinentalExchange~~ ICE U.S. OTC Commodity Markets, LLC., Inc.

ICE OTC

The term ICE OTC shall mean the ICE U.S. OTC Commodity Markets, LLC. exempt commercial market.

Last Trading Day

The term "Last Trading Day" shall mean, with respect to any SPDC the last day on which trading is permitted for such SPDC in accordance with the Rules.

Lot

The term "Lot" shall mean the par quantity of the Commodity deliverable under a particular Significant Price Discovery Contract.

Option

The term "Option" shall mean a contract or Transaction whereby one (1) party grants to another the right, but not the obligation, to buy, sell or enter into a Significant Price Discovery Contract.

Out-of-the-Money Option

The term "Out-of-the-Money Option" shall mean an Option which has a Strike Price that is higher (in the case of a Call Option) or lower (in the case of a Put Option) than the price of the Underlying Significant Price Discovery Contract for such Option on any day.

Participant

The term "Participant" shall mean an individual or Firm

Participant Agreement

The term "Participant Agreement" shall mean the agreement executed by Participants to enter transactions on the ICE U.S. OTC Commodity Markets, LLC. platform.

Position

The term "Position" with respect to any Participant shall mean all the Significant Price Discovery Contracts held by such Participant.

President

The term "President" shall mean the President of the Exchange, or one duly authorized to act with the authority of the President.

Principal

The term "Principal" shall mean with respect to any Firm, any Person who is an executive officer, general partner, director or other person, who, in each case, exercises a controlling influence over the Exchange-related business of such Firm, and any Person who owns ten percent (10%) or more of the outstanding shares of stock of, or has contributed ten percent (10%) or more of the capital to, such Firm.

Public Director

The term "Public Director" shall mean any person who:

- (i) qualifies as a "public" director within the meaning of the regulations proposed by the CFTC as of September 14, 2006 for determining qualification of public directors or, if the CFTC adopts any such regulations, within the meaning of such regulations in effect from time to time, and;
- (ii) the independence requirement of the New York Stock Exchange, Inc. for directors serving on the boards of listed companies, as amended from time to time.

Put Option

The term "Put Option" shall mean an Option whereby:

- (i) the Purchaser has the right, but not the obligation, to enter into an Underlying Significant Price Discovery Contract to sell a Commodity for delivery in the Option Month at the Strike Price specified; and
- (ii) the Grantor has the obligation, upon exercise, to enter into an Underlying Futures Contract to buy a Commodity for delivery in such Option Month at such Strike Price.

Respondent

The term "Respondent" shall mean any Person who is charged with a Rule violation.

Rule or Rules

The term "Rule" or "Rules" shall mean the Participant Agreement and Annexes, rules, resolutions, interpretations, statements of policy, decisions, directives and orders of the Exchange.

Significant Price Discovery Contract

The term "Significant Price Discovery Contract" means any contract listed on the Exchange that has been deemed by the Commodity Futures Trading Commission to serve a significant price discovery function.

Significant Price Discovery Equivalent Contract

The term "Significant Price Discovery Equivalent Contract" shall mean an Option that has been converted to a Significant Price Discovery Contract equivalent in accordance with Rule 1.13(a).

Trade or Transaction

The terms "Trade" and "Transaction" shall mean any purchase or sale of any Significant Price Discovery Contract made in accordance with the Rules.

Underlying Significant Price Contract

The term "Underlying Significant Price Discovery Contract" shall mean the Significant Price Discovery Contract which is the subject of an Option.

Chapter 1

EMERGENCIES

Rule 1.01 Emergency Action

(a) Definitions. As used in this section:

The term "Emergency" means any occurrence or circumstance which, in the opinion of the Exchange, 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 agreements, Significant Price Discovery Contracts, or Transactions on the Exchange, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of Positions; any circumstances which may materially affect the performance of agreements, Significant Price Discovery Contracts or Transactions traded on the Exchange, including failure of the payment system or the bankruptcy or insolvency of any Participant; any action taken by any governmental body, or any other board of trade, market or facility which may have a direct impact on trading on the Exchange and any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange.

(b) Emergency Action may be taken by the following:

- (i) By the Governing body empowered to take Emergency action;
- (ii) By the Board in the case of any Emergency;
- (iii) By any two members of the Board in the case of any Emergency where it is impracticable, in the opinion of the Chief Executive Officer, the President and Chief Operating Officer or in their absence, any two (2) members of the Board, to call a meeting of the Board to deal with the Emergency; or
- (iv) By any committee of the Exchange pursuant to powers conferred on said committee under the Rules.

(c) Vote Required

The vote required of the governing body authorized to take any Emergency action hereunder shall be:

- (i) In the case of action by the Board, the affirmative vote of not less than two-thirds of the members of the Board present and voting at a meeting at which there is physically in attendance a quorum; or
- (ii) In the case of action by a committee, the affirmative vote of two (2) or more Persons constituting not less than two-thirds of the members of said committee physically present and voting at a meeting at which there is physically in attendance a quorum; provided, however, that the consent in writing to such action of all members of such governing body shall be sufficient to take such Emergency action without a meeting;

- (iii) A member of the Board or of a committee shall be deemed physically present or physically in attendance at a meeting if such a Person participates in the meeting by means of a conference telephone or similar communications equipment allowing all Persons participating in the meeting to hear each other at the same time.
- (d) Action which may be taken
- (i) In the event of an Emergency, the Exchange may, subject to Part 40 of the Regulations under the Act, place into immediate effect a rule which may provide for, or may authorize the Exchange, or the Exchange or any committee, to undertake actions which, in the opinion of the Exchange are necessary or appropriate to meet the Emergency, including, but not limited to, such actions as:
 - (A) Imposing limits or restrictions on position size, limiting trading to liquidation only, in whole or in part, or limiting trading to liquidation only except for new sales or grants of Significant Price Discovery Contracts by parties who have the commodity underlying such contracts;
 - (B) Extending or shortening the expiration date for trading in Significant Price Discovery Contracts;
 - (C) Extending the time of delivery under or expiration of Significant Price Discovery Contracts;
 - (D) Ordering the liquidation, or transfer of open Significant Price Discovery Contracts, the fixing of a Settlement Price or Settlement Premium, or the reduction in positions;
 - (E) Ordering the transfer of Significant Price Discovery Contracts, and the money, securities, and property securing such contracts, held on behalf of Participants by a Clearing Member to another Clearing Member or other Participants, willing to assume such contracts or obligated to do so;
 - (F) Extending, limiting or changing hours of trading;
 - (G) Modifying price limits;
 - (H) Suspending or curtailing trading;
 - (I) Changing the amount of money to be paid, or the quality of merchandise to be received, under Exchange Significant Price Discovery Contracts, whether theretofore or thereafter entered into or otherwise altering delivery terms or conditions;
 - (J) Requiring additional margin to be collected from Participants; and
 - (K) Modifying or suspending any provision of the Rules.
 - (ii) Whenever any action is taken under this Rule pursuant to which trading is suspended or other changes in procedure are made, all matters relating to

notices, deliveries and other obligations may be suspended or deferred in such manner as the Governing body may determine.

Rule 1.02 Physical Emergencies

- (a) In the event the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by a "Physical Emergency", such as fire or other casualty, bomb threat, substantial inclement weather, power failure, communication or transportation breakdown, computer malfunction, screen-based trading system break-down, malfunction of plumbing, heating, ventilation and air conditioning systems, backlog or delay in clearing or in the processing of data related to clearing Trades, the Chief Executive Officer, the Chief Operating Officer, or in their absence any Senior Vice President or in all of their absences any other officer may take any action which, in the opinion of such officer is necessary or appropriate to deal with the Physical Emergency, including, but not limited to, suspending trading in any one (1) or more Significant Price Discovery Contracts, delaying the opening of trading in any one (1) or more Significant Price Discovery Contracts, extending the Last Trading Day and/or the time of trading.
- (b) In the event a designated officer has ordered suspension of trading, the Chief Executive Officer, the Chief Operating Officer, or in their absence any Senior Vice President, or in all of their absences any other officer may order restoration of trading on the Exchange, or may remove other restrictions so imposed, if such officer determines that the Physical Emergency has sufficiently abated to permit the physical functions of the Exchange to continue in an orderly manner.
- (c) Any action taken hereunder shall be filed with the Commission in accordance with Part 40 of the Regulations under the Act.

Rule 1.03 Suspension of Trading

- (a) The Board may, in its discretion, by an affirmative vote of two-thirds of the members of the Board present at a meeting (which, in an Emergency, may be held without previous notice), close the Exchange or suspend trading in any one (1) or more Significant Price Discovery Contracts on such days or portions of days as will, in its judgment, serve to promote the best interest of the Exchange;
- (b) In the event of an Emergency when a quorum of the Board is not available, all trading on the Exchange may be suspended by an affirmative vote of two-thirds of the members of the Board present, or by action of one (1) member of the Board if only one (1) member is present, for such period of time as in their or his judgment is necessary. In the event of an Emergency which prevents normal attendance at the Exchange, when no member of the Board is present, any officer of the Exchange shall have authority to order suspension of trading on the Exchange for such period of time as in his judgment is necessary. Any action taken under this paragraph shall be subject to review and modification by the Board.

Rule 1.04 Conflicts of Interest Involving Emergency and Other Significant Actions

- (a) Definitions. For purposes of this Rule, the following definitions shall apply;

(i) The term "Emergency" shall have the meaning set forth in Rule 1.01.

(b) Whenever any Emergency or other significant action which, in the judgment of the deliberating body, is likely to have a material effect upon the price of any Significant Price Discovery Contracts traded on or subject to the Rules or might otherwise have a material impact on the market for such Significant Price Discovery Contracts is being considered by the Exchange (not including any committee which is only authorized to make recommendations for action by the Board or some other committee), the following procedures shall apply:

(i) Disclosure. Prior to consideration of the matter, each member of the Board or committee who desires to participate in deliberations or voting on such action shall disclose to the Board or committee position information that is known to such member, with respect to any particular month or months that are under consideration, and any other positions which the Board or committee reasonably expects could be affected by the action under consideration. The size of positions shall be disclosed by reference to ranges as determined by the Board or committee and shall be made with respect to the following categories:

(A) gross positions in Significant Price Discovery Contracts carried in:

(1) accounts in which the member's ownership interest is 10% or greater;

(2) "controlled accounts" as defined in CFTC Regulation 1.3(j); and

(3) accounts of any individual with whom the member has a "Family Relationship" as such term is defined in Rule 2.16

(B) gross positions in Significant Price Discovery Contracts carried in proprietary accounts, as defined in CFTC Regulation 1.3(y), at any Affiliated Firm of such member;

(C) net positions in Significant Price Discovery Contracts in "Customer" accounts, as defined in CFTC Regulation 1.17(b)(2), at any Affiliated Firm of such member; and

(D) any other types of positions, whether maintained in Significant Price Discovery Contracts or otherwise, that the Board or committee reasonably expects could be affected by the action being considered.

(ii) To the extent that a Participant desires to make the required disclosures but does not know position information with respect to any of the foregoing categories, the President or his designee shall make the disclosure for such member to the extent that such information can be obtained from data and clearing records readily available to the Exchange under the exigency of the action being contemplated.

(iii) Disqualification. Any Participant who does not want to make position disclosures must withdraw from the meeting before disclosure by other members begins and may not participate in the discussion of, or voting

on, the matter under consideration. Any member who has, or whose Affiliated Firm has, a position required to be disclosed under subparagraph (b)(i) (other than a position which the Board or committee has determined to be de minimus), shall be disqualified from voting and must withdraw from the room before a vote is taken. If such withdrawal results in the lack of a quorum, the Board or committee shall appoint an ad hoc committee comprised of those members who are not disqualified from voting and shall delegate to such ad hoc committee all the powers of the Board or relevant committee with respect to the matter under consideration. No Participant shall be disqualified from voting upon the appointment of an ad hoc committee solely because of positions held by such member or an Affiliated Firm of such member.

- (iv) Documentation. The minutes of any meeting at which Emergency or other significant action is considered shall reflect the following information:
 - (A) the names of all Participants who attended the meeting in person or by electronic means;
 - (B) the name of any Participant who voluntarily recused himself or was required to abstain from deliberations or voting; and
 - (C) information on the position disclosures made by each member.
- (v) For purposes of this Rule, a margin change shall not be deemed to have a material effect upon the price of a Significant Price Discovery Contract traded on the Exchange or a material impact on the market, if such margin change was made in response to a change in the price of any delivery month of such Significant Price Discovery Contract which is equal to or less than 15% of the Settlement Price of such delivery month on the previous Business Day.

Rule 1.05 Alternate Settlement Price Determination

- (a) The Exchange reserves the right to use available market information to determine an alternate settlement price:
 - (i) in the event that a physical emergency, as defined in Rule 1.02, prohibits the Exchange from determining settlement prices as it would during the normal course of business;
 - (ii) in the event that the determined settlement price is not representative of the fair market value of the contract; or
 - (iii) in the event that the determined settlement price creates risk management concerns.

Rule 1.06 (Reserved)

RECORDS**Rule 1.07 General Requirements**

- (a) Each Participant shall make and file reports and maintain records in accordance with the rules and regulations of, and in such manner and form and at such times as may be prescribed by, the CFTC, showing the details and terms of all Transactions involving Significant Price Discovery Contracts or Options on Significant Price Discovery Contracts consummated on the Exchange or subject to the Rules. All such records must be in permanent form, showing the parties to all such Transactions, including the Persons for whom made, any assignments or transfers thereof, with the parties thereto, and the manner in which said Transactions are fulfilled, discharged or terminated. Such record shall be kept for a period of five (5) years from the date thereof, or for a longer period if the CFTC shall so direct, and shall at all times be open to the inspection by Exchange staff, any representative of the CFTC or the United States Department of Justice.
- (b) For the purpose of defining the enforcement duties of the Exchange, paragraph (d) of this Rule shall be limited to the following items:
- (i) all orders (filled, unfilled and canceled);
 - (ii) all journals and ledgers;
 - (iii) all copies of confirmations, copies of statements of purchase and sale, and copies of daily and month-end statements;
 - (iv) all written records of orders;
 - (v) all records of Transactions;
 - (vi) all other documents necessary to prepare a precise trade register.
- (c) Each Participant shall make and file reports with the Exchange, and maintain such records for such length of time, in such manner and form and at such times as the Rules or the Exchange may prescribe. Such records shall at least consist of the following:
- (i) all orders (filled, unfilled and canceled);
 - (ii) all journals and ledgers;
 - (iii) all copies of confirmations, copies of statements of purchase and sale, and copies of daily and month-end statements;
 - (iv) all written records of Orders;
 - (v) all records of Transactions;
 - (vi) all other documents necessary to prepare a precise audit trail.
- (d) Unless otherwise specifically provided, all records listed in this Rule must be retained in accordance with the Act and the regulations thereunder.

