

Exhibit B (Supplement S-1 Clearing) – Membership Criteria

- (1) A description of the categories of membership and participation in the clearing organization and the access and clearing privileges provided to each by the clearing organization.**
- (2) A description of all requirements for each category of membership and participation and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following: The description should include, but not be limited to, the following:**
 - (i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the clearing organization confirms compliance with such requirements.**
 - (ii) Authorization, Licensure and Registration. A description of any regulatory or self-regulatory authorization, licensure or registration requirements that the clearing organization imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organization, and a description of the process by which the clearing organization confirms compliance with such requirements.**
 - (iii) Financial Integrity. A description of the following:**
 - (A) The financial resource requirements, standards, guides or thresholds required of members and other participants.**
 - (B) The manner in which the clearing organization evaluates the financial resources/holdings of its members or other participants.**
 - (C) The process by which applicants for clearing membership or participation demonstrate compliance with financial requirements including:**
 - (1) Working capital and collateral requirements, and**
 - (2) Risk management mechanisms.**
 - (iv) Fit and Proper Standards. A description of any other ways in which the clearing organization ensures that potential members/other participants meet fit and proper standards**

A description of the categories of membership and participation in the clearing organization and the access and clearing privileges provided to each by the clearing organization.

ICE Clear Canada has two categories of Clearing Participants; Futures Commission Merchant (“FCM”), and General. All Clearing Participants must be Canadian companies, partnerships or co-operatives. Individuals are not eligible for Clearing Participant status.

Clearing Participants are the conduit for all access to the Trading Systems of ICE Futures Canada. In order to obtain direct trading access, it is necessary for an entity to either a) be a registered Clearing Participant; or b) have a Clearing Authorization and Guaranty form executed

by a registered Clearing Participant and accepted by ICE Futures Canada and ICE Clear Canada; or c) have a registered Clearing Participant issue it a Systems Managed Account (“SMA”).

Clearing Participants in the category of FCM can provide Clearing Authorizations and Guarantees, or SMAs to any entity (company or individual) that is registered with ICE Futures Canada as a Direct Access Trading Participant (“DATP”).¹

Clearing Participant in the category of General can provide Clearing Authorizations and Guarantees or SMAs only to affiliated companies², provided that affiliated company is registered with ICE Futures Canada as a DATP.

A description of all requirements for each category of membership and participation and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following: The description should include, but not be limited to, the following:

- (i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the clearing organization confirms compliance with such requirements.**
- (ii) Authorization, Licensure and Registration. A description of any regulatory or self-regulatory authorization, licensure or registration requirements that the clearing organization imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organization, and a description of the process by which the clearing organization confirms compliance with such requirements.**

All Clearing Participants must complete a Form 3-C2014 (Attachment A-3(1) to Exhibit A-3) to be considered for Clearing Participant status. The application/agreement provides details of the applicant’s corporate organization and structure, copies of constating documentation, details of registration status with other statutory regulatory authorities and self-regulatory organizations (“SROs”), disciplinary history, financial information including financial statements, and appoints individuals as Responsible Representatives and operational contacts. The application/agreement also incorporates by reference the Rules, Operations Manual and Bylaws, and provides for contractual obligations concerning limitations of liability, indemnification, representations and warranties, and similar. In addition, the application/agreement provides for the terms of counterparty substitution and the priority security interest that ICE Clear Canada has over all Margin Deposits.³

¹ In addition, the FCM must always ensure that it meets all of the requirements of statutory regulatory authorities with respect to the business it conducts.

² The affiliated companies cannot be Futures Commission Merchants.

³ Margin Deposits are all monies, securities and Letters of Credit that are provided to ICE Clear Canada by a Clearing Participant for margin obligations and Clearing Fund obligations.

Application/agreements are reviewed to ensure that applicants for Clearing Participant status comply with the criteria set out in Rule A-202, which reads:

A-202 Requirements for Clearing Participant Status

- a. Clearing Participants must be registered as Participants in the category of Direct Access Trading Participant with the Exchange.
- b. Clearing Participants must be companies, partnerships or co-operatives. Individuals are not eligible for Clearing Participant status;
- c. Clearing Participants must adhere to the By-laws and Rules of the Exchange, the By-laws and Rules of the Corporation, the requirements of *The Commodity Futures Act C.C.S.M. c. C152* and the rules of all self-regulatory organizations of which they are a member;
- d. Clearing Participants must have, in the judgement of the Corporation, such qualities of financial responsibility, operational capacity, experience, business integrity, reputation and competence as the Corporation, in its discretion, may consider necessary and appropriate to be a Clearing Participant; and
- e. If a Clearing Participant is subject to Control by any other Person or Persons, the Clearing Participant may be required, at the sole discretion of the Corporation, to have on file with the Corporation, a Guarantee in such form as the Corporation may prescribe from such other Person or from one or more of such other Persons (as the Corporation may specify) guaranteeing payment of all amounts owing by the Clearing Participant to the Corporation.

