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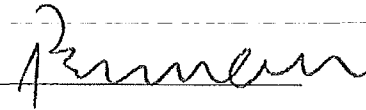
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SECRETARIAT

CERTIFICATION:
COMPLIANCE THAT THE ADOPTED RULES COMPLY WITH THE COMMODITY
EXCHANGE ACT (CEA) AND THE REGULATIONS THEREUNDER

ICE Clear Europe Limited, a derivatives clearing organization registered with the Commodities Futures Trading Commission, hereby certifies that the "Proposed Changes to the Clearing Rules" adopted on 29 March 2011 and effective on 14 April 2011 and the "ICE Clear Europe Procedures – Clearing Procedures Update" adopted on 13 April 2011 and effective on 14 April 2011, both relating to contract formation in relation to OTC cleared contracts, comply with the Commodity Exchange Act and the regulations thereunder.

In witness whereof, the undersigned has signed this Certification as of the 13th day of April 2011.

By: 

Name: Patrick Davis

Title: Company Secretary

NYDOCS01/1257708.1



ICE Clear Europesm

Clearing Rules

[CURRENT PUBLISHED VERSION] | 2010

The term "**Clearing Membership Agreement**" means an agreement between the Clearing House and a Clearing Member under which, *inter alia*, the Clearing House agrees to provide Clearing in respect of Contracts to that Clearing Member and that Clearing Member agrees to be bound by and subject to these Rules.

The term "**Clearing Organisation**" means any clearing house duly authorised, regulated, recognised or licensed under Applicable Laws in any jurisdiction, including any recognised clearing house, recognised overseas clearing house, derivatives clearing organisation or similar entity.

The term "**Clearing Processing System**" means the clearing processing system used by the Clearing House and any Market from time to time.

The term "**Commodity**" means any kind of property which is capable of being delivered pursuant to an Energy Contract.

The term "**Complaints Procedures**" means the complaints procedures of the Clearing House from time to time.

The term "**Concentration Bank**" means an Approved Financial Institution at which the Clearing House has an account or accounts for the purpose of making transfers between Clearing House Accounts.

The term "**Contract**" means a contract between the Clearing House and a Clearing Member arising in accordance with these Rules, and as amended, subject to netting or aggregation in accordance with these Rules, the terms and conditions of which are the relevant Contract Terms.

For the definition of the term "**Contract Position**", see 'Open Contract Position' below.

The term "**Contract Terms**" means all the terms and conditions of a Contract, as applicable, in: (i) (in relation to Energy Contracts only) the general conditions set out in the Procedures; (ii) (in relation to ICE Futures Europe Contracts only) the ICE Futures Europe Rules; (iii) (in relation to ICE OTC Contracts only) the specific standard terms and eligibility criteria set out in the Procedures for the class of Contract involved and the participant agreement, the ICE OTC Participant Agreement between the Clearing Member and ICE Inc. and any relevant ICE OTC Broker Agreement; (iv) (except in relation to Energy Contracts which are settled only in cash) if such Energy Contract becomes deliverable, the relevant delivery Procedures for the class of Energy Contract and ICE Futures Rules; and (v) for CDS Contracts, the terms specified pursuant to Rule 1502.

The term "**Control**" means the rights and powers exercised over a Person by a Controller and its cognate terms shall be construed accordingly.

The term "**Controller**" has the meaning given to that term in section 422 of the FSMA.

The term "**Controller Guarantee**" means a guarantee given by a Controller of a Clearing Member under Rule 201(a)(vi).

The term "**Credit Derivatives Definitions**" means the document of that name dated 2003 published by ISDA as supplemented by the 2009 ISDA Credit Derivatives Determination

The term "**ICE Futures Europe Matched Contract**" means a Contract resulting from an ICE Futures Europe Matched Transaction.

The term "**ICE Futures Europe Matched Transaction**" means a transaction that occurs or occurred on the ICE Futures Europe exchange in accordance with the ICE Futures Europe Rules.

