

PART N1: ICE FUTURES US DELIVERABLE US EMISSIONS CONTRACTS (DELIVERY VIA CENTRAL COUNTERPARTY CLEARING HOUSE)

1. APPLICABILITY AND DEFINITIONS

1.1 This Part N1 applies to all ICE Futures US Emissions Contracts for which:

- (a) physical delivery is specified as being ‘Applicable’ in the relevant Contract Terms;
- (b) which go to physical delivery on the expiry date; and
- (c) the Clearing House has announced by Circular that these Delivery Procedures apply to the specific ICE Deliverable US Emissions Contract.

Such ICE Futures US Contracts are referred to in this part as “ICE Deliverable US Emissions Contracts”.

1.2 The following additional definitions apply to this part of the Delivery Procedures:

- (d) “**Allowance**” means an instrument, certificate, permit, asset, security, right, contract or allowance that is designated as a deliverable instrument for an ICE Deliverable US Emissions Contract in the relevant Contract Terms.
- (e) “**Central Time or CT**” means the standard time in a zone that includes the central states of the US and parts of central Canada.
- (f) “**London Prevailing time or LPT**” means Greenwich Mean Time or British Summer Time.
- (g) “**Registry**” means a registry, custodian, depository or other system used for physical delivery of Allowances pursuant to an ICE Deliverable US Emissions Contracts that is approved by the Clearing House for purposes of physical delivery for the particular ICE Deliverable US Emissions Contract Set in question. The Registry for a particular ICE Deliverable US Emissions +9Contract Set may be specified in the Contract Terms.
- (h) “**Registry Account**” means an account to hold Allowances at the relevant Registry. References to “Registry Account of the Clearing House” in these Delivery procedures, shall mean a Registry Account in the name of the Clearing House or ICE Clear US acting as agent for the Clearing House.
- (i) “**Registry Operator**” means the operator of a Registry.

2. DELIVERY SPECIFICATION

2.1 Delivery

Deliveries under ICE Deliverable US Emissions Contracts are effected upon:

- (a) in the case of the Seller effecting delivery, the completion of the transfer of the relevant Allowances, from the relevant Registry Account of the Seller, to the relevant Registry Account of the Clearing House; and
- (b) in the case of the Buyer taking delivery, the completion of the transfer of the relevant Allowances, from the relevant Registry Account of the Clearing House to the relevant Registry Account of the Buyer.

2.2 This takes place during the Delivery Period for the relevant ICE Deliverable US Emissions Contracts in accordance with the relevant Contract Terms. Neither delivery by the Seller nor receipt of the delivery

by the Buyer requires performance by the other to occur simultaneously. Each of the Buyer and Seller shall deal directly with the Clearing House.

2.3 **Quantity**

Quantities are as required under the relevant Contract Terms.

2.4 **Price**

The price at which the Contract is delivered is the relevant Exchange Delivery Settlement Price (EDSP) for the Contract Set on expiry.

2.5 **Cessation of Trading**

Contracts cease trading at 17:00 CT on the last trading day, as defined in the Contract Terms.

3. **LIABILITY**

3.1 The provisions of this paragraph 3 are without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

3.2 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the performance or non-performance of, or any delay or error in performance by, any Registry or Registry Operator. Neither the Buyer nor the Seller shall have any claim against the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the condition or operation of any Registry or the performance or non-performance of any Registry Operator. This provision is without prejudice to the Clearing House's liability under Contracts.

3.3 The Clearing House and ICE Futures US do not make any representation regarding the authenticity, validity or accuracy of any delivery tender notice, description of a registry, market tracking system or any other registry instructions, confirmation of transfer or any other notice, document, file, record or instrument used or delivered pursuant to the Rules and Procedures or pursuant to the procedures of any Registry.

3.4 The Clearing House and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the compliance or lack of compliance of any Seller or Buyer or their respective Transferors or Transferees with any rules of the relevant Registry or any laws applicable to it.

3.5 The Clearing House and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, any errors in the Registry Account details entered into the relevant Registry systems or provided to the Clearing House by a Seller, Transferor, Buyer or Transferee in respect of a delivery.

3.6 The Clearing House and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the closure of its Registry Account(s).

3.7 The Clearing House and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, complying with the contractual obligations owed to the Registry in respect of any ICE Registry Account(s).

4. **DELIVERY CONTRACT SECURITY AND CONTRACT VALUE**

4.1 At end-of-day on the LTD+1, the Clearing House will call for full contract value from the Buyer, such amount to be paid in accordance with the Finance Procedures.