Application/agreements are reviewed by an officer of the Clearinghouse. After conducting the review, the officer will determine to either approve or disapprove the applicant. If the determination is to accept the application, the matter will proceed to the Board. If the determination is to disapprove the application, the proposed recommendation and the grounds are provided to the applicant, and the applicant has an opportunity to be heard and present its case to the Board. The Board is required to provide written notice of its decision. The decision of the Board is final. If an applicant's application is denied by the Board the applicant may not submit a new application/agreement for six months. Further details on the admission procedures for prospective Clearing Participants of ICE Clear Canada are set out in Rule A-206.

- (i) **Professional Qualification.** A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the clearing organization confirms compliance with such requirements.
- (ii) **Authorization, Licensure and Registration.** A description of any regulatory or self-regulatory authorization, licensure or registration requirements that the clearing organization imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organization, and a description of the process by which the clearing organization confirms compliance with such requirements.

Clearing Participants in the category of FCM

As noted above, in order to be registered as an FCM Clearing Participant, a company must first be registered as a DATP in the category of FCM with ICE Futures Canada. ICE Clear Canada relies upon the registration requirements for FCMs as set out in the Rules of ICE Futures

Canada. For Canadian FCMs those requirements include registration with the Investment Industry Regulatory Organization of Canada (“IIROC”)⁴ and the provincial securities commissions in all provinces in which the FCM operates and/or has clients. Provincial securities commissions have registration requirements which require FCMs to be registered with IIROC and meet the obligations of the statutes of the province at issue.

IIROC sets registration requirements and proficiency standards for FCMs, which include both educational and experiential requirements, depending upon the category of registration.

Registration requirements are set out in IIROC Dealer Member Rule 18 and a list of IIROC proficiency requirements for individuals can be found in Rule 2900.

ICE Futures Canada (and all provincial securities commissions in Canada) has accepted IIROC’s requirements for proficiency and education, and financial and sales compliance as evidence of fitness to conduct business on the Exchange as an FCM.

The mandated proficiency requirements include educational courses and, in certain categories of registration, minimum levels of work experience. The majority of required courses and examinations are provided by CSI Global Education Inc., also known as the Canadian Securities Institute (“CSI”). This institute has been the primary educational provider for investment learning and industry training courses in Canada for over 30 years. The required CSI courses and exams are similar to the examinations administered by FINRA for NFA registration, such as the National Commodity Futures Examination (Series 3). Information on CSI courses can be found on the CSI website at https://www.csi.ca/student/en_ca/courses/index.xhtml.

Clearing Participants in the category of General

Clearing Participants registered in the category of General must first be registered as a DATP with ICE Futures Canada. Pursuant to the Rules of both ICE Futures Canada and ICE Clear Canada, Clearing Participants must meet financial and operational standards, including filing annual audited financial statements and documentation (including Annex 7.A Financial Questionnaire and Report Form and Annex 7.D, Adjusted Net Capital Form) and monthly unaudited financial statements and documentation as per Rule A-305.

(iii) Financial Integrity. A description of the following:

- (A) The financial resource requirements, standards, guides or thresholds required of members and other participants.**
- (B) The manner in which the clearing organization evaluates the financial resources/holdings of its members or other participants.**
- (C) The process by which applicants for clearing membership or participation demonstrate compliance with financial requirements including:**

⁴ IIROC was created in 2008, when Investment Dealers Association of Canada (“IDA”) and Market Regulation Services Inc. (“RS”) consolidated. The goals of IIROC are to “...protect investors and ensure market integrity, while maintaining competitive capital markets, through the creation and enforcement of regulatory and investment industry standards.”

- (1) Working capital and collateral requirements, and**
 - (2) Risk management mechanisms.**
- (iv) Fit and Proper Standards. A description of any other ways in which the clearing organization ensures that potential members/other participants meet fit and proper standards.**

At the time of filing the Clearing Participant application/agreement, applicants for Clearing Participant status are required to file audited financial statements for the most recent year ended and the most recent monthly financial statements certified by the Chief Financial Officer of the company. The minimum capital requirements and financial reporting criteria for Clearing Participants are detailed in Rule A-301 and Rule A-305.

RULE A-3 CAPITAL REQUIREMENTS

Section A-301 Minimum Capital Requirements

- (1) Every Clearing Participant shall at all times meet the minimum capital requirements adopted from time to time by the Corporation.**
- (2) Every Clearing Participant shall meet the minimum capital requirements provided for in the Rules of the Exchange.**
- (3) No Clearing Participant shall permit its minimum capital at any time to be less than the applicable amount determined in accordance with these requirements unless a specific temporary exception is made by the Corporation in the case of a particular Clearing Participant due to unusual circumstances.**
- (4) Every Clearing Participant shall file with the Corporation, on request, a report covering the computation of its capital requirements.**

Section A-305 Reporting and Filing Requirements

a. Each Clearing Participant shall file the following financial information with the Corporation;