The term "**ICE Futures Europe Rules**" means the rules of ICE Futures Europe and, except when a particular rule is cross-referenced herein, has the same meaning as that given to the term "*Regulations*" in the regulations of ICE Futures Europe.

The term "**ICE Futures Europe Transaction**" means an ICE Futures Europe Matched Transaction or an ICE Futures Europe Block Transaction.

The term "**ICE Group**" means the Clearing House and all its Affiliated Persons.

The term "**ICE Inc.**" means IntercontinentalExchange, Inc., a company incorporated in Delaware with registered file number of 2497808.

The term "**ICE OTC**" means the exempt commercial market operated by ICE Inc.

The term "**ICE OTC Block Contract**" means a Contract resulting from an ICE OTC Block Transaction.

The term "**ICE OTC Block Transaction**" means a transaction reported through ICE OTC without a trade having been matched by ICE OTC.

The term "**ICE OTC Broker Agreement**" means an agreement between ICE Inc. and an ICE OTC broker in the form approved by ICE Inc. from time to time, relating to that broker's access to ICE OTC.

The term "**ICE OTC Contract**" means an ICE OTC Matched Contract or an ICE OTC Block Contract.

The term "**ICE OTC Matched Contract**" means a Contract resulting from an ICE OTC Matched Transaction.

The term "**ICE OTC Matched Transaction**" means a transaction that occurs or occurred on ICE OTC in accordance with applicable ICE OTC Participant Agreements and, where applicable, any ICE OTC Broker Agreement.

The term "**ICE OTC Participant**" means a Clearing Member or Customer that has entered into an ICE OTC Participant Agreement.

The term "**ICE OTC Participant Agreement**" means an agreement between ICE Inc. and an ICE OTC Participant, in the form approved by ICE Inc. from time to time, relating to the ICE OTC Participant's access to ICE OTC.

The term "**ICE OTC Transaction**" means an ICE OTC Matched Transaction or an ICE OTC Block Transaction.

The term "**LCIA**" means the London Court of International Arbitration or any successor thereto.

The term "**LCIA Rules**" means the arbitration rules of the London Court of International Arbitration.

The term "**Long**", in respect of an Option, refers to the positions of Persons entitled to exercise Options.

The term "**Margin**" means Original Margin, Variation Margin, Initial Margin, Portfolio Risk Margin, Physical Settlement Margin, Mark-to-Market Margin and other margin, security or collateral provided to the Clearing House pursuant to the Rules or the Procedures and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Mark-to-Market Margin**" means the Permitted Cover required to be provided by Clearing Members to the Clearing House related to the market value of a Clearing Member's Open Contract Positions relating to CDS Contracts, as determined pursuant to Rule 503(f)(ii).

The term "**Mark-to-Market Price**" has the meaning given in Rule 503(g).

The term "**Market**" means ICE Futures Europe, ICE OTC and any other market for which the Clearing House provides or may provide Clearing services (and for the purposes of Clearing Membership Agreements for CDS Clearing Members only, also includes the over-the-counter market for CDS).

The term "**Market Delivery Settlement Price**" in respect of a Set of Energy Contracts or an Energy Contract, means the delivery or cash settlement price determined pursuant to Rule 701.

The term "**Market Rules**" means the rules, regulations, procedures of, and agreements governing, a Market, including the ICE Futures Europe Rules and ICE OTC Participant Agreements, ICE OTC Broker Agreements and the procedures of each of ICE Futures Europe and ICE Inc.

The term "**Master Agreement**" has the meaning given to that term in Rule 1502(a)(i).

The term "**Monetary Default**" means a Clearing Member failing to transfer, deposit with, or pay to, the Clearing House in full any Margin, Guaranty Fund Contribution, amount due under or in connection with any Contract or other amount due to the Clearing House or required by or pursuant to Market Rules.

The term "**Nominated Account**" means a Nominated Customer Account or a Nominated Proprietary Account.