4.2 At end-of-day on LTD+1, the Clearing House will call for Delivery Margin from the Seller, such amount to be paid in accordance with the Finance Procedures. The Clearing House will retain the Seller's Security until such time as the full contract value is released to the Seller under the table in paragraph 5.

5. DELIVERY TIMETABLE AND OBLIGATIONS

Delivery under an ICE Deliverable US Emissions Contract is based on Open Contract Positions after expiration of the relevant Contract Set. Delivery is a three Business Day process consisting of three consecutive days which must be Business Days. However, payments may take place after the end of the Delivery Day, as provided in the table below and the Finance Procedures.

5.1 Use of relevant Registry

- (a) Clearing Members must have or ensure that their Transferors/ Transferees have established the appropriate Registry Accounts in the relevant Registry for the US Emissions Contract in question and provide any necessary instructions or confirmations to the Registry.
- (b) Clearing Members making or taking delivery of US Emissions Contracts on their house account must have established Registry Accounts in the relevant Registry for the US Emissions Contract in question.
- (c) It is the responsibility of the Seller or Buyer to comply with the rules, regulations and laws applicable to the Registry and to ensure their respective Transferor(s) / Transferee(s) also comply with the rules, regulations and laws applicable to the Registry.
- (d) It is the responsibility of any Seller or Buyer to provide correct Registry Account details at all times and to ensure their respective Transferor(s)/ Transferee(s) also provide correct Registry account details at all times.

Cessation of Trading	Last Trading Day (LTD)	
	At 17:00CT Trading ceases.	
	By 17:00CT Clearing Members with Open Contract Positions at this time are obliged to make or take delivery.	
	By 17:30CT EFPs and EFSs may be posted up to 30 minutes following the cessation of trading.	
	LTD+1 Business Day	
	By 10:00 CT	Clearing Members must confirm their final delivery positions by submitting their delivery intentions via ECS (or any successor system). Clearing Members may only assign 1 client Registry Account to each individual client position. In instances where a client has multiple Registry Accounts only 1 can be used per delivery/receipt obligation.

Confirmation of Delivery Position/Expiry	By 10:00 CT	A Seller or Buyer who is nominating a Transferor or Transferee in respect of a Contract must ensure that the Clearing House has in its possession a signed ICE US Emissions Contract: Transferor Form or ICE US Emissions Contract: Transferee Form (as applicable) for each nominated Transferor or Transferee. This Transferor/Transferee form must be signed by an authorised signatory of the Transferor/Transferee.
	After 10:00 CT	Clearing Members MPFE report (futures expiry report) available and delivery confirmation report sent to Clearing Members via email.
LTD+2 Business Days		
Payment by the Buyer	By 9:00 LPT	Buyer pays full contract value to the Clearing House.
Payment of Delivery Margin	By 9:00 LPT	Seller pays Delivery Margin to the Clearing House
Seller's Delivery to Clearing House	By 12:00 CT	Clearing House calls Buyer for Full Contract Value, and Seller for Delivery The Seller must ensure that appropriate Allowances (delivery of which would satisfy its Delivery Obligations) have been delivered to the designated Clearing House Registry Account
Delivery Day - LTD + 3 Business Days		
Payment to Seller	By 09:00 LPT	Seller receives full contract value against -Allowances received by the Clearing House on LTD +2. Seller's Delivery Margin is returned against the Allowances received by the Clearing House.
Clearing House Delivery to Buyers	By 13:00 CT	The Clearing House will have delivered the appropriate Allowances to the Buyers Registry Account/ nominated Transferee Registry Account.

Delivery Day (if Delivery received by 13:00 CT) or a following Business Day	Delivery Day (if Delivery received by 13:00 CT) or a following Business Day	
	After receipt	<p>After the Clearing House has receipt of the Allowances the Clearing House will release delivery proceeds to the Seller.</p> <p>The delivery proceeds and Seller's Delivery Margin will be released to the Seller at the end of day on the same day as receipt by the Clearing House of the Allowances (for credit to the Account of the Seller, this not being required prior to the morning of the Business Day after the Delivery Day), provided that the allowances are received by the Clearing House at or before 13:00 CT on the Delivery Day.</p> <p>If the Clearing House receives Allowances after such time on the Delivery Day or any subsequent day, it will be treated as if they were received on the next Business Day and payments to the Seller shall be delayed accordingly.</p>

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