Rule 1.08 (Reserved)

Rule 1.09 (Reserved)

Rule 1.10 (Reserved)

REPORTABLE POSITIONS AND SPECULATIVE POSITION LIMITS

Rule 1.11 Emergency Powers Not Limited

- (a) Nothing contained in the Rules relating to position limits and position accountability levels shall in any way be construed to limit the Emergency powers enumerated in the Rules, and, unless the Exchange in taking an Emergency action shall state otherwise, any such Emergency action shall be effective with respect to all Participants, regardless of whether an exemption from the position limits has previously been granted pursuant to these Rules.

Rule 1.12 Aggregation of Positions

- (a) The position limits and position accountability levels established by these Rules shall apply to all positions held by any Participant, including those positions in accounts for which such Participant by power of attorney or otherwise directly or indirectly (i.e., has 10% or greater ownership or equity interest) controls trading; and in the case of positions held by two (2) or more Participants acting pursuant to an express or implied agreement or understanding, the same as if all of the positions were held by a single Participant.
- (b) The positions of spouses, parents, and children living in the same household shall be aggregated for purposes of the foregoing position limits and position accountability levels.

Rule 1.13 Enforcement of Position Limits and Position Accountability Levels

- (a) No Participant may maintain a combination of Significant Price Discovery Contracts and Significant Price Discovery Contracts Equivalents which is, or which when aggregated in accordance with Rule 1.12 is, in excess of the limits established by this Chapter. For the purpose of the Rules contained in this Chapter:
- (i) the Significant Price Discovery Contract equivalent of each Option Contract deemed a Significant Price Discovery Contract is the delta ratio published daily by the Exchange;
- (ii) a long Significant Price Discovery Contract, a long Significant Price Discovery Call Option and a short Significant Price Discovery Put Option are on the same side of the market; similarly, a short Significant Price Discovery Contract, a short Significant Price Discovery Call Option and a long Significant Price Discovery Put Option are on the same side of the market;

- (iii) in calculating an Equivalent Contract position for Significant Price Discovery Contracts, all serial and regular Significant Price Discovery Options for the Underlying Significant Price Discovery Contract shall be combined.
- (b) Participants are responsible for maintaining their position within the limits contained in this Chapter on both an inter-day and intra-day basis. If, however, a Participant's position exceeds speculative position limits on any given Business Day due to changes in the deltas of the Significant Price Discovery Options, the Participant or Customer shall have one (1) Business Day to bring the position within the limits.
- (c) In the event the Exchange learns that a Participant maintains positions in accounts with more than one (1) Clearing Member such that the aggregate position in all such accounts exceeds the position limits and position accountability levels established by this Chapter, the Exchange may notify all Clearing Members maintaining or carrying such accounts of the total positions of such accounts. Such notice may also instruct each such Clearing Member to reduce the positions in such accounts twenty-four (24) hours after receipt of the notice, proportionately or otherwise so that the aggregate positions of such accounts at all such Clearing Members does not exceed the position limits and position accountability levels established by this Chapter, unless as provided by paragraph (d) below, a request for an exemption is made and granted by the Exchange pursuant to this Chapter. Any Clearing Member receiving such notice shall immediately take such steps as may be necessary to liquidate such number of Significant Price Discovery Contracts as shall be determined by the Exchange in order to cause the aggregate positions of such accounts at such Clearing Member to comply with the position limits and position accountability levels established by this Chapter. Notwithstanding the foregoing, the Participant may reduce the positions of such accounts by a different number of Significant Price Discovery Contracts so long as after all reductions have been accomplished at all Clearing Members carrying such accounts, the positions at all such Clearing Members complies with the position limits and position accountability levels established by this Chapter.
- (d) In the event a Participant exceeds its position limit due to sudden unforeseen increases in its bona fide hedging needs, such Participant shall not be considered in violation of the Rules provided that such Participant requests a hedge exemption to carry such increased position within one (1) Business Day for following the day on which the Participant's position limit was exceeded and provided that such exemption is granted by the Exchange.
- (e) Subject to the foregoing provisions of this Rule, in the event that a Participant's position exceeds the position limits established by this Chapter or ordered by the Exchange such Participant shall liquidate such number of Contracts as the Exchange shall direct in order to eliminate the excess within such time as the Exchange may prescribe and shall report to the Exchange when such liquidations have been completed. If a Participant fails so to liquidate Contracts within the time prescribed by the Exchange, then, in addition to any other actions the Exchange may take, the Exchange may take such steps as it may deem necessary or appropriate to liquidate such Contracts on behalf and at the expense of such Participant to the extent necessary to eliminate such excess. In addition, the Exchange in its discretion may require any Clearing Member

carrying an account for such Participant to obtain and hold additional original margin from such Participant or Customer in such amount and form and by such time as the Exchange shall specify until such excess has been eliminated.

- (f) In the event a Participant exceeds its position limit and is instructed to liquidate all or a portion of the position, the Participant must liquidate the position in an orderly manner, as to eliminate or significantly reduce substantial market impact or price fluctuations.

Rule 1.14 Exchange Access to Position Information

- (a) Without limiting any provision of these Rules, the Exchange shall have the authority to obtain from any Participant information with respect to positions of such Participant. In the event a Participant fails to provide the requested information the Exchange, in addition to any other remedy provided in these Rules, may order that the Participant liquidate the positions which are related to the inquiry.

Rule 1.15 Reportable Positions and Daily Reports

- (a) Clearing Firms which own, control, or carry for any Participant a reportable position, as such term is defined by the Act and the Regulations thereunder, shall submit daily reports with respect to such positions to the Exchange containing such information as may be prescribed by the CFTC.
- (i) Without limiting any provisions of the Rules, Clearing Firms and Omnibus Accounts shall provide such additional information with respect to Significant Price Discovery Contracts and Option Contracts positions and the ownership of such positions as may be requested by the Exchange.
- (ii) Clearing Firms and Omnibus Accounts are required to submit the CFTC Form 102 ("Identification of Special Accounts") in order to identify the owner, controlling parties, and any other required information for each reportable account. This form must be submitted to the Exchange no later than one (1) US Business Day after an account becomes reportable. Clearing Firms and Omnibus Accounts must also notify the Exchange of any material changes to this account information, and submit an updated CFTC Form 102 detailing these changes within three (3) US Business Days of the account changes taking effect.
- (iii) Clearing Firms and Omnibus Accounts in reportable status for a particular contract month must report all positions held in any contract at the Exchange, regardless of the size of the position. These large trader positions must be reported to the Exchange every day for which a Participant is in reportable status. Additionally, these large trader reports must be submitted in a form acceptable to the Exchange.
- (iv) The Clearing Firm carrying reportable positions for an Omnibus Account is ultimately responsible for obtaining and submitting to the Exchange the ownership and control information for these positions if the Omnibus Account has failed to submit such information to the Exchange.

- (v) The reportable levels for each contract are included in the contract specifications, which are listed in Chapter 6 of this Rulebook.

Rule 1.16 Hedge Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to bona fide hedging positions as defined in Section 1.3(z)(1) of the Regulations under the Act.
- (b) To be eligible for an exemption under this Rule, a Participant must submit a written request in the form provided by the Exchange to the Exchange which shall include the following:
 - (i) a description of the size and nature of the proposed Transactions;
 - (ii) information which will demonstrate that the proposed Transactions are bona fide hedging Transactions;
 - (iii) a statement indicating whether the Participant on whose behalf the request is made (1) maintains positions in the SPDC for which the exemption is sought with any other Clearing Member; and/or (2) has made a previous or contemporaneous request pursuant to this Rule through another Clearing Member, and if so, the relationship of the information set forth in such requests;
 - (iv) a statement that the intended Transactions will be bona fide hedges;
 - (v) a statement that the applicant will immediately supply the Exchange with any material changes to the information submitted pursuant hereto;
 - (vi) such further information as the Exchange may request.
- (c) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until (1) the Participant requests a withdrawal; or (2) the Exchange revokes, modifies or places further limitations thereon.
- (d) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding position limits. Failure to file notice period exemption requests on a timely basis shall subject the Participant to disciplinary action pursuant to the Rules.

Rule 1.17 Arbitrage, Straddle and Spread Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to Arbitrage, Straddle or Spread positions.
- (b) To be eligible for an exemption under this Rule, a Participant must submit to the Exchange a written request in the form provided by the Exchange which shall include the following:

- (i) a description of the size and nature of the proposed Transactions;
 - (ii) a statement that the intended positions will be Arbitrage or Straddle positions;
 - (iii) a statement that the Participant on whose behalf the request is made complies with whatever limitations are imposed by the Exchange with regard to said positions;
 - (iv) a statement that the Participant on whose behalf the request is made agrees to submit immediately a supplemental statement explaining any change in circumstances affecting the position;
 - (v) a statement that the Participant on whose behalf the request is made complies with all other Rules and requirements;
 - (vi) a statement that such positions will be moved in an orderly manner and will not be initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The Participant on whose behalf the request is made will not use said position in an attempt to violate or avoid the Rules, or otherwise impair the good name or dignity of the Exchange; and
- (c) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding the position limit. Failure to file notice period exemption requests on a timely basis shall subject the Participant to disciplinary action pursuant to the Rules.
- (d) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until either:
- (i) the Participant requests a withdrawal; or
 - (ii) the Exchange revokes, modifies or places further limitations thereon.

Rule 1.18 Independently Controlled Position Exemption

- (a) For the purposes of this Chapter, "Eligible Entity" means a commodity pool operator, an operator of a trading vehicle, which is excluded, or which has qualified for exclusion from the definition of the term "pool" or "commodity pool operator," respectively, under Regulation 4.5 of the Act or a commodity trading advisor which:
- (i) authorizes an independent account controller to control independently all trading decisions for positions it holds directly or indirectly, or on its behalf, but without its day-to-day direction; and
 - (ii) maintains only such minimum control over the independent account controller as is consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf. "Eligible

Entity" shall also mean such other person or entity deemed exempt by CFTC Regulations or Guidelines (including Regulation 150.3).

- (b) For the purposes of this Chapter, "Independent Account Controller" means a Person who
- (i) is registered with the CFTC as a Futures Commission Merchant, introducing broker, commodity trading advisor, or as an associated person of any such registrant;
 - (ii) is authorized by the Eligible Entity to control independently trading by, and on behalf of, but without the day-to-day direction of the Eligible Entity;
 - (iii) trades independently of the Eligible Entity and of any other Independent Account Controller trading for the Eligible Entity;
 - (iv) is supervised by the Eligible Entity only to the minimal degree necessary to fulfill its fiduciary responsibilities and duty to supervise diligently the trading done on its behalf; and
 - (v) has no knowledge of trading decisions by any other Independent Account Controller.
- (c) an Eligible Entity may carry positions that exceed speculative position limits if such positions:
- (i) are not for the spot month if there is a position limit which applies to individual trading months during their expiration; and
 - (ii) are carried for the Eligible Entity in the separate account or accounts of an Independent Account Controller; provided, however, that the overall positions held or controlled by each such Independent Account Controller may not exceed the speculative positions limits; and
 - (iii) such Eligible Entity provides the Exchange with information respecting the Eligible Entity and the Independent Account Controller.
- (d) If an Independent Account Controller is affiliated with the Eligible Entity or another Independent Account Controller, each of the affiliated entities must:
- (i) have, and enforce, written procedures to preclude the affiliated entities from having knowledge of, gaining access to, or receiving data about trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities; provided, however, that such procedures may provide for the disclosure of information which is reasonably necessary for an Eligible Entity to maintain the level of control consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf;
 - (ii) trade such accounts pursuant to a separately developed and independent trading systems;
 - (iii) market such systems separately; and

- (iv) solicit funds for such trading by separate Disclosure Documents that meet the standards of CFTC Regulation 4.21 or 4.31, as applicable, where such Disclosure Documents are required under Part Four of the Regulations.
- (e) Upon call by Exchange staff, any Participant claiming an exemption from speculative position limits under this Rule must provide to the Exchange such information as specified in the call relating to the positions owned or controlled by that Participant; trading done pursuant to the claimed exemption; the Futures, Options or cash market positions which support the claim of exemption; and the relevant business relationships supporting a claim of exemption.
- (f) The Exchange may at any time condition an exemption on the Eligible Entity's business needs, financial status and integrity and on the liquidity, depth and volume of the market for which the exemption is sought. The Exchange may at any time modify or revoke the exemption if it is found that the Eligible Entity's status or market conditions have changed.

Rule 1.19 Risk Management Exemption

- (a) The position limits for SPDC's specified in this Rulebook shall not apply to Risk Management positions.
- (b) To be eligible for an exemption under this Rule, a Participant must submit to the Exchange a written request in the form provided by the Exchange which shall include the following:
 - (i) a description of the size and nature of the proposed Transactions;
 - (ii) a statement that the intended positions will be Risk Management positions;
 - (iii) a statement that the Participant on whose behalf the request is made complies with whatever limitations are imposed by the Exchange with regard to said positions;
 - (iv) a statement that the Participant on whose behalf the request is made agrees to submit immediately a supplemental statement explaining any change in circumstances affecting the position;
 - (v) a statement that the Participant on whose behalf the request is made complies with all other Rules and requirements;
 - (vi) a statement that such positions will be moved in an orderly manner and will not be initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The Participant on whose behalf the request is made will not use said position in an attempt to violate or avoid the Rules, or otherwise impair the good name or dignity of the Exchange; and
- (c) Written requests for exemptions to notice period limits specified in this Chapter must be received by the Exchange no later than five (5) Business Days prior to exceeding the position limit. Failure to file notice period exemption requests on a timely basis shall subject the Participant and/or the Carrying Participant to disciplinary action pursuant to the Rules.

- (d) Within five (5) Business Days of the submission of the information set forth above, the Exchange shall notify the Participant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until:
- (i) the Participant requests a withdrawal; or
 - (ii) the Exchange revokes, modifies or places further limitations thereon.

Rule 1.20 Conflict with Government Regulations

- (a) Any United States Government regulations, orders or decrees affecting performance of either buyer or seller under the Rules shall take precedence over the Rules and in the event of conflict between the Rules and Government regulations, orders or decrees, the Government regulations, orders or decrees shall prevail. Neither buyer nor seller shall be responsible one to the other for delay or lack of performance hereunder resulting from compliance with such Government regulations, orders or decrees and each shall cooperate fully with the other in endeavoring to comply with such Government regulations, orders or decrees.

