SEF NOTICE

NOTICE

December 16, 2015

Summary of Content:

Mid-Market Order – Trading Protocol and Process

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Mid-Market Order – Trading Protocol and Process

This Circular is being issued to provide Market Participants additional information with respect to ICE Swap Trade, LLC's ("IST" or "SEF") Rule 525(g) "Mid-Market Order" type. Please see the SEF Rulebook for the complete text of Rule 525(g). Unless otherwise defined herein, all capitalized terms used shall have the meaning assigned to such term in the SEF Rulebook.

As provided in Rule 525(g), IST offers a Mid-Market Order type for certain Credit Contracts. At any time during SEF Trading Hours, the SEF may determine a Price for a Mid-Market Order using one of two processes, as further described below:
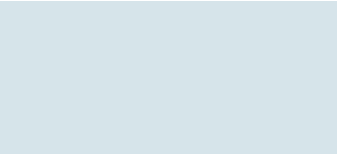
(1) The SEF may use the average of the prevailing best bid and offer present on the Trading System at any time to generate a Mid-Market Order Price. The Price generated by this process is then displayed in a separate column in the SEF's standing Order Book. An Authorized Trader must then enter his/her desired size and direction to complete the Order.

(2) Alternatively, and distinct from the SEF's standing Order Book, the SEF may offer trading by proposing a Mid-Market Order Price for a respective Credit Contract (an "MOVC Session"). The SEF may use a single data source or a combination of independent data sources, in the sole discretion of the SEF, to determine the Price of the Mid-Market Order, such process being further described below.

(a) A Mid-Market Order Price for a respective MOVC Session is initiated by sending a notice to Authorized Traders active on the SEF at that time, including natural persons active on the SEF or their automated order entry systems, and issuing a system notice announcing the beginning of an MOVC Session. The notice shall indicate the Credit Contract which will be traded during the MOVC Session and specify the time the trading session commences and the duration remaining in the MOVC Session.

(b) Determination of the MOVC Session Mid-Market Order Price shall include information received from any number of sources, in the sole discretion of the SEF. Such sources may include, but are not limited to, prices of previously executed Transactions on the SEF in the respective Credit Contract, executable bids, offers or historical Prices on the SEF or any other registered swap execution facility, designated contract market, or Prices obtained from a swap data repository or a Clearing House, as well as views of active Non-Participant Brokers. To the extent the SEF uses a Price derived from Non-Participant Brokers, the SEF shall also independently verify that the Price is fair and reasonable in light of information obtained from any of the other additional sources detailed above. IST shall retain a record of all oral or written communications with Non-Participant Brokers in accordance with Commission Regulation 1.31.

(c) Once an MOVC Session commences, an Authorized Trader must then enter his/her desired size and direction to complete the Order. The duration of an MOVC Session is indicated by a countdown clock that is present on the

Authorized Trader's screen. Any Orders that match during the MOVC Session will be executed at the Mid-Market Order Price and in time order of priority. Executed Transactions resulting from the MOVC Session may match in full or in part.