The term "**Nominated Customer Account**" means an account (if any) of a Clearing Member at an Approved Financial Institution recognised by the Clearing House for administrative convenience only and used by the Clearing Member for the business of its segregated Customers.

The term "**Nominated Proprietary Account**" means an account of a Clearing Member at an Approved Financial Institution that is not a Nominated Customer Account.

- (i) All references to "tax" shall include, without limitation, any tax, levy, impost, duty, or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).
- (j) Reference to the "conduct" of a Clearing Member includes any act, omission, conduct or behaviour in relation to the Rules. For the purposes of determining a Clearing Member's liability for any conduct (referred to in Rule 111 as a "disciplinary matter"), a Clearing Member shall be responsible for all conduct of that Clearing Member's Representatives, including conduct of a Clearing Member's Customer and such Customer's clients, as if that conduct were the conduct of the Clearing Member itself; but notwithstanding the attribution of such conduct to the Clearing Member, the Representative responsible for such conduct (where relevant) may also be liable to be sanctioned for their conduct through sanctions imposed on the Clearing Member or otherwise.
- (k) Any capitalised term used in these Rules that is not defined in Rule 101 or elsewhere herein shall have the meaning given to it (in order of priority) in the Procedures, the Clearing House's standard form Clearing Membership Agreement, the ICE Futures Europe Rules and ICE Inc.'s standard form ICE OTC Participant Agreement.
- (l) Each of the Rules shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of the Rules.
- (m) If any provision of these Rules (or part of any provision) is found by any court or other Governmental Authority to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the Rules, and the validity, legality or enforceability of the other provisions of these Rules shall not be affected.
- (n) The Rules, together with the applicable Clearing Membership Agreement and other documents given contractual force pursuant to these Rules, form a contract between the Clearing House and each Clearing Member. All obligations of the Clearing House hereunder are solely to Clearing Members. No Person other than the Clearing House has any obligation to Clearing Members pursuant to these Rules except as expressly provided in any provisions of these Rules ~~and/or~~ the Procedures purporting to create or define rights and obligations as between Clearing Members, between Clearing Members and their Customers or between Customers (each a "**Bilateral Obligation**"). Subject to any Bilateral Obligation in respect of which the relevant Clearing Members or Customers (as applicable) shall have the right to enforce the provisions of these Rules or Procedures against each other, no Person shall have any right pursuant to the Contract (Rights of Third Parties) Act 1999 to enforce any provision of these Rules or the Procedures.
- (o) Any matter or right stated to be in, of or at the Clearing House's discretion shall be subject to the Clearing House's sole, unfettered and absolute discretion and such discretion may be exercised at any time. Where there is a provision that the Clearing House (or its Directors, officers or committees) may make further directions upon or in relation to the operation of a Rule or may make or authorise any arrangement, direction or procedure thereunder, the Clearing House may make such direction or make or authorise such arrangement or procedure in relation to or under the whole or