Rule 1.21 Open Interest

- (a) Clearing Member's open interest in any cleared contract or series of an option contract, is the number of lots, long or short, which the Clearing Member holds either for its own account or on behalf of clients (including group and associated companies) which will either be:
- (i) offset by trading out at the Exchange; or
 - (ii) in the case of options, exercised or held to expiry; or
 - (iii) in the case of swaps, offset by the exercise of a relevant option; or
 - (iv) in the case of swaps, taken to delivery or cash settlement.
- (b) The open interest figures published daily by the Exchange are calculated on the basis of the number of contracts held by Clearing Members which remain open.
- (c) Clearing Members' positions are maintained in sub-accounts in the following manner:

Sub Account	Reporting Manner
House	Net
Client Segregated	Gross (but Net by customer)
Client Non-Segregated	Gross (but Net by customer)
Individual Participant (one account for each Participant whose positions are cleared)	Net
Trade Participant (one account for each Participant whose positions are cleared)	Net
Default	Gross

- (i) Open interest at the close of business on a Trading Day for each sub-account will be calculated using the method set out above after a cut-off time on the subsequent Trading Day, and will include any settlements and position adjustments carried out before the cut-off time. The cut-off time will be notified by the Exchange to Clearing Members from time to time.
- (ii) On the last Trading Day of a contract month, an indicative 'open interest' figure in a contract for the expiring contract month may be calculated by the Exchange based on the number of contracts held by Clearing Members at the close of business on the last Trading Day in such contract month. The Exchange will notify Clearing Members from time to time of the contracts in event such calculation will be required.
- (iii) In respect to such contracts notified to Clearing Members under Rule 1.21(c)(ii), Clearing Members will be permitted to perform settlements and position adjustments in respect to positions in the relevant contract month after the cessation of trading up to a Last Trading Day cut-off time which will be notified by the Exchange to Clearing Members from time to time. Clearing Members must ensure that positions in the expiring contract month which should not be maintained gross in accordance with Rule 1.21(c) are settled on the last Trading Day of the contract month prior to the cut-off time.
- (d) In cases where clients, including certain in-house departments, hold both long and short positions, Clearing Members will need to determine, in accordance with regulatory requirements or otherwise, whether these should be maintained gross or whether, or to what extent, they should be netted.
- (e) Once positions have been netted, they may not subsequently be re-opened other than by trading in the Market, except when granted written permission by the Exchange to do so.

Chapter 2

DISCIPLINARY RULES

Rule 2.01 Jurisdiction

- (a) ICE shall have the authority to initiate, conduct investigations, and prosecute violations of these Rules committed by Participants and to impose sanctions for such Violations as provided in these Rules.
- (b) Each Participant, upon becoming a Participant and thereafter upon any change to the relevant office, shall file with ICE a written notice designating an office for receiving service of documents. If a Participant fails to designate such an office, mailing service to its address on file with ICE shall be good service, and delivery thereof shall be deemed to have occurred as of the date of such mailing.

Rule 2.02 ICE Market Regulation Staff Powers and Duties

- (a) It shall be the duty of the Chief Regulatory Officer to enforce these rules and he shall have the authority to inspect the books and records of all Participants and the authority to require any Participant to appear before him to answer questions regarding alleged Violations. The Chief Regulatory Officer may also delegate such authority to Market Regulation Staff who shall consist of ICE employees, including officers, and such other individuals (who possess the requisite independence) as ICE may hire on a contract basis.
- (b) ICE Market Regulation Staff shall conduct investigations of possible Violations, prepare written reports respecting such investigations, furnish such reports to the Business Conduct Committee and conduct the prosecution of such Violations.
- (c) If, in any case, the Chief Regulatory Officer or another ICE employee designated for this purpose by ICE concludes that a Violation may have occurred, he or she may:
 - (i) issue a warning letter to the Participant informing it that there may have been a Violation and that such continued activity may result in disciplinary sanctions; *provided* that such warning letter shall indicate that it is neither the finding of a Violation nor a penalty and is subject to the review of the Business Conduct Committee; or
 - (ii) negotiate and enter into a written settlement agreement with the Participant, whereby the Participant, with or without admitting guilt, may agree to:
 - (A) a cease and desist order or a reprimand;
 - (B) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (C) a suspension or revocation of clearing privileges or a termination of Participant status.

Any such written settlement shall be subject to the approval of the Business Conduct Committee and shall become final and effective pursuant to Rule 2.14(a).

Rule 2.03 The Business Conduct Committee

- (a) The Business Conduct Committee ("BCC") shall have the power to direct that an investigation of any suspected Violation be conducted by ICE, and shall hear any matter referred to it by ICE regarding a suspected Violation.
- (b) The BCC shall be comprised of five Exchange Participants and non-Participants, ~~one of which shall be an independent member of the Board.~~ ICE shall appoint from time to time a chairman (the "**BCC Chairman**") of the BCC. Three committee members shall constitute a quorum for any action, so long as they are in attendance at the time of the relevant action.
- (c) All information, records, and documents provided to the BCC and all related records and documents shall be treated as confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law. (e) In any case where the BCC concludes, by majority vote, that a Violation may have occurred, the BCC shall advise the Participant of that fact and may:
 - (i) refer or return the matter to ICE Market Regulation Staff with instructions for further investigation;
 - (ii) approve a settlement agreement negotiated and entered into pursuant to Rule 2.02(d)(ii) with such Participant which may provide for a penalty other than that recommended by the relevant ICE Market Regulation Staff, subject to the limitations set forth in subparagraph (e)(iv) of this Rule;
 - (iii) issue charges that include, but are not limited to,
 - (1) a cease and desist order or a reprimand;
 - (2) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (3) a suspension or revocation of clearing privileges or a termination of Participant status.

Rule 2.04 Notice of Charges

- (a) The Chief Regulatory Officer shall serve a Notice of Charges (a "**Notice**") on the Participant named in the matter to have been responsible for the Violation (the "**Respondent**") and to the BCC Chairman. Such Notice shall state:
 - (i) the acts, practices or conduct in which the Respondent is charged;
 - (ii) how such acts, practices or conduct constitute a Violation;
 - (iii) that the Respondent is entitled, upon written request filed with ICE within twenty days of service of the Notice, to a formal hearing on the charges;

- (iv) that the failure of the Respondent to request a hearing within twenty days of service of the Notice, except for good cause shown, shall be deemed a waiver of its right to a hearing;
- (v) that the failure of the Respondent to file an Answer (as defined in Rule 2.05) with ICE Market Regulation Staff within twenty days of service of the Notice shall be deemed an admission of all of the acts, practices or conduct contained in the Notice; and
- (vi) that the failure of the Respondent to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

Rule 2.05 Answer; Request for Hearing; Failure to Answer or Deny Charges

- (a) The Respondent shall serve on ICE a written answer (an “Answer”) to the Notice of Charges and a written request for a hearing on the charges within twenty (20) days of the date of service of the Notice of Charges.
- (b) The Respondent’s failure to file an Answer within such twenty-day period shall be deemed an admission of all of the acts, practices or conduct contained in the Notice.
- (c) The Respondent’s failure to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.
- (d) The Respondent’s failure to request a hearing within such twenty-day period, absent good cause shown, shall be deemed a waiver of Respondent’s right to a hearing.

Rule 2.06 Reply

ICE Market Regulation Staff may serve a reply (a “Reply”) to the Respondent’s Answer within five days of the date of service of the Respondent’s Answer. The Reply must be limited to the matters set forth in the Answer.

Rule 2.07 Selection of Hearing Panel

- (a) Formal hearings on any Violation shall be conducted by a five member panel selected by the Chief Regulatory Officer (the “Hearing Panel”) who are eligible pursuant to paragraph (c) of this Rule. The BCC Chairman, in his or her sole discretion, shall set a date for the hearing (the “Hearing Date”).
- (b) The BCC Chairman shall notify ICE Market Regulation Staff and the Respondent of the Hearing Date and the names of the members of the Hearing Panel at least fifteen days prior to the Hearing Date.
- (c) No member of the Hearing Panel shall hear a case in which that member, in the determination of the BCC Chairman, has a direct financial, personal or other interest in the matter under consideration. If there are insufficient available members to constitute a Hearing Panel, the BCC Chairman may appoint such other individuals who do not have such an interest as it determines appropriate, to complete the Hearing Panel.

Rule 2.08 Challenge to Members of the Hearing Panel

Within ten days after service on the Respondent of notice of the Hearing Date and names of the members of the Hearing Panel, the Respondent may challenge, in writing, the inclusion of any member of the Hearing Panel for cause, including without limitation, if the member has a direct financial, personal or other interest in the matter under consideration. The merits of such challenge shall be finally decided by the BCC Chairman in his or her sole discretion. If said written challenge is not received within such ten-day period, absent good cause shown, any such right to challenge is deemed waived.

Rule 2.09 Hearing on Penalty in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Penalty

In the event the Respondent fails to file an Answer or admits to or fails to deny the charge of a Violation contained in the Notice, the Hearing Panel shall find the Respondent guilty of each such Violation and may impose a penalty for each such Violation subject to the limitations set forth in Rule 2.12(b)(v). The Hearing Panel shall promptly notify the Respondent of any such penalty and of the Respondent's right to a hearing on the penalty within ten days, or such longer period as the Hearing Panel may determine, after the imposition of such penalty. Failure to request a hearing on the penalty in a timely manner, absent good cause shown, shall be deemed to be acceptance of the penalty.

Rule 2.10 Settlement Prior to Commencement of Hearing

- (a) Prior to the commencement of the hearing, the Chief Regulatory Officer or BCC may negotiate and enter into a written settlement agreement with the Respondent, whereby the Respondent, with or without admitting guilt, may agree to:
- (i) a cease and desist order or a reprimand;
 - (ii) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or
 - (iii) a suspension of trading or clearing privileges or expulsion

Rule 2.11 Hearing Procedures

- (a) Each Hearing Panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:
- (i) The prosecution shall be conducted by ICE Market Regulation Staff.
 - (ii) The Respondent shall be allowed to be represented by legal counsel or any other representative of its choosing and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses.
 - (iii) ICE Market Regulation Staff and the Respondent shall deliver to each other a statement listing the witnesses expected to be called and the documents expected to be introduced into evidence, together with copies of such documents, by 10 days prior to the hearing or as the Hearing Panel may reasonably specify. Unless the Hearing Panel, in its discretion, waives

compliance with this requirement, no witness may testify and no documentary evidence may be introduced into evidence unless listed in and, in the case of documents, furnished with such statement. On written request, ICE Market Regulation Staff shall provide the Respondent with access to all books, documents or other tangible evidence in the possession or under the control of ICE which is to be relied upon by ICE or which are relevant to the charges, provided, however, that protected attorney work product, attorney-client communications and investigative work product, including the investigation report and any exception reports, are neither discoverable by a Respondent nor subject to review by a Respondent as part of the investigation file.

- (iv) No formal rules of evidence shall apply, and the Hearing Panel shall be free to accept or reject any and all evidence it considers proper.
- (v) Neither ICE Market Regulation Staff, the Respondent, any witnesses testifying before the Hearing Panel nor any other Person within ICE's jurisdiction shall engage in conduct that may impede the progress of a hearing or the fair and just resolution of the subject matter thereof, and any such conduct may itself constitute a Violation or an admission of a Violation.
- (vi) *Ex parte* contacts by any of the parties with members of the Hearing Panel shall not be permitted.
- (vii) A substantially verbatim record capable of being accurately transcribed shall be made of the proceedings, *provided, however*, that such record need not be transcribed, unless the transcript is requested by the Respondent or an applicable regulator.
- (viii) The Notice of Charges, the Answer, the Reply, any stenographic transcript of the hearing, the documentary evidence and any other material presented to the Hearing Panel by either party with notice to the other shall constitute the record of the hearing (the "**Hearing Record**").
- (ix) The burden of proof shall be on the prosecution. A finding of a Violation shall be made by majority vote based on the Hearing Panel's good faith judgment as to the weight of the evidence contained in the Hearing Record.

Rule 2.12 Written Decision of Hearing Panel

- (a) If the Hearing Panel finds that the Respondent has not committed any Violation charged, it shall render a written decision to that effect, and the Respondent shall not be subject to any further proceedings with respect to the Violation charged. The written decision shall include:
 - (i) a summary of the violations contained in the Notice of Charges;
 - (ii) a summary of the Answer;
 - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report; and

- (iv) a statement of the findings and conclusions of the Hearing Panel with respect to each charge.
- (b) If the Hearing Panel finds the Respondent has committed the Violation charged, it shall render a written decision to that effect. The written decision shall include:
- (i) a summary of the violations contained in the Notice of Charges;
 - (ii) a summary of the Answer;
 - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report; and
 - (iv) a statement of the findings and conclusions of the Hearing Panel with respect to each charge, including how Respondent is found to have committed a Violation; and
 - (v) an order stating any penalty imposed and the effective date of such penalty; the penalty that may be imposed on the Respondent shall be one or more of the following:
 - (A) a cease and desist order or a reprimand;
 - (B) a fine for each Violation plus the monetary value of any benefit received as a result of the violation; and/or
 - (C) the issuance of a suspension or revocation of clearing privileges or a termination of Participant status of the Respondent.

Rule 2.13 Liability for Expenses

Any Respondent that, after notice and opportunity for hearing, has been found to have committed a Violation may, in the discretion of the Hearing Panel appointed in the matter, be required to pay to ICE an amount equal to any and all out-of-pocket expenses incurred by ICE in connection with the prosecution of such Violations, in addition to any penalty which may be imposed upon such Participant by virtue of the Violations found by the Hearing Panel.

Rule 2.14 Effective Date of Penalties

- (a) If a Participant enters into a settlement agreement with relevant ICE Market Regulation Staff, the terms of which have been approved by the BCC or Hearing Panel, any penalty included as a part of such settlement agreement shall become final and effective on the date that the BCC or Hearing Panel approves or enters into such settlement agreement.
- (b) Any decision (including any penalty) by a Hearing Panel shall be the final decision of ICE and shall become effective fifteen days, or such longer time as the Hearing Panel may specify, after a copy of the written decision of the Hearing Panel has been served on the Respondent; *provided, however*, that in any case where the Respondent has consented to the action taken and to the timing of its effectiveness or the matter was referred to the Hearing Panel pursuant to Rule 2.11, the Hearing Panel may cause the decision involving any disciplinary action (including any penalty) to become effective prior to the fifteen day period.

- (c) Any fine imposed by a Hearing Panel shall be due and payable on the effective date of the decision imposing such fine or on such later date as the Hearing Panel may specify.

Rule 2.15 Extension of Time Limits

- (a) Any time limit provided for in Rules 2.04, 2.05, 2.06, 2.07., 2.08, 2.09 or 2.11 may be extended by mutual consent of the Respondent and ICE, by the BCC Chairman, or, if a Hearing Panel has been appointed, by the majority vote of the Hearing Panel.