- (i) with their written application/agreement form; annual audited financial statements for the most recent fiscal year ended and unaudited monthly financial statements for the three most recent months.**
- (ii) After acceptance as a Clearing Participant; annual audited financial statements within ninety (90) days after the end of the Clearing Participant's fiscal year, and unaudited monthly financial statements are to be filed within seventeen (17) business days after the end of each month. All financial statements are to be accompanied by a fully completed "Financial Questionnaire and Report Form" as set out in the Operations Manual and any other forms required by the Corporation. Provided however, that Clearing Participants registered in the category of Futures Commission Merchant may file such financial statements with its designated Self-Regulatory Organization if the designated SRO has entered into a form of Memorandum of Understanding with the Corporation to permit the Corporation to review and access the Clearing Participant's financial statements.**
- (iii) A copy of each financial statement, financial report, and/or financial notice a Clearing Participant files with any self-regulatory organization, exchange or clearinghouse which has jurisdiction over it and/or of which it is a member, participant, or registrant at the same time it files such statement or report with such body, if such statement or report is other than a routine periodic statement or report required under the by-laws, rules or regulations of such entity. The copy shall be accompanied by a written statement setting forth (to the extent known) the reasons why such Clearing Participant is filing the documentation. In addition, Futures Commission Merchants which are registered as Clearing Participants are required to**

advise the Exchange of financial matters that require notification to their SROs immediately after they provide such notice to their designated SROs; and

- (iv) In addition to what is specified in these Rules and in the Rules of the Exchange, such other financial information and documentation as may be requested by the Corporation from time to time.
- b. In the event that a Clearing Participant fails to meet any obligation to deposit or pay any margin payment or make any other payment due to any clearinghouse, or fails to be in compliance with any applicable financial requirement of any governmental regulatory authority, self-regulatory organization, exchange, or clearinghouse which has jurisdiction over it and/or of which it is a member, participant or registrant, such Clearing Participant shall immediately advise the Corporation, both telephonically and in writing.

Additional details of the minimum financial capital standards are set out in ICE Futures Canada Rule 7, Part B (Attachment B(1)).

The internal processes that ICE Clear Canada undertakes to ensure ongoing financial compliance by Clearing Participants are set out in the “Oversight of Financial Compliance by Participants Policy” (Attachment B(2)).

Capital Standard Requirements

1. Clearing Participants in the category of FCM

Clearing Participants in the category of FCM are required to be registered with IIROC which provides for the protections of the Canadian Investor Protection Fund (“CIPF”). CIPF/IIROC is responsible for reviewing the required financial filings of each FCM Clearing Participant. ICE Clear Canada and ICE Futures Canada have entered into an agreement (Memorandum of Understanding) with IIROC to review financial filings of Clearing Participants in the category of FCM.

The minimum financial standards set for Canadian FCMs by IIROC is to have and maintain at all times Risk Adjusted Capital (RAC) of zero based on a formula set out in Form 1 (per IIROC Rule 17.1). In addition, a Monthly Financial Report is required to be submitted 20 days after each business month end.

The Rules applicable to Clearing Participants in the category of FCM are set out in the ICE Futures Canada Rules as follows;

7A.04 Financial Information Requirements for Futures Commission Merchants

All Futures Commission Merchants, required to file financial information, shall file financial statements and other financial information, in accordance with the requirements of all regulatory authorities and self-regulatory organizations whose jurisdiction they are subject to. Copies of such statements must be provided to the Exchange upon request.

7B.01 Capital Requirements –Participants

- a. **Participants shall maintain the following minimum capital standards:**
 - (1) **Futures Commission Merchants including FCMs registered as Clearing Participants;**

- (i) if registered in Canada, the financial standards of its designated Self-Regulatory Organization which shall be a member organization of the Canadian Investors Protection Fund;
- (ii) if registered in the United States the financial standards of its Designated Self-Regulatory Organization as defined by the Commodity Futures Trading Commission.
- (iii) if registered other than in Canada or the United States, the financial standards as required by its government authority and/or Self-Regulatory Organization.

2. Clearing Participants in the category of General

Clearing Participants in the category of General are required to file, with ICE Futures Canada, financial statements and related financial documentation (Annex 7.D, Adjusted Net Capital Calculation and Annex 7.A Financial Questionnaire and Report Form) on a monthly basis (within 17 business days after the end of each month) and file annual audited financial statements, within 90 days of the end of fiscal year end. These Annexures are provided in Attachments B(3) and B(4) respectively.

ICE Futures Canada is responsible for collecting and reviewing all of the required financial statements from Clearing Participants registered in the category of General since ICE Futures Canada is the only SRO that oversees these entities with respect to financial matters.

Currently, all Clearing Participants registered in the category of General are also registered with the Exchange in the category of Merchant (Multi-Commodity). The Annexures noted above have financial requirements specific to entities registered in the category of Merchant. Should any entity other than Merchant apply for Clearing Participant status in the category of General, the Clearinghouse and Exchange rules would have to be amended to provide for applicable financial reporting standards.

Fit and Proper Standards

ICE Clear Canada requires that these Clearing Participants meet fit and proper standards through the application/agreement review process, and through the obligation on all Clearing Participant to meet, on an on-going basis, all requirements of the Clearing Rules.