Rule 2.16 Conflicts of Interest Involving Named Participant in Interest

- (a) Definitions. For purposes of this Rule the following definitions shall apply:
 - (i) The term "Family Relationship" shall mean the Person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
 - (ii) The term "Named Participant in Interest" shall mean a Person or entity 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 Market Regulation Staff, BCC, Hearing Panel or other entity 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) shall knowingly participate in such body's deliberations or voting in any matter involving a Named Participant in Interest where such member
 - (i) is a Named Participant in Interest;
 - (ii) is an employer, employee, fellow employee or guarantor of a Named Participant in Interest;
 - (iii) has a family relationship with a Named Party in Interest; or
 - (iv) has any other significant, ongoing business relationship with a Named Participant in Interest, excluding relationships limited to executing futures or option transactions opposite each other or to clearing futures or options transactions through the same Clearing Member.
- (c) Disclosure. Prior to consideration of any matter involving a Named Participant in Interest, each member of the deliberating body shall disclose to the President, or his designee, whether such member has one (1) of the relationships listed in paragraph (b) of this Rule with a Named Participant in Interest.
- (d) Procedure and Determination. Exchange staff shall determine whether any member of the deliberating body is subject to a conflict restriction under this paragraph (d). Such determination shall be based upon a review of the following information:

- (i) information provided by the member pursuant to paragraph (b), above, and
- (ii) any other source of information that is maintained by and reasonably available to the Exchange.

Rule 2.17 Restrictions of Certain Persons Who Possess Material, Non Public Information

- (a) No Board Member or employee shall use or disclose, for any purpose other than the performance of his official duties, Material, Non-Public Information obtained as a result of the member's participation on the Board or any committee of the Exchange; provided, however, that if any such member who effects any Transaction after having received any such Material, Non-Public Information so obtained can show that such Transaction was effected in the ordinary course of such member's business, such member shall not be deemed to have used such information for purposes of this paragraph, unless it can be shown that such member would not have effected such Transaction in the absence of such information.

Rule 2.18 Regulatory Oversight Committee

- (a) The Regulatory Oversight Committee ("ROC") shall be a Standing Committee and shall consist of the Public Directors.
- (b) The Committee shall:
 - (i) Monitor the Exchange's regulatory program for sufficiency, effectiveness, and independence;
 - (ii) Oversee all facets of the Exchange's regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities; and the conduct of investigations;
 - (iii) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
 - (iv) Supervise the Exchange's Chief Regulatory Officer, who will report directly to the ROC;
 - (v) Prepare an annual report assessing the Exchange's self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;
 - (vi) Recommend changes that would ensure fair, vigorous, and effective regulation;
 - (vii) Review regulatory proposals and advise the Board as to whether and how such changes may impact regulation.

Chapter 3

TRADING SESSIONS

3.01 Pre-Open Session

- (a) Prior to the opening of a trading session for a designated Significant Price Discovery Contract, there will be a Pre-Open Session designated by the Exchange during which time only Limit orders may be entered.
- (b) Throughout the Pre-Open Session, an uncrossing algorithm will run at one (1) minute intervals and will provide indicative opening prices.
- (c) All orders submitted during the Pre-Open Session must be entered in accordance with the requirements set forth in Chapter 5 of the Rulebook.

3.02 Opening Match

- (a) The period of time after the termination of the Pre-Open Session and prior to the Open of trading, shall be referred to as the "Opening Match". During the Opening Match, all Limit orders entered and designated as active during the Pre-Opening Session may be matched, as appropriate, resulting in executed Trades at the Opening Match price.
- (b) The price level and quantity of contracts traded during the Opening Match will be determined by an Uncrossing Algorithm determined by the Exchange. No new orders may be submitted during the Opening Match.

3.03 Open and Close of Electronic Trading Session ("ETS")

- (a) The Open of an ETS will be indicated by the display of the "open" indicator on ETS.
- (b) The Close of an ETS will be indicated by the display of the "closed" indicator on ETS.

3.04 Trading Hours

- (a) The ETS hours shall be as specified by the Exchange from time to time.
- (b) The Trading Session on the Last Trading Day for each Significant Price Discovery Contract shall be as specified by the Exchange from time to time.

Chapter 4 (Reserved)

Chapter 5

TRADING STANDARDS

Rule 5.01 Rule Violations

It shall be an offense for a Participant to violate any Rule regulating the conduct or business of a Participant, to violate the Act, or to engage in fraud, dishonorable conduct, or in conduct which is inconsistent with just and equitable principles of trade.

Rule 5.02 Fictitious, Wash or Non-Competitive Transactions

No Participant shall create fictitious transactions, wash transactions or non competitive transactions except as otherwise authorized under these Rules.

Rule 5.03 Good Faith Bids and Offers

A Participant shall not knowingly enter or cause to be entered, bids or offers into the Exchange other than in good faith for the purpose of executing bona fide transactions.

Rule 5.04 Pre-Execution Discussions

- (a) Participants may engage in pre-execution discussions with regard to transactions executed on the Exchange where one party wishes to be assured that a contra party will take the opposite side of the order under the following circumstances:
- (i) The Pre-Execution discussions occur on a medium provided by and monitored by ICE (i.e. chat room, bulletin board, instant message platform, etc.).
 - (ii) The first party's order must be entered into the ETS platform while the second party's order must wait 5 seconds from the time of the first order entry before placement.

Rule 5.05 Error Trades

In order to ensure fair and orderly market conditions, the Exchange may cancel any order and may cancel any trade executed on Exchange pursuant to the ICE Error Trade Policy.

Rule 5.06 Misuse of Exchange

Misuse of the Exchange is strictly prohibited. It shall be a violation of the Rules for any Participant to willfully or negligently engage in unauthorized access to the Exchange, to assist any Participant in obtaining unauthorized access to the Exchange, to trade on Exchange without the authorization of a Clearing Member, to alter the equipment associated with Exchange, to interfere with the operation of Exchange, to use or configure a component of Exchange in a manner which does not conform to the Rules, to intercept or interfere with information provided on or through Exchange, or in any way to use Exchange in a manner contrary to the Rules.

Rule 5.07 Acts Detrimental to ICE's Welfare

It shall be an offense to engage in any act which is detrimental to the interest or welfare of ICE.

Rule 5.08 Supervision of Authorized Traders

A Participant shall be responsible for establishing; maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders comply with Applicable Laws, ICE Rules, and ICE Clear Europe Rules. The Participant may be held responsible for the actions of such Authorized Trader.

Rule 5.09 Acceptable Orders

- (a) An acceptable order is in one of the following order types:
- (i) "Limit orders" – Limit orders are orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is withdrawn or executed.
 - (ii) "Market orders" – Market orders are executed at the best price or prices available in the order book at the time the order is received by the electronic trading system ("ETS") until the order has been filled in its entirety. However, a market order will not trade outside of the Reasonability Limits and any residual volume from an incomplete market order is canceled. Market orders are rejected if the market is not open.
 - (iii) "Stop orders" – Acceptable Types
 - (A) In the event that a particular Significant Price Discovery Contract is subject to different NCRs based on the delivery months, the widest NCR that is listed for the particular Significant Price Discovery Contract shall be applied for Stop Limit Orders and Stop Orders with Protection, regardless of the delivery month specified in such order.
 - (B) "Stop-Limit Orders" – A Stop Limit Order has two components: (1) the stop price and (2) the limit price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.
 - (1) The allowable price range between the stop price and the limit price of a Stop-Limit Order will be restricted to 100% of the No Cancellation Range (NCR) for the specified Significant Price Discovery Contract.
 - (2) A buy Stop-Limit becomes executable when a trade occurs at or higher than the stop price. When entered, the stop price must be above the current best offer or, if no working offer, above the

current anchor price. The limit price must be equal to or greater than the stop price.

- (3) A sell Stop-Limit becomes executable when a trade occurs at or lower than the stop price. When entered, the stop price must be below the current best bid or, if no working bid, then below the current anchor price. The limit price must be equal to or less than the stop price.

(C) "Stop Orders with Protection" – A Stop Order with Protection has two components:

- (1) the stop price; and
- (2) an Exchange set protection limit price. The Exchange set limit price is the NCR for the specified Significant Price Discovery Contract from the stated stop price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the Exchange set limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.
- (3) A buy Stop will have as its Exchange set limit price the stated stop price plus the NCR for the specified Significant Price Discovery Contract.
- (4) A sell Stop will have as its Exchange set limit price the stated stop price minus the NCR for the specified Significant Price Discovery Contract.
- (5) For Significant Price Discovery Contracts with daily price limits, the Exchange set limit price will not exceed the absolute maximum price permitted.

(iv) "Trade At Settlement orders" – Trade At Settlement ("TAS") orders are orders to buy or sell a stated quantity at:

- (A) the Trading Session's Settlement Price or up to two (2) minimum price fluctuations above or below the Trading Session's Settlement Price; or
- (B) if a Calendar Spread, at the spread differential between the Trading Session's Settlement Prices of the two (2) delivery months up to two (2) minimum price fluctuations above or below the spread differential between the Trading Session's Settlement Prices of the two (2) delivery months. TAS orders may be submitted only for those Significant Price Discovery Contracts and delivery months and during such time periods as specified by the Exchange from time to time. TAS orders may result in transactions priced outside the daily price limits.

(b) An ETS order may contain one (1) of the following functionalities:

- (i) "Reserve Quantity orders" - An ETS order may specify a maximum disclosure volume to be shown to the market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released, it is placed in its entirety at the end of the order priority queue.
- (ii) "Good After Logout orders" – Good After Logout ("GAL") orders remain in the ETS market even after the trader has logged out or the connection to the ETS platform is lost. However, all orders, including GAL orders, will be deleted when the system closes at the end of the trading session.
- (iii) "Good 'Til Canceled orders" – Good 'Til Canceled ("GTC") orders are orders to buy or sell a stated quantity at a stated price which remain active in ETS until such orders are either executed, canceled by the trader or automatically canceled at the Commodity Contract's expiration. GTC orders may be submitted for those Commodity Contracts as determined by the Exchange. Corrections or additions to the information recorded on the written record of the order shall be made in a manner that does not obliterate or otherwise make illegible the originally recorded information.

Rule 5.10 Revising Orders

The price or volume of an ETS order that has not fully traded may be revised. If the volume is reduced, the time priority originally assigned to the order does not change. Revising the price or increasing the volume will change the order's time priority in the queue to the time ETS receives the revision.

Rule 5.11 Requirements for Persons Submitting Orders

- (a) Each order designated for clearing upon execution shall be submitted under the applicable authorized trader id, and shall indicate the Clearing Account Number for the Participant.
- (b) No Person shall submit any order using the authorized trader id of any other person.
- (c) Each Participant shall provide in writing to ICE, and keep current such information as ICE may require concerning itself and each of its Authorized Traders or any other person it permits to have access.
- (d) Each Participant shall:
 - (i) identify in writing to ICE one or more Designated contacts as ICE may determine; and
 - (ii) ensure that at least one of its Designated Contacts is available by telephone at all times when any person to whom it has given permission is accessing ICE.
- (e) Each Participant shall be responsible for all ICE orders placed using any of the User IDs assigned to it.

Rule 5.12 (Reserved)

Chapter 6**CONTRACT SPECIFICATIONS****Rule 6.01 Henry Financial LD1 Fixed Price**

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.001 per MMBtu.
- (d) **Contract Series.** Up to 156 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business three US business days prior to the first calendar day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement the Floating Price will be a price in USD and cents per MMBtu dry equal to the monthly last settlement price for natural gas as published by the New York Mercantile Exchange (NYMEX) for the month of production per ISDA commodity definitions.
- (h) **Position Accountability.** A Participant holding or controlling twenty four thousand (24,000) or more Henry Hub LD1 Natural Gas contracts net long or short in any single month or forty eight thousand (48,000) or more Henry Hub LD1 Natural Gas contracts, net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Henry Hub LD1 Natural Gas contract is four thousand (4,000) contracts for the last three days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Henry Hub LD1 Natural Gas contract up to twenty thousand (20,000) contracts for the last three days before expiration provided that the Participant agrees:

- (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading; and
- (ii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub.

Rule 6.02 Alberta, Nova Inventory Transfer (AECO) Basis Swap (“AEC”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the first Canadian Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day’s settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas (as published by NYMEX) for the month of production from the AECO 'C' & Nova Inventory Transfer price for the month of production in the first publication of the month as reported by Canadian Gas Price Reporter.
- (h) **Position Accountability.** A Participant holding or controlling twelve thousand five hundred (12,500) or more Alberta, Nova Inventory Transfer (AECO) Basis Swap contracts net long or short in any single month or fifty thousand (50,000) or more Alberta, Nova Inventory Transfer (AECO) Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1)

Participant may own or control in the Alberta, Nova Inventory Transfer (AECO) Basis Swap contract is twelve thousand five hundred (12,500) contracts for the last five U.S. business days of the month proceeding the expiry month and remains in place through contract expiration.

- (j) Conditional Limit. A Participant may own or control in the Alberta, Nova Inventory Transfer (AECO) Basis Swap contract up to twenty five thousand (25,000) contracts for the last five U.S. business days of the month proceeding the expiry month and remains in place through contract expiration provided that the Participant agrees:
- (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the AECO 'C' & Nova Inventory Transfer price for the month of production in the first publication of the month as reported by Canadian Gas Price Reporter during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Alberta, Nova Inventory Transfer (AECO) Hub.

Rule 6.03 Chicago Citygate Basis Swap ("DGD")

- (a) Contract Size. The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) Units of Trading. Any multiple of 2,500 MMBtu.
- (c) Minimum Price Fluctuation. Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) Contract Series. Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) Last Trading Day. Close of business on the second Business Day of the contract series.
- (f) Fixed Price. The traded price or the previous day's settlement price.
- (g) Floating Price. In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for Chicago Citygate Hub natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey.
- (h) Position Accountability. A Participant holding or controlling ten thousand (10,000) or more Chicago Citygate Basis Swap contracts net long or short in any single month or fifteen thousand (15,000) or more Chicago Citygate Basis Swap contracts net long or net short in all months combined:

- (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Chicago Citygate Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Chicago Citygate Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
- (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Chicago Citygate Hub natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Chicago Citygate Hub.

Rule 6.04 Houston Ship Channel Basis Swap ("HXS")

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 84 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry

Hub (Louisiana) natural gas for the month of production from the price for the Houston Ship Channel natural gas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.

- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more Houston Ship Channel Basis Swap contracts net long or short in any single month or thirty five thousand (35,000) or more Houston Ship Channel Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Houston Ship Channel Basis Swap contract is seven thousand five hundred (7,500) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Houston Ship Channel Basis Swap contract up to fifteen thousand (15,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Houston Ship Channel natural gas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Houston Ship Channel Hub.

Rule 6.05 Northwest Pipeline Corp – Rocky Mountain Basis Swap (“NWR”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.

- (e) Last Trading Day. Close of business on the second Business Day of the contract series.
- (f) Fixed Price. The traded price or the previous day's settlement price.
- (g) Floating Price. In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the Northwest Pipeline, Rockies Hub for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.
- (h) Position Accountability. A Participant holding or controlling ten thousand (10,000) or more Northwest Pipeline Corp – Rocky Mountain Basis Swap contracts net long or short in any single month or thirty five thousand (35,000) or more Northwest Pipeline Corp – Rocky Mountain Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) Position Limit. Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Northwest Pipeline Corp – Rocky Mountain Basis Swap contract is seven thousand five hundred (7,500) contracts for the last seven business days before expiration.
- (j) Conditional Limit. A Participant may own or control in the Northwest Pipeline Corp – Rocky Mountain Basis Swap contract up to fifteen thousand (15,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Northwest Pipeline, Rockies Hub for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Northwest Pipeline, Rockies Hub.

Rule 6.06 PG&E Citygate Basis Swap (“PGE”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day’s settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the PG&E Citygate Hub for the month of production in the first publication of the month as reported by Intelligence Press Inc’s Natural Gas Bidweek Survey.
- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more PG&E Citygate Basis Swap contracts net long or short in any single month or twenty thousand (20,000) or more PG&E Citygate Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant’s related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant’s related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PG&E Citygate Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the PG&E Citygate Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;

- (ii) not to hold positions reported in the PG&E Citygate Hub for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
- (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and PG&E Citygate Hub.

Rule 6.07 SoCal Border Basis Swap ("SCL")

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 120 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the SoCal Border natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey.
- (h) **Position Accountability.** A Participant holding or controlling twelve thousand five hundred (12,500) or more SoCal Border Basis Swap contracts net long or short in any single month or fifty thousand (50,000) or more SoCal Border Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SoCal Border Basis Swap contract is twelve

thousand five hundred (12,500) contracts for the last seven business days before expiration.

- (j) **Conditional Limit.** A Participant may own or control in the SoCal Border Basis Swap contract up to twenty five thousand (25,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the SoCal Border natural gas for the month of production in the first publication of the month as reported by Intelligence Press Inc's Natural Gas Bidweek Survey during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and SoCal Border Hub.

Rule 6.08 Waha Hub – West Texas Basis Swap (“WAH”)

- (a) **Contract Size.** The contract quantity shall be 2,500 MMBtu (million British thermal units).
- (b) **Units of Trading.** Any multiple of 2,500 MMBtu.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$.0001 per MMBtu.
- (d) **Contract Series.** Up to 72 consecutive calendar months commencing with the next calendar month.
- (e) **Last Trading Day.** Close of business on the second Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu dry calculated by deducting the monthly last settlement price for Henry Hub (Louisiana) natural gas for the month of production from the price for the Waha, West Texas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report'.
- (h) **Position Accountability.** A Participant holding or controlling ten thousand (10,000) or more Waha Hub – West Texas Basis Swap contracts net long or short in any single month or fifteen thousand (15,000) or more Waha Hub – West Texas Basis Swap contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and

- (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions and conditional limit contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Waha Hub – West Texas Basis Swap contract is five thousand (5,000) contracts for the last seven business days before expiration.
- (j) **Conditional Limit.** A Participant may own or control in the Waha Hub – West Texas Basis Swap contract up to ten thousand (10,000) contracts for the last seven days before expiration provided that the Participant agrees:
 - (i) not to hold a position in the CME/NYMEX Natural Gas Futures contract during the last three days of trading;
 - (ii) not to hold positions reported in the Waha, West Texas for the month of production in the first publication of the month as reported by Platt's 'Inside FERC's Gas Market Report' during the last seven days of trading; and
 - (iii) to provide the Exchange with information on the complete book of all positions related to the Henry Hub and Waha, West Texas Hub.

Rule 6.09 Mid-C Financial Peak Swap (“MDC”)

- (a) **Contract Size.** The contract quantity shall be 400 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 400 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 4 complete calendar years.
- (e) **Last Trading Day.** Close of business on the last US Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for Mid Columbia for all peak hours in the month of production as per ISDA commodity definitions.
- (h) **Position Accountability.** A Participant holding or controlling thirteen thousand (13,000) or more Mid-C Financial Peak contracts net long or short in any single

month or thirteen thousand (13,000) or more Mid-C Financial Peak contracts net long or net short in all months combined:

- (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
- (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Mid-C Financial Peak contract is one thousand three hundred (1,300) contracts for the entire spot month through expiration.

Rule 6.10 Mid-C Financial Off-Peak Swap (“OMC”)

- (a) **Contract Size.** The contract quantity shall be 25 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 25 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 3 complete calendar years.
- (e) **Last Trading Day.** Close of business on the last US Business Day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the off-peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for Mid Columbia for all off-peak hours in the month of production as per ISDA commodity definitions.
- (h) **Position Accountability.** A Participant holding or controlling one hundred thirty thousand (130,000) or more Mid-C Financial Peak contracts net long or short in any single month or one hundred thirty thousand (130,000) or more Mid-C Financial Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and

- (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.
- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the Mid-C Financial Off-Peak contract is thirteen thousand (13,000) contracts for the entire spot month through expiration.

Rule 6.11 PJM WH Real Time Peak Swap ("PJM")

- (a) **Contract Size.** The contract quantity shall be 800 MWh (Megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of peak days in the month traded. For example in a 21 peak day month, such as August 2003, the unit of trading will be 21 x 800 or 16,800 MWh. This will be expressed as 21 "lots".
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** 100 consecutive months.
- (e) **Last Trading Day.** 3rd business day following the settlement month.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be by ICE based on the volume weighted average of all trades during the settlement period plus consideration of other cash and derivative markets where necessary.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the hourly prices posted by PJM Interconnection, LLC, on their official website under the heading: PJM-Daily Real-Time Locational Marginal Pricing Files; Western Hub for all peak hours in the month of production as per ISDA commodity definitions.

- (h) **Position Accountability.** A Participant holding or controlling five thousand (5,000) or more PJM WH Real Time Peak contracts net long or short in any single month or fifteen thousand (15,000) or more PJM WH Real Time Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule

limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PJM WH Real Time Peak contract is one thousand (1,000) contracts for the entire spot month through expiration.

Rule 6.12 PJM WH Real Time Off-Peak Swap ("OPJ")

- (a) **Contract Size.** The contract quantity shall be 50 MWh (megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of off peak hours of every day in the calendar month traded. This will be expressed as "lots" in TRS.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 4 complete calendar years.
- (e) **Last Trading Day.** 3rd business day following the settlement month.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of hourly prices posted by PJM Interconnection, LLC under the heading PJM-Daily Real-Time Locational Marginal Pricing Files: Western Hub for all off-peak hours in the month of production as per ISDA commodity definitions.

- (h) **Position Accountability.** A Participant holding or controlling fifty seven thousand (57,000) or more PJM WH Real Time Off-Peak contracts net long or short in any single month or one hundred fifty thousand (150,000) or more PJM WH Real Time Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant 's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the PJM WH Real Time Off-Peak contract is eleven thousand (11,000) contracts for the entire spot month through expiration.

Rule 6.13 SP-15 Financial Day-Ahead LMP Peak Swap (“SPM”)

- (a) **Contract Size.** The contract quantity shall be 400 MWh (megawatt hours).
- (b) **Units of Trading.** Contract Size multiplied by the number of peak days in the month traded. For example in a 26 peak day month, such as August 2003, the unit of trading will be 26 x 400 or 10,400 MWh. This will be expressed as 26 "lots".
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 110 months, 4 complete calendar years.
- (e) **Last Trading Day.** Close of business on the business day after the eighth calendar day following the last calendar day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the day ahead prices as published in the 'ICE Day Ahead Power Price Report' for SP-15 for all peak hours in the month of production as per ISDA commodity definitions. Upon implementation of the California ISO Market Redesign and Technology Upgrade (MRTU), the "Floating Price" will be the arithmetic average of the hourly Day Ahead LMP prices posted by CAISO for the SP-15EZ Gen Hub.

- (h) **Position Accountability.** A Participant holding or controlling six thousand (6,000) or more SP-15 Financial Day-Ahead LMP Peak contracts net long or short in any single month or fifteen thousand (15,000) or more SP-15 Financial Day-Ahead LMP Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) **Position Limit.** Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SP-15 Financial Day-Ahead LMP Peak contract is one thousand two hundred (1,200) contracts for the entire spot month through expiration.

Rule 6.14 SP-15 Financial Day-Ahead LMP Off-Peak Swap ("OFP")

- (a) **Contract Size.** The contract quantity shall be 25 MWh (megawatt hours).
- (b) **Units of Trading.** Any multiple of 25 MWh.
- (c) **Minimum Price Fluctuation.** Prices shall be reported in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$.01 per MWh.
- (d) **Contract Series.** Up to 86 months, 3 complete calendar years.
- (e) **Last Trading Day.** Close of business on the business day after the eighth calendar day following the last calendar day of the contract series.
- (f) **Fixed Price.** The traded price or the previous day's settlement price.
- (g) **Floating Price.** In respect of daily settlement, the Floating Price for daily settlement will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the off-peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for SP-15 for all off-peak hours in the month of production as per ISDA commodity definitions. Upon implementation of the California ISO Market Redesign and Technology Upgrade (MRTU), the "Floating Price" will be the arithmetic average of the hourly Day Ahead LMP prices posted by CAISO for the SP-15EZ Gen Hub.

- (h) **Position Accountability.** A Participant holding or controlling fifty thousand (50,000) or more SP-15 Financial Day-Ahead LMP Off-Peak contracts net long or short in any single month or eighty thousand (80,000) or more SP-15 Financial Day-Ahead LMP Off-Peak contracts net long or net short in all months combined:
 - (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and
 - (ii) shall provide, in a timely manner, information on the nature of that Participant's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under **Rules 1.11 - 1.13** or to request and collect any information regarding that Participant's related cash and Exchange Futures and Options Contracts positions.

- (i) Position Limit. Subject to the exemptions contained in this Rulebook, the maximum net long or net short position which any one (1) Participant may own or control in the SP-15 Financial Day-Ahead LMP Off-Peak contract is fifteen thousand (15,000) contracts for the entire spot month through expiration.

ICE OTC PARTICIPANT AGREEMENT

This agreement ("Agreement") sets out the terms on which ICE U.S. OTC Commodity Markets, LLC ("ICE"), which owns and operates an electronic system (the "Exchange") for the (i) execution ("Execution") of transactions ("Exchange Transactions" or "Transactions"), and (ii) the use of other services ("Other Services") involving physical commodities and derivative products on such commodities (collectively, the "Products"), has agreed to provide the party identified below ("Participant") with access to the Exchange. For the purposes of this Agreement, Other Services may include either or both Exchange Transactions (executed on the Exchange) and Non-Exchange Transactions (executed on other exchanges, systems, or by non-electronic means). Other Services include (i) the acceptance and processing ("Trade Give-Up") of a Non-Exchange Transaction submitted by a third party ("Broker") for the purposes of giving the Non-Exchange Transaction up to a clearing organization, and (ii) the acceptance and processing of Acting for Principal ("AFP") orders (the "AFP Service") (in which the Broker acts for and trades in the name of the Participant principal) for Exchange Transactions submitted by a Broker on Participant's behalf and with Participant's authorization in accordance with this Agreement. All capitalized terms used in this Agreement shall have the meanings ascribed to them in this Agreement.

- 1) **ACCESS TO EXCHANGE.** ICE hereby grants Participant a non-exclusive, non-transferable, revocable license to access the Exchange as it may exist from time to time and to utilize any hardware, software, systems and/or communications links furnished by ICE to Participant from time to time (collectively, the "System") in accordance with the Exchange Terms (as defined below), solely for the purpose of allowing Participant to electronically post bids, offers and requests for quotations (and responses to any such requests) for Exchange Transactions in the Products, to enter into Exchange Transactions with other participants, and to use the Other Services on the Exchange.
- 2) **TERMS OF ACCESS.** This Agreement, taken together with (i) the Service and Pricing Schedules (the "Schedules") (the current versions of which are attached hereto as Annex A), (ii) any other Annexes to this Agreement (excluding Annex B), (iii) the Transaction Procedures Guide governing Execution, (iv) the Trade Give-Up Procedures Guide governing Trade Give-Up, and (v) the AFP Procedures Guide governing the AFP Service (the current version of the above referenced guides are posted on the Exchange website), are collectively referred to herein as the "Exchange Terms" and will govern Participant's access to and use of the System and the Exchange and any and all Exchange Transactions and Other Services utilized by Participant. ICE may amend the Exchange Terms at any time by posting amendments on ICE's website at <http://www.theice.com>, and any such amendments will be prospectively binding on Participant, provided that ICE will provide at least two weeks' prior notice, through electronic or other direct communication with Participant, of any such amendments that are likely to materially and adversely affect Participant or its rights or obligations hereunder. Participant's use of the Exchange after the effective date of any such amendment shall constitute its ratification of and agreement to any such amendment. If ICE elects to require Participant to acknowledge and agree to an amendment, such amendment will not become effective until Participant has done so in the manner specified by ICE. For the avoidance of doubt, the Exchange Terms do not apply to or govern Participant's access to and use of the ICE eConfirm Service (the terms of which are contained in the ICE eConfirm Terms attached as Part Two).
- 3) **PARTICIPANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS.** Participant hereby represents, warrants and covenants as follows:
 - a) Unless and until Participant notifies ICE otherwise, Participant is and will continue to be: (i) an "eligible commercial entity" as defined in Section 1a(11) of the U.S. Commodity Exchange Act (as amended) (together with relevant Commodity Futures Trading Commission Notices or Regulations, the "CEA") to the extent that Participant engages in Execution of Exchange Transactions; and (ii) an "eligible contract participant" as defined in Section 1a(12) of the CEA to the extent that Participant engages in Trade Give-Up. A summary of the CEA definitions of the terms "eligible commercial entity" and "eligible contract participant" is appended hereto as Annex B (Note: Annex B is only a summary and Participant should direct any questions regarding these definitions to its legal advisors).
 - b) Participant will enter into Exchange Transactions solely as principal, and any Participant that is a futures commission merchant ("FCM") with access to the Exchange through a clearing

relationship with another Participant acknowledges that it is not permitted to execute Exchange Transactions on behalf of that other Participant except to close out that Participant's positions in accordance with the clearing agreement between them.

- c) Participant acknowledges that the Exchange, the System and all information and content (including price and trading data) displayed and distributed thereon or in any way related to Exchange Transactions or Other Services (such information or content and information derived therefrom being referred to collectively herein as "Exchange Data") are, except as set forth in the final sentence of this Section 3(c), the exclusive proprietary property of ICE constituting trade secrets. Participant has been granted a limited license to use the System, the Exchange, and the Exchange Data solely for the purposes set forth herein and Participant will have no other rights with respect to the System, the Exchange, or the Exchange Data. Without limitation of the foregoing, Participant will access and utilize the System, the Exchange, and the Exchange Data solely for its own internal business activities in accordance with the Exchange Terms. In accordance with the foregoing, Participant will not provide access to the System, the Exchange, or any Exchange Data to any third party unless such third party is an affiliate of Participant or an ICE approved Authorized Agent as provided in Section 4 below. Participant agrees that it will not copy, modify, reverse engineer, reverse assemble or reverse compile the System or any of the Exchange Data displayed on or issued by the Exchange; that it will not distribute, rent, sell, retransmit, redistribute, release or license the System, any Exchange Data, or any part thereof to any third party (other than to its affiliates and agents subject to and in accordance with this Agreement). Participant further agrees that it will not, without limitation (other than for its own internal use in accordance with this Agreement), communicate, redistribute, or otherwise furnish, or permit to be communicated, redistributed or otherwise furnished, all or any portion of the Exchange Data, in any format, to any third party or in constructing or calculating the value of any index or indexed products. Participant will use its best efforts to ensure that its partners, officers, directors, employees and agents maintain sole control and possession of, and sole access to, Exchange Data obtained through Participant's access to the System. Notwithstanding the foregoing, it is understood and agreed that any and all data submitted to the Exchange by Participant (including but not limited to bids and offers for Exchange Transactions, Exchange Transactions from Execution, and data from Other Services, such as the submission of data ("Data Submission") for inclusion in market data services) and all information related to Transactions entered into by Participant through the Exchange (or in connection with the AFP Service, by a Broker under the authorization of and on behalf of Participant in accordance with this Agreement) as well as all Trade data submitted to the Exchange by a Broker on Participant's behalf for the purposes of Trade Give-Up, shall be the non-exclusive property of ICE and Participant, and that each party shall have the right to use, sell, retransmit or redistribute such information, subject to the provisions of Section 8 hereof.
- d) Participant will comply with the Exchange Terms and any and all laws, rules, regulations or orders applicable to Participant's access to and use of the System, the Exchange, and the Exchange Data.
- e) Participant acknowledges and accepts that it shall be solely responsible for any and all costs or expenses associated with its accessing and utilizing the Exchange and the System.
- f) Participant acknowledges that ICE may, in its sole discretion, with or without cause or prior notice to Participant, temporarily or permanently cease to operate the Exchange, temporarily or permanently cease to make certain Products or Transactions or Other Services or Exchange Data available or suspend, terminate or restrict Participant's access to and utilization of the Exchange. Participant acknowledges that its access to and utilization of the Exchange may be monitored by ICE for its own purposes (including, without limitation, for purposes of monitoring levels of activity in categories of Exchange Transactions and Other Services and for purposes of maintaining the functional and operational integrity of the System and for purposes of complying with applicable laws and regulations) and not for the benefit of Participant.
- g) Participant has all necessary power and authority to execute and perform this Agreement, and this Agreement is its legal, valid and binding agreement, enforceable against Participant in accordance with its terms. Neither the execution of nor performance under this Agreement by

ICE

Participant violates any law, rule, regulation or order, or any agreement, document or instrument, binding on or applicable to Participant. If Participant has authorized its FCM to enable any Broker to submit Non-Exchange Transactions on the Participant's behalf for the purpose of Trade Give-Up or authorized any Broker under the AFP Service to enter or execute orders for Exchange Transactions on its behalf, Participant represents and warrants that such Broker is authorized to act on behalf of Participant in connection with the use of such Services and authorizes and instructs ICE to comply with any instructions submitted by such Broker on behalf of Participant. Participant further represents, warrants, and agrees that, by authorizing and enabling such Broker to act on its behalf through the System, Participant shall be bound by any actions taken by that Broker on behalf of Participant through the System.

- h) Participant agrees to provide ICE with information related to Participant's use of the System and the Exchange that is reasonably requested by ICE, if such information is reasonably necessary in order to enable ICE to assess the identity of persons or entities accessing the System and the Exchange through Participant's Passwords (as defined in Section 4), maintain the integrity of the System, or to comply with applicable laws or regulations, and such information will be accurate and complete in all material respects and subject to the Confidentiality provisions of Section 8. Should Participant refuse to provide information, or if the information demonstrates a potential violation of the terms and conditions of this Agreement, then ICE shall have the right, upon five (5) days notice, to conduct an on-site audit during regular business hours of Participant's compliance with this Agreement. ICE may inspect, among other things, any use of the System, the Exchange and the Exchange Data. ICE's right of inspection shall extend only so far as may be necessary to ensure compliance by Participant with the provisions of this Agreement.
 - i) Participant acknowledges that the System and related technical information, documents and materials are subject to export controls under the U.S. Export Administration Regulations. Participant will (i) comply with all legal requirements established under these controls, (ii) cooperate fully with ICE in any official or unofficial audit or inspection that relates to these controls and (iii) not export, re-export, divert or transfer, directly or indirectly, any such item or direct products thereof to, or otherwise enter into any transaction or engage in any other activities with, any country, territory or Person restricted or targeted by the economic sanctions or export control laws of the United States, which would be prohibited under the laws or regulations of the United States, any Person that resides or has a place of business in any such country or territory, or any Person that otherwise appears on any U.S.-government provided list of known or suspected terrorists or terrorist organizations. A "Person" shall mean an individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, trust, estate, unincorporated organization or other entity.
 - j) Participant acknowledges that it is aware that ICE or its affiliates makes order flow incentive payments to Brokers in connection with Trade Give-Up processing. The rates presently in effect with respect to such order flow incentive payments as of the date of this Agreement are as set forth on Annex A, and may be amended by ICE in accordance with the terms of this Agreement from time to time. Upon written request of Participant, ICE shall make available to Participant information regarding any order flow incentive payments paid by ICE or any of its affiliates to Participant's Brokers in connection with brokerage services provided to Participant by such Brokers during the three (3) -year period preceding the date of such written request. Additional information regarding ICE's order flow incentive payment program may be found from time to time at <http://www.theice.com>.
- 4) **USER IDs AND PASSWORDS.** ICE may, in its sole and absolute discretion, issue to Participant, through its employees or ICE-approved third party agents designated as its administrator(s) with respect to Participant's use of the System ("Participant User Administrator"), one or more user IDs and passwords (collectively, the "Passwords") for use exclusively by employees or ICE-approved third party agents ("Authorized Agents") of Participant or a Participant affiliate that are properly authorized to access the Exchange on behalf of Participant. In no event will Participant provide IDs or Passwords to any third parties that compete with ICE, including, without limitation, to brokers or to other market intermediaries. The initial Participant User Administrator(s) for Exchange Transactions, if applicable, are identified on the signature page hereof and Participant will notify ICE promptly of any change in its Participant User Administrator(s). Participant will be solely responsible for controlling



and monitoring the use of the Passwords, will provide the Passwords only to its Authorized Agents, and will not provide the Passwords to any third party other than an Authorized Agent. Participant will immediately notify ICE of any unauthorized disclosure or use of the Passwords or access to the Exchange or of the need to deactivate any Passwords. Participant acknowledges and agrees that it will be bound by any actions taken through the use of its Passwords (except through the fault or negligence of ICE), including the Execution of Transactions and the use of Other Services, whether or not such actions were authorized. Participant will only use the Passwords to access and use the Exchange from the jurisdictions specified by Participant and accepted by ICE. The Participant User Administrator shall be responsible for all communications between ICE and Participant and any notices or other communications sent to the Participant User Administrator by ICE shall be binding on Participant.

- 5) **TERM.** This Agreement, as amended from time to time, will continue in effect unless and until terminated by either party upon 30 days' written notice to the other, provided that this Agreement shall remain in effect with respect to any Exchange Transactions (including Exchange Transactions conducted via the AFP Service) and Trade Give-Ups effected prior to such termination. Termination of this Agreement shall terminate all services provided by ICE to Participant including Execution, and Other Services. Each party's continuing obligations under this Agreement and the Exchange Terms, including, without limitation, those relating to "Indemnification" and "Confidentiality", will survive the termination of this Agreement.
- 6) **EXECUTION OF TRANSACTIONS.**
 - a) Subject to Section 6(e), upon the Execution of a Transaction in accordance with the Exchange Terms, Participant agrees that: (i) it will be obligated to pay to ICE the commissions due on such Transaction, in accordance with the Schedules as then in effect, regardless of whether the Transaction is performed, settled or otherwise completed by Participant and its counterparty; (ii) the resulting Transaction will constitute a legally binding obligation of Participant, with respect to its counterparty, to complete the Transaction in accordance with its terms and subject to the terms of any master or other applicable agreements between Participant and its counterparty; (iii) the counterparty to any Transaction may rely on Participant's agreements hereunder as to the binding nature of such Transaction and agrees that the counterparty may directly enforce Participant's obligations under such Transaction against Participant; and (iv) ICE shall have no involvement in and no responsibility or liability for any matters related to the Transaction or the completion or documentation of the Transaction subsequent to its Execution through the Exchange, including but not limited to the creditworthiness of any participant, all of which shall be the sole responsibility of Participant and/or its counterparty, as applicable. For the avoidance of doubt, Execution of cleared Transactions is not subject to the foregoing Sections 6(a)(ii) and (iii), but is subject to the terms and conditions set forth in Annex K.
 - b) Participant agrees that Transactions Executed through the Exchange shall be deemed to be "in writing" and to have been "signed" for all purposes and that any record of any such Transaction will be deemed to be in "writing". Participant will not contest the legally binding nature, validity or enforceability of any Transaction Executed through the Exchange based on the fact that it was entered and Executed electronically and expressly waives any and all rights it may have to assert any such claim.
 - c) All commissions and other charges and fees incurred by Participant hereunder in any calendar month shall be invoiced by ICE to Participant based on the Schedules, as amended from time to time, and as set forth in the Exchange Terms. ICE will provide Participant with an invoice which states the amount owed by Participant, including any commissions, other charges or related taxes, which will be due and payable in the currency, timeframe and manner specified in the Schedules. Late payments will bear interest after the due date at a rate per annum of interest equal to the Prime Rate (as published in the Wall Street Journal) plus 1.5%, to the extent that such rate shall not exceed the maximum rate allowed by applicable law.
 - d) Participant shall be liable for all taxes and duties (other than franchise and income taxes owed by ICE) arising out of this Agreement or any Exchange Transactions or Other Services utilized by



Participant through the Exchange, including, without limitation, taxes and duties levied by non-U.S. jurisdictions.

- e) ICE operates the Exchange as an Exempt Commercial Market as defined in the CEA and is subject to obligations regarding the reporting of trade and price information to regulators and to the marketplace. In addition, ICE seeks to facilitate trading in its markets in accordance with the principles articulated in the Participant Code of Conduct attached as Annex H. For Products that serve a significant price discovery function, ICE operates the Exchange according to Section 2(h)(7) of the CEA and facilitates trading through the ICE OTC Rulebook as amended by ICE from time to time, which is posted on the Exchange website. ICE reserves the right to adjust or cancel any transaction that ICE has determined to be "off market" or to have resulted from a trading error in accordance with the "ICE OTC Error Trade Policy" established by ICE and amended from time to time. The ICE OTC Error Trade Policy, as amended, is posted on the Exchange website. Notwithstanding anything to the contrary in this Agreement, as between Participant and ICE, all transactions executed through the Platts Windows Markets, as defined in Section 8(b), shall be subject to any and all policies and procedures promulgated by Platts from time to time.
- f) Participant acknowledges that excessive levels of message traffic sent to the Exchange by Participant can negatively impact System performance, and acknowledges that ICE reserves the right to, if necessary, suspend Participant's access to the Exchange pursuant to this Section 6(f) and/or charge Participant a fee for excessive System messaging in accordance with the "ICE OTC Exchange Messaging Policy" established by ICE, as amended from time to time. The ICE OTC Exchange Messaging Policy is posted on the Exchange website at <http://www.theice.com>.
- g) Participant acknowledges and agrees that Trade Give-Up transactions are not entered into on the Exchange and are not entered into in reliance on Section 2(h)(3) of the CEA.
- h) If Participant is a FCM as defined in the CEA, the FCM or one of its affiliates may obtain access for a non-Participant customer of the FCM that is an eligible contract participant ("ECP") as defined in the CEA to clear Non-Exchange Transactions at a clearinghouse owned and operated by ICE or ICE's affiliates. In providing such access, the FCM or the applicable affiliate, as the case may be, represents, warrants and covenants to ICE (i) that the FCM or such affiliate has reason to believe such non-Participant customer is an ECP at the time such access is initially provided, and (ii) that such non-Participant customer has represented to the FCM or such affiliate that such non-Participant customer is an ECP at the time such Non-Exchange Transaction is cleared.

7) **LIMITATION OF LIABILITY: INDEMNITY.**

- a) PARTICIPANT ACKNOWLEDGES, UNDERSTANDS AND ACCEPTS THAT ICE MAKES NO WARRANTY WHATSOEVER TO PARTICIPANT AS TO THE SYSTEM, THE EXCHANGE, OR ANY OTHER SERVICES, EXPRESS OR IMPLIED, AND THAT THE SYSTEM, EXCHANGE AND ANY OTHER SERVICES ARE PROVIDED ON AN "AS IS" BASIS AT PARTICIPANT'S SOLE RISK. ICE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER ICE NOR ITS MANAGERS, OFFICERS, AFFILIATES, SUBSIDIARIES, SHAREHOLDERS, EMPLOYEES OR AGENTS MAKE ANY WARRANTY WITH RESPECT TO, AND NO SUCH PARTY SHALL HAVE ANY LIABILITY TO PARTICIPANT (i) FOR THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE SYSTEM, THE EXCHANGE, OR ANY OTHER SERVICES, (ii) FOR DELAYS, OMISSIONS OR INTERRUPTIONS THEREIN, (iii) FOR THE CREDITWORTHINESS OF ANY OTHER PARTICIPANT, (iv) FOR THE ACTS OR OMISSIONS OF ANY BROKER AUTHORIZED WITHIN THE SYSTEM BY PARTICIPANT TO UTILIZE THE SERVICES ON BEHALF OF PARTICIPANT, OR (v) FOR THE ACTS OR OMISSIONS OF PLATTS WITH REGARD TO THE PLATTS WINDOWS MARKETS. ICE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE EXCHANGE. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE EXCHANGE DOES NOT AND SHALL NOT SERVE AS THE PRIMARY



BASIS FOR ANY DECISIONS MADE BY PARTICIPANT AND THAT ICE IS NOT AN ADVISOR OR FIDUCIARY OF PARTICIPANT.

- b) Subject to Section 7(c) of this Agreement, Participant shall indemnify, protect, and hold harmless ICE, its directors, officers, affiliates, employees and agents from and against any and all losses, liabilities, judgments, suits, actions, proceedings, claims, damages, costs (including attorney's fees) resulting from or arising out of (i) any act or omission by any person obtaining access to the Exchange through the Passwords (other than through the fault or negligence of ICE), whether or not Participant has authorized such access, and (ii) any act or omission of any Broker acting under authorization and on behalf of Participant in connection with the use of the System.
- c) IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- d) Notwithstanding the terms of Section 7(a), in the event that ICE is determined to be liable to Participant for any cause, Participant expressly agrees that in entering into this Agreement, ICE's aggregate liability, for all causes of action, will not exceed the total commissions, fees and other amounts (excluding any applicable taxes or duties) paid to ICE by Participant in the previous six months from the date of the occurrence of the liability.

8) **CONFIDENTIALITY.**

- a) Any and all non-public information in any form obtained by either party or its employees arising out of or related to the provision or use of the System or the Exchange, including but not limited to trade secrets, processes, computer software and other proprietary data, research, information or documentation related thereto and Exchange Data, shall be deemed to be confidential and proprietary information. Each party agrees to hold such information in strict confidence and not to disclose such information to third parties (other than to its employees, its affiliates and their employees or its agents) or to use such information for any purpose whatsoever other than as contemplated by the Exchange Terms and to advise each of its employees, affiliates and agents who may be exposed to such proprietary and confidential information of their obligations to keep such information confidential in accordance with this Section 8.
- b) The restrictions in Section 8(a) shall not apply to information which: (i) is in or becomes part of the public domain other than by disclosure by such party in violation of this Agreement; (ii) is known to or obtained by such party previously without an obligation of confidentiality; (iii) is independently developed by such party outside of this Agreement; (iv) is required to be disclosed by applicable law or regulation, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction; (v) is disclosed in connection with any regulatory or self-regulatory request for information; (vi) is submitted by Participant (or in connection with the AFP Service for Exchange Transactions, submitted by a Broker on Participant's behalf) and displayed by ICE on the Exchange or otherwise distributed or sold by ICE, regarding bids, offers, Exchange Transactions, Trade Give-Ups, or data from Data Submission in accordance with its standard policies and procedures (provided that such displays and distributed or resold information will not identify Participant or, if applicable, Broker, by name, unless ICE is explicitly directed to do so by Participant and only then for the express purposes set forth in and under conditions agreed to in the Exchange Terms); or (vii) is used as the basis for price assessments by Platts, a McGraw-Hill subsidiary, in connection with its publication of prices and price indices including without limitation bids, offers, requests for quotation, and Transactions, in non-anonymous crude oil and refined product markets ("Platts Windows Markets"). Participant specifically acknowledges that, with regard to any activity in Platts Windows Markets: (i) Participant's identity and, if applicable, its Broker's identity, will be displayed publicly on the Exchange and (ii) its bids, offers, requests for quotation, and Transactions may be reported to the public, including regulators, by ICE or Platts, and taken into account by Platts in determining publicly reported prices or price indices. For the avoidance of doubt, these non-anonymous Platts Windows Markets are in addition to, and will be clearly differentiated from, anonymous and confidential crude oil and refined product markets that are also available for trading on the Exchange.

ICE

- c) In the event that ICE receives a subpoena, data request, or order of court in any private-party litigation requesting confidential information of Participant, ICE will promptly notify Participant of such requirement or request to the extent it is legally permitted to do so. ICE will make reasonable commercial efforts to cooperate with Participant to enable Participant to narrow the scope of the required or requested disclosures or to seek a protective order or other similar relief. If requested by Participant, ICE will formally request that any governmental entity treat the information provided as confidential, to the extent it is not already treated as such, pursuant to the U.S. Freedom of Information Act or pursuant to an equivalent or comparable law or regulation, if applicable.
 - d) Any access to Exchange Data provided by ICE to a corporate affiliate, whether pursuant to a license or otherwise, shall be allowed solely for the purposes set forth in the Exchange Terms and only with the affiliate's agreement to and compliance with ICE's obligations with respect to Exchange Data under the Exchange Terms, except to the extent otherwise agreed directly between Participant and such affiliate.
- 9) **NOTICES.** All notices delivered with respect to this Agreement shall be in writing and either (i) hand delivered or forwarded by registered or certified mail; or (ii) sent via email, in either case to the relevant address provided by a party for such purpose.
- 10) **NO THIRD PARTY BENEFICIARY.** Nothing in this Agreement shall be considered or construed as conferring any right or benefit on a person not a party to this Agreement or imposing any obligations on ICE or Participant to persons not a party to this Agreement other than (i) the right of a counterparty (Participant) to a Transaction under Section 6(a) of this Agreement, (ii) the right of another party (Broker) with regard to a Trade Give-Up under the terms of the Trade Give-Up Procedures Guide, or (iii) the right of another party (Broker) with regard to an Exchange Transaction under the terms of the AFP Procedures Guide.
- 11) **FORCE MAJEURE.** Neither ICE nor Participant shall be deemed to be in default of any provision hereof or be liable for any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, power failure or any other cause beyond its reasonable control.
- 12) **WAIVER.** No waiver by either party of any default by the other in the performance of any provisions of this Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.
- 13) **ASSIGNMENT.** This Agreement may not be assigned by either party without the other party's express prior written consent; provided, however, that (A) Participant may assign this Agreement to any entity (i) controlling, controlled by, or under common control with such party, or (ii) which succeeds to all or substantially all of the assets and business of such party, provided that, in the case of any such assignment by Participant, the assignee agrees in writing to assume the assignor's obligations under, and to be bound by the provisions of, this Agreement (as it may be amended from time to time), and (B) ICE may assign all or part of its rights and obligations under this Agreement to any entity (i) controlling, controlled by, or under common control with ICE, or (ii) which succeeds to all or substantially all of the assets and business of ICE, provided that, in the case of any such assignment by ICE, the assignee agrees in writing to assume the obligations under, and to be bound by the provisions of, this Agreement that have been assigned. On the effective date of any valid assignment pursuant to this Section 13, the assignor shall be released from all obligations and liabilities arising under this Agreement or, in case of a partial assignment by ICE, from all obligations and liabilities arising from the parts of this Agreement that have been assigned. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns in accordance with its terms.
- 14) **GOVERNING LAW.** Unless otherwise specified in an annex, this Agreement is deemed entered into in New York, New York and shall be governed and construed in all respects by the laws of the State of New York, without giving effect to principles of conflict of law.
- 15) **DISPUTE RESOLUTION.** Unless otherwise specified in an annex, any dispute, claim or controversy between the parties relating to this Agreement shall be resolved through binding arbitration conducted

ICE

in accordance with the Arbitration Rules of the American Arbitration Association. Any such arbitration shall be conducted in New York, New York or at such other location as may be agreed to by the parties and the arbitrators. For the avoidance of doubt, this arbitration clause only applies to ICE and the Participant and does not apply to any disputes arising between participants on the Exchange or any other disputes between parties other than ICE and the Participant. Notwithstanding the foregoing, each party acknowledges that a breach of this Agreement may cause the other party irreparable injury and damage and therefore may be enjoined through injunctive proceedings in addition to any other rights and remedies which may be available to such other party at law or in equity, and each party hereby consents to the jurisdiction of any federal or state courts located in New York, New York with respect to any such action. The parties expressly waive their right to trial by jury in any such action.

- 16) **HEADINGS.** The headings in this Agreement are intended for convenience of reference and shall not affect its interpretation.
- 17) **SEVERABILITY.** If any provision of this Agreement (or any portion thereof) shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby.
- 18) **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one agreement binding on the parties hereto.



Date: _____, 20__

ICE U.S. OTC Commodity Markets, LLC
2100 River Edge Parkway, 5th Floor
Atlanta, Georgia 30328, USA

Full Legal Name of Participant (Company Name)

Address: _____

Signature: _____

Name: Charles A. Vice

Title: President

Signature: _____

Name: _____

Title: _____

Note: To gain Execution access to any of these markets on the ICE electronic trading platform, or to participate in Trade Give-Up activities, Participant must also provide the information requested on the following pages.

ICE Markets to which Participant requests trading access:

- North American Natural Gas (Physical)
- North American Natural Gas (Financial)
- North American Power (Physical)
- North American Power (Financial)
- Crude Oil and Refined Products (Physical)
- Crude Oil and Refined Products (Financial)
- Other: _____

PARTICIPANT QUALIFICATION FOR EXECUTION OR TRADE GIVE-UP ACCESS ON THE EXCHANGE

In order to be eligible for Execution (i.e. trading) access on the ICE electronic trading platform, you must either (1) be an eligible commercial entity ("ECE"), as this term is defined in the U.S. Commodity Exchange Act ("CEA") and as described in Annex B to this Agreement, or (2) qualify under CFTC orders expanding the definition of ECE for U.S. floor brokers and floor traders, or U.K. based members of ICE Futures, as described in Annex B to this Agreement. In order to be eligible to participate in Trade Give-Up activities on the ICE electronic trading platform, you need only be an ECP.

EXECUTION (TRADING) ACCESS

PLEASE INDICATE BELOW THE CATEGORY OF ECE IN WHICH YOU ARE INCLUDED, BASED ON THE DESCRIPTIONS IN ANNEX B. ALTERNATIVELY, PLEASE INDICATE BELOW THE CATEGORY OF U.S. FLOOR BROKER/U.S. FLOOR TRADER OR ICE FUTURES MEMBER IN WHICH YOU ARE INCLUDED, BASED ON THE DESCRIPTIONS IN ANNEX B.

ALTERNATIVE 1 -- PARTICIPANT IS AN ECE (IN ORDER TO QUALIFY UNDER THIS CRITERION, YOU MUST CHECK THE BOX BELOW AND SPECIFY THE CATEGORY OF ECE FOR WHICH THE PARTICIPANT QUALIFIES).

<input type="checkbox"/>	<p>Participant represents that it is an Eligible Commercial Entity (ECE) as defined in the CEA and described in Annex B to the Agreement</p> <p><i>Please indicate on the following line the category of ECE (from Annex B) for which Participant qualifies (Ex: Corporation, Bank, Collective Investment Vehicle, etc.)</i></p> <hr style="border: 0.5px solid black;"/> <p>Is the Participant Engaged in Commercial Activity Related to Commodity? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the Participant part of a group with aggregate total assets > \$100 million? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the Participant is a "Collective Investment Vehicle" that is not Engaged in Commercial Activity Related to Commodity, the Participant must satisfy one of the below financial ECE criteria. (Please check the box below for the criteria that is satisfied. This is only applicable to CIVs):</p> <ul style="list-style-type: none"> - One of a group of funds with aggregate total assets > \$1 billion under common management <input type="checkbox"/> - One of a group of funds with aggregate total assets > \$100 million under common management and the fund at issue is limited to accredited investors with \$2 million in assets, qualified eligible participants or qualified purchasers <input type="checkbox"/>
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ALTERNATIVE 2 – U.S. FLOOR BROKER, U.S. FLOOR TRADER OR U.K. BASED MEMBER OF ICE FUTURES (IN ORDER TO QUALIFY UNDER THIS CRITERION, YOU MUST CHECK THE SPACE PROVIDED BELOW AND INDICATE THE CATEGORY IN WHICH YOU ARE INCLUDED).

<input type="checkbox"/>	<p>Participant represents that it is a U.S. Floor Broker/U.S. Floor Trader/U.K. Based Member of ICE Futures as defined in the CEA and described in Annex B to the Agreement</p> <p><i>Category Under Which Participant Qualifies (Ex: U.S. Floor Trader; U.S. Floor Broker, U.K. Based Member of ICE Futures.)</i> _____</p> <p>In addition, please check the following boxes that apply to the Participant (all must be checked "Yes" to satisfy the ECE requirements):</p> <p>- Will the Participant be acting in a proprietary capacity? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>- Is part of the Participant's business acting as floor broker or floor trader on a designated contract market's open outcry market or performing a similar function in a designated contract market's electronic market (for a U.K. Based Member of ICE Futures, does the Participant meet and satisfy the current qualifying standards of a 'Professional Client' pursuant to COBS 3.5 of the UK Financial Services Authority ('FSA') Rules)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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TRADE GIVE-UP ACCESS ONLY

PLEASE INDICATE BELOW THE CATEGORY OF ECP BASED ON THE DESCRIPTIONS IN ANNEX B.

<input type="checkbox"/>	<p>Eligible Contract Participant (ECP) as defined in the CEA and described in Annex B to the Agreement</p> <p><i>If you are an ECP only and are only utilizing the trade give up feature, please check the box at left and specify the Category of ECP (from Annex B) in which you are included (Ex: Bank, Collective Investment Vehicle, etc.)</i> _____</p>
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OTHER REQUIRED INFORMATION (EXECUTION & TRADE GIVE-UP) (Specify applicable categories)

<input type="checkbox"/>	Listed or owned (51% or more) by a company that is listed on the following stock exchange: _____ _____ <i>(Please identify name of parent company, if applicable.)</i>
<input type="checkbox"/>	Privately owned.
<input type="checkbox"/>	Federal, state, or local governmental authority.
<input type="checkbox"/>	Registered with and/or regulated by one or more of the following agencies: <ul style="list-style-type: none"><input type="checkbox"/> Canada - Alberta Securities Commission<input type="checkbox"/> Canada – British Columbia Securities Commission<input type="checkbox"/> Canada - Manitoba Securities Commission<input type="checkbox"/> Canada – Nova Scotia Securities Commission<input type="checkbox"/> Canada - Ontario Securities Commission<input type="checkbox"/> Canada - Quebec Securities Commission<input type="checkbox"/> Canada - Saskatchewan Securities Commission<input type="checkbox"/> Finland – Financial Supervisory Authority (FIN-FSA)<input type="checkbox"/> France – Autorité des Marché Financiers (AMF)<input type="checkbox"/> France – Comité des Etablissements de Crédit et des Entreprises Bancaires <input type="checkbox"/> France – Commission Bancaire <input type="checkbox"/> France – Banque de France<input type="checkbox"/> Germany – Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)<input type="checkbox"/> Italy - Commissione Nazionale per le Società e la Borsa (CONSOB)<input type="checkbox"/> Netherlands – Netherlands Authority For the Financial Markets (AFM)<input type="checkbox"/> Norway - The Banking, Insurance and Securities Commission (Kredit Tilsynet)<input type="checkbox"/> Singapore - Monetary Authority of Singapore (MAS)<input type="checkbox"/> Sweden - The Swedish Financial Supervisory Authority (Finansinspektionen)<input type="checkbox"/> Switzerland – Swiss Financial Market Supervisory Authority (FINMA)<input type="checkbox"/> U.K. Financial Services Authority (FSA)<input type="checkbox"/> U.S. - Commodity Futures Trading Commission (CFTC via National Futures Authority - NFA)<input type="checkbox"/> U.S. - Federal Reserve (Office of the Controller of the Currency)<input type="checkbox"/> U.S. - Financial Industry Regulatory Authority (FINRA)<input type="checkbox"/> Other: _____

ICE

Participant User Administrator for Transaction Execution:

(Required to gain access to the ICE electronic trading platform)

Name: _____

Title: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____



ANNEX A - SERVICE AND PRICING SCHEDULE

The current Service and Pricing Schedules are available on ICE's website at www.theice.com.



ANNEX B -- QUALIFICATIONS TO EXECUTE TRANSACTIONS ON EXCHANGE OR ENGAGE IN TRADE GIVE-UP ACTIVITIES

In order to trade on the ICE electronic platform, Participants must be "eligible contract participants" ("ECP's") and be "eligible commercial entities" ("ECE's") under the Commodity Exchange Act, in each instance acting for their own account as principal, **OR** must be U.S. floor brokers or U.S. floor traders, or U.K. based members of ICE Futures, in each instance acting for their own account as principal, who meet certain requirements specified under orders issued by the CFTC. In order to participate in Trade Give-Up activities on the ICE electronic platform, Participants must be an ECP but need not be an ECE.

To assist Participants in making the necessary determinations and representations called for by this Agreement, a summary of the relevant definitions and exemptions is provided below. **Please note that the definitions below are only summaries of the relevant definitions or exemptions. Participants or prospective participants should review the definitions and terms carefully and consult their counsel with respect to any questions regarding their status as an eligible participant on ICE's electronic platform.** In addition, Participant's attention is drawn to the representations and warranties contained in Section 3 of the Agreement regarding Participant's status for trading and Trade Give-Up on ICE's electronic platform.

Participants should use the appropriate entity type for which they qualify in completing the form that begins on Page 10 of the Agreement.

As used below, the term "**Engaged in Commercial Activity Related to Commodity**" means that, with respect to a particular commodity, the Participant must:

- (a) have a demonstrable ability (directly or through separate contractual arrangements) to make or take delivery of the commodity; **or**
- (b) incur risks (in addition to price risk) related to the commodity; **or**
- (c) be a dealer that regularly provides risk management or hedging services to, or engages in market-making activities with, entities referred to in (a) or (b) above, involving transactions in the commodity or related derivatives.

Banks

- ECP Requirements -- Must be a federal or state regulated bank or trust company, financial holding company (as defined under the Bank Holding Company Act), or foreign bank or branch or agency of a foreign bank (as defined under the International Banking Act)
- ECE Requirements – must either:
 - be "**Engaged in Commercial Activity Related to Commodity**" (see definition above) ; **OR**
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group with aggregate total assets > \$100 million

ICE

Insurance Companies

- ECP Requirements -- Must be regulated by a state or regulated by a foreign government if subject to comparable regulation as determined by the CFTC
- ECE Requirements – must either:
 - be “Engaged in Commercial Activity Related to Commodity” (see definition above) ;
OR
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group with aggregate total assets > \$100 million

Corporations, Partnerships, Trusts, Proprietorships, Organizations or Other Legal Entities

- ECP Requirements -- Must have (1) total assets > \$10 million, or (2) net worth > \$1 million (and, in the case of (2), must be trading for hedging/risk management purposes)
- ECE Requirements – must either:
 - be “Engaged in Commercial Activity Related to Commodity” (see definition above) ;
OR
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group with aggregate total assets > \$100 million

Broker Dealers

- ECP Requirements – Must be SEC-registered Broker Dealer or a non-U.S. entity performing a similar function and subject to foreign regulation as such
- ECE Requirements – must either:
 - be “Engaged in Commercial Activity Related to Commodity” (see definition above) ;
OR
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group with aggregate total assets > \$100 million

Futures Commission Merchants

- ECP Requirements -- Must be registered with the CFTC as a Futures Commission Merchant or be a non-U.S. entity performing a similar function and subject to foreign regulation as such
- ECE Requirements – must either:
 - be “Engaged in Commercial Activity Related to Commodity” (see definition above);
OR

ICE

- (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group with aggregate total assets > \$100 million

Collective Investment Vehicles (such as commodity pools, mutual funds, hedge funds etc.)

- ECP Requirements --Investment companies must be subject to regulation under the Investment Company Act or comparable foreign regulation; commodity pools must have at least \$5 million in assets and be formed and operated by a person subject to regulation under the CEA or comparable foreign law; other collective investment vehicles (such as hedge funds or other funds organized as corporations, partnerships or limited liability companies) must have at least \$10 million in assets
- ECE Requirements – must either:
 - be **“Engaged in Commercial Activity Related to Commodity”** (see definition above) ;
OR
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) **EITHER** be
 - (a) One of a group of funds with aggregate total assets > \$1 billion under common management, **OR**
 - (b) One of a group of funds with aggregate total assets > \$100 million under common management and the fund at issue is limited to accredited investors with \$2 million in assets, qualified eligible participants or qualified purchasers

Governmental Entities

- ECP Requirements – None
- ECE Requirements – must be **“Engaged in Commercial Activity Related to Commodity”** (see definition above).

Employee Benefits Plans

- ECP Requirements -- Must have total assets exceeding \$5 million or be advised by a registered investment adviser
- ECE Requirements – must either:
 - be **“Engaged in Commercial Activity Related to Commodity”** (see definition above) ;
OR
 - (1) regularly enter into transactions to purchase or sell the commodity or derivative agreements, contracts, or transactions in the commodity and (2) be part of group of companies with aggregate total assets > \$100 million

Natural Persons

- A “Natural Person” cannot be an ECE other than as provided below with respect to U.S. Floor Brokers and Floor Traders and Members of ICE Futures.



U.S. Floor Brokers and Floor Traders

- ECP Requirements -- Must either:
 - (1) have total assets > \$10 million;
 - (2) have total assets > \$5 million and must be trading for hedging/risk management purposes, **OR**
 - (3) have trades guaranteed by an ECP that is a clearing member of a derivatives clearing organization
- ECE Requirements -- Must be an individual, or an entity which is controlled and managed by individuals, who satisfy **ALL** of the following:
 - (1) be registered with the CFTC as a floor broker or floor trader;
 - (2) be a member of, or have trading privileges on, a designated contract market;
 - (3) be acting in proprietary capacity; **AND**
 - (4) have as part of its business acting as floor broker or floor trader on a designated contract market's open outcry market or perform a similar function in a designated contract market's electronic market.

Member of ICE Futures

- ECP Requirements -- Must either:
 - (1) have total assets > \$10 million;
 - (2) have total assets > \$5 million and must be trading for hedging/risk management purposes, **OR**
 - (3) have trades guaranteed by a clearing member that is both a member of an FSA-recognized derivatives clearing organization and an ECP
- ECE Requirements -- Must satisfy **ALL** of the following:
 - (1) be a member of ICE Futures or otherwise have trading privileges on ICE Futures and must be subject to the rules of ICE Futures;
 - (2) be located in the United Kingdom;
 - (3) be authorized and regulated by the Financial Services Authority, or registered with ICE Futures;
 - (4) have as part of its business the business of acting as a professional commodity broker or trader on ICE Futures; **AND**
 - (5) in the case of an ICE Futures Individual Participant, meet and satisfy the current qualifying standards of a Professional Client pursuant to COBS 3.5 of the FSA's Rules.

ANNEX C – ADDITIONAL TERMS FOR EU PARTICIPANTS

Where the Participant is incorporated in any member state of the European Union the following terms shall be incorporated into and form part of the Agreement and, in the event of conflict with any other terms of the Agreement, shall prevail over such terms.

I. COMPLIANCE WITH LAW AND DATA PROTECTION

A. Participant shall:

1. comply with, and represents and warrants that it has complied with, the UK Data Protection Act 1998 and all applicable data protection legislation and regulations (the "Data Protection Laws") in relation to the use of the System and access to the Exchange by Participant and its Authorized Agents;
2. not, by any act or omission, put ICE or any of its affiliates or subsidiaries in breach of any of the Data Protection Laws; and
3. do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable in order to comply with this clause A.

B. Without limiting the foregoing, Participant shall:

1. inform, and represents and warrants that it has informed, its authorised employees that ICE may:
 - a. process their Personal Data for the purposes of providing and using the System and accessing the Exchange (including training and support), to administer and improve the System and the Exchange, marketing of ICE products and/or services and to meet legal and regulatory obligations;
 - b. disclose their Personal Data, for the purposes described in clause B.1.a. to any affiliate and/or subsidiary, legal and regulatory authority and any third party to whom ICE may delegate services or functions in relation to the System and/or the Exchange in accordance with the Exchange Terms which may include transferring Personal Data to countries that do not provide legal protection of Personal Data equivalent to that in the United Kingdom.
2. obtain, and represents and warrants that it has obtained, from its Authorized Agents all consents (in the relevant form required by the Data Protection Laws) to the processing described in clauses B.1.a. and B.2.b.

C. Participant shall provide to ICE, upon request, evidence that clause I. has been complied with.

II. GOVERNING LAW

- A. The Agreement shall be governed in all respects by, and construed in accordance with the laws of England.

III. ARBITRATION

- A. Any dispute, claim or controversy between the parties relating to this Agreement shall be referred to and finally resolved by arbitration in England.

IV. THIRD PARTY RIGHTS

- A. Subject to this section and Section 6(a) of the Agreement, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.
- B. A counterparty to any Transaction (a "Third Party") may enforce the terms of Section 6(a) of the Agreement subject to and in accordance with this section and the arbitration section of this Annex and the provisions of the Third Parties Act. Any counterparty trying to claim against a participant by exercising its third party rights under this Agreement rather than by its direct contractual relations with the participant will be bound by English law and arbitration jurisdiction under this formulation.
- C. The parties to this Agreement do not require the consent of any Third Party to rescind or vary this Agreement at any time.

Ice

ANNEXES D, E, F, AND G – (INTENTIONALLY LEFT BLANK)

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ANNEX H – PARTICIPANT CODE OF CONDUCT

PREAMBLE

This Code of Ethics and Sound Trading Practices (Code) defines and reaffirms the values, principles and internal controls that Participant must follow in conducting its business activities on the Exchange. The Code is intended to complement the internal principles and practices of Participant and to guide Participant as it posts bids, offers, and requests for quotation, executes Transactions and uses Other Services on the Exchange. Compliance with the Code allows Participant to assure ICE, legislators, regulators, the public and other market participants that its business activities on the Exchange are, and will continue to be, conducted with integrity. In addition, Participant gives assurance that unlawful and unethical trading practices are not tolerated, that public disclosures of trading information are accurate, and that it will abide by these ethical standards and maintain sound trading practices.

Participant acknowledges that violations of this Code can incur penalties including, but not limited to, temporary or permanent loss of access to the Exchange.

I. ETHICAL STANDARDS

A. Core Value: Integrity

Conducting trading activities with integrity is the essence of ethical conduct. Integrity means conducting these activities in an honorable and principled manner consistent with the ethical standards and sound trading practices set forth herein.

B. Ethical Standards

On the Exchange, Participant will:

1. Conduct its business in accordance with all applicable laws, regulations, tariffs and rules, and in good faith, and with a commitment to honest dealing.
2. Not engage in fraudulent behavior.
3. Honor the terms and conditions of this Agreement.
4. Engage only in Transactions with legitimate business purposes, such as managing business risk or that otherwise have economic substance. In no event will Participant engage in any Transactions intended to boost revenues or volumes artificially, or intended to manipulate market prices.
5. Not collude with other market participants to affect the price or supply of any commodity, allocate territories, customers or products, or otherwise unlawfully restrain competition.
6. Adopt, adhere to, and enforce risk management and other policies and structures that are designed to ensure that trading activities are conducted in accordance with this Code.

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II. SOUND TRADING PRACTICES

A. Core Value: Adherence to Sound Trading Practices and Principles

Commodity markets reflect the constantly changing dynamics of supply and demand. Efficient business operations in such an environment demand practices that can manage risk and discover market prices. Such practices must be consistent with the guiding Ethical Standards of this Code.

B. Sound Trading Practices Standards

Participant will act in accordance with these standards of sound trading practices with regard to its Exchange activity:

1. No "wash" trades. Participant will not arrange and execute simultaneous offsetting buy and sell trades, i.e. with the same counterparty and price, commodity, location and quantity terms, with an intent to artificially affect reported revenues, trading volumes, or prices.
2. No misrepresentative trading. No trading will be conducted for the purpose of misrepresenting the financial condition of the organization.

III. INFORMATION DISCLOSURE AND DOCUMENTATION

A. Core Value: Candid and Complete Disclosure

Markets depend on trust in the accuracy of market information provided by Participant and in the transparency of market behavior of all market participants.

B. Information Disclosure and Documentation Standards

With regard to its Exchange activity, Participant will:

1. Provide Transaction information to regulators in compliance with all applicable rules and requirements and continue to cooperate with regulators as reasonably necessary to assist in their understanding of the markets.
2. Ensure that any information disclosed to ICE is accurate and consistent.
3. Maintain and adhere to internal procedures designed to ensure that all Transactions are properly documented in a timely fashion and that no Transactions are concealed or misrepresented when providing market information to ICE or any of its affiliates.
4. Promptly notify ICE of any material change (to a Transaction executed on the Exchange) mutually agreed to by Participant and counterparty after execution, but prior to confirmation, including, but not limited to changes in price, quantity, grade, delivery location, reference index, delivery or settlement timeframes, or payment terms.

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5. Promptly notify ICE of any Transaction cancellation or reversing trade with the same counterparty for the explicit purpose of effecting cancellation (an equal, but opposite offsetting trade), mutually agreed to by Participant and counterparty of a Transaction executed or Trade confirmed on the Exchange.
6. Maintain documentation on all Transactions for an appropriate period of time as required under applicable laws and regulations.

IV. COMPLIANCE

A. Core Value: Comprehensive Corporate Compliance

Each Participant will have a compliance program commensurate with the size and scope of its trading activities on the Exchange and designed to ensure appropriate, timely and ongoing review of trading practices and compliance with this Code.

B. Compliance Standards

Participant will:

1. Provide for proper training of personnel on the provisions of this Code.
2. Maintain internal policies and procedures to promote compliance with this Code.
3. Promptly disclose to ICE the details of any violations of this Code involving Participant's activities on the Exchange or provision of market information to ICE or any of its affiliates.
4. Provide an environment that encourages employees within the trading organization to engage in safe and confidential discussions and to disclose to senior management any trading practices that might violate this Code.
5. Establish clear lines of accountability for the company's trading practices, including provisions relating to the responsibilities of corporate officers, with appropriate oversight by the Board of Directors or other senior corporate management committee.

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ANNEX I AND J – (INTENTIONALLY LEFT BLANK)

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ANNEX K - OTC CLEARING

ICE Clear Europe

Effective November 3, 2008, ICE Clear Europe has been designated by ICE to clear certain Products. Those Products are identified in the ICE Clear Europe Rule Book (which can be found at <https://www.theice.com/>), which contains the rules that specify the terms and conditions of each Product that ICE Clear Europe is designated to clear. Participant acknowledges and agrees that all of its rights, duties and obligations with respect to the formation of cleared contracts and corresponding contracts and the clearing process for cleared Products are set forth in the ICE Clear Europe rules and procedures, as amended from time to time. The Participant agrees to be bound by the ICE Clear Europe rules and procedures for such purposes.

Participants and Brokers who want to submit Non-Exchange Transactions in the designated Products for clearing by ICE Clear Europe must be permissioned to do so by an ICE Clear Europe clearing member.