Part 2 Clearing Membership

Rule 201 *Clearing Membership Criteria*

- (a) In order to attain and maintain membership as a Clearing Member, a Person must, at a minimum, as from the date on which it is proposed that it becomes a Clearing Member:
- (i) have paid the Clearing House's (non-refundable) application fee (if applicable) and provided completed membership application forms;
 - (ii) (if proposing to become a Clearing Member in relation to ICE Futures Europe Transactions) be a member of ICE Futures Europe;
 - (iii) (if proposing to become a Clearing Member in relation to ICE OTC Transactions) be an ICE OTC Participant or an Affiliate of an ICE OTC Participant;
 - (iv) have nominated a Person, satisfactory to the Clearing House, who is (A) a director, general partner, trustee or officer of the applicant (or Person occupying a similar status or performing similar functions), (B) responsible for the clearing operations of the applicant and (C) authorised to act on behalf of the applicant in all transactions with or involving the Clearing House, and have nominated a second Person who meets the requirements of (A) above and is authorised to act on behalf of the applicant in the event of the death, incapacity or other inability of the first Person to so act;
 - (v) maintain and, where applicable, procure that its Controller maintains, sufficient Capital in accordance with Rule 206;
 - (vi) unless the Clearing House at its discretion agrees otherwise in writing, where the applicant is subject to Control by any Person or Persons, procure in favour of the Clearing House a Controller Guarantee or Controller Guarantees from such of its Controllers as the Clearing House may request in such form as the Clearing House may prescribe from time to time, each such Controller Guarantee guaranteeing payment of all amounts due by such applicant;
 - (vii) be party to a Clearing Membership Agreement with the Clearing House;
 - (viii) have in place all necessary regulatory authorisations, licences, permissions and approvals in its country of origin, the UK and any other jurisdiction in which it conducts business;
 - (ix) be fit and proper, have sufficient qualities of financial responsibility, operational capacity, business integrity, reputation and competence as the Clearing House, in its discretion, considers necessary or appropriate and satisfy the Clearing House that its directors, officers and Controllers also satisfy such tests;
 - (x) have such facilities, equipment, operational capability, personnel, hardware and software systems as are capable of supporting the proper performance of its business as a Clearing Member, including such IT links to the Clearing

Part 4 Clearing Mechanism

Rule 401 *Formation of Contracts*

- (a) Subject to Rule 403 and Rule 404, two Contracts shall arise automatically, one between the Selling Clearing Member and the Clearing House and the other between the Clearing House and the Buying Clearing Member (or a single Contract shall arise between the Clearing House and a Clearing Member where applicable in the case of Rule 401(a)(vi) or (x)), at the moment that:
- (i) in the case of any ICE Futures Europe Matched Transaction, the relevant orders are matched on ICE Futures Europe;
 - (ii) in the case of any ICE OTC Matched Transaction, the relevant orders are matched on ICE OTC in an instance in which, in accordance with ~~ICE Inc.'s systems and procedures~~ relevant ICE OTC Participant Agreements, any relevant ICE OTC Broker Agreement and the Procedures, the Transaction is to proceed to clearing;
 - (iii) in the case of any ICE Futures Europe Block Transaction, ICE Futures Europe receives and has recorded on its system complete data in respect of the Transaction;
 - (iv) in the case of any ICE OTC Block Transaction, ICE Inc. receives complete data in respect of the Transaction in an instance in which, in accordance with ~~ICE Inc.'s systems and procedures~~ relevant ICE OTC Participant Agreements, any relevant ICE OTC Broker Agreement and the Procedures, the Transaction is to proceed to clearing;
 - (v) in the case of Transactions generated by ICE Futures Europe or ICE Inc. as a result of the operation of their contra trade, error trade, invalid trade, cancelled trade, error correction or similar policies and rules and procedures relating thereto or otherwise, upon notice of the final terms of the Transaction being received by the Clearing House;
 - (vi) in the case of a Contract that is formed as a result of another Contract being Invoiced Back by the Clearing House, immediately upon notice of the existence and final terms of the new Contract being given by the Clearing House to the Clearing Members affected;
 - (vii) in the case of a Contract that forms as a result of an Option being exercised in accordance with Part 8, immediately upon such exercise taking effect pursuant to Part 8;
 - (viii) in the case of an Energy Contract that is allocated by one Clearing Member to another Clearing Member by agreement of both Clearing Members subsequent to that Energy Contract arising but on the same day as that on which such Contract arose, upon both such Clearing Members having recorded their agreement to such allocation on the Clearing House's systems;

- (h) Where a Clearing Member has appointed a Disclosed Principal Member, the Disclosed Principal Member shall be the Buying Clearing Member or the Selling Clearing Member (as applicable) instead of the relevant Clearing Member in respect of all Contracts arising under this Rule 401 to which that Clearing Member would, but for the requirements of this Rule 401(h), otherwise be party. All provisions of these Rules relating to Contracts shall be construed accordingly.
- (i) In order for a Contract to arise pursuant to:
- (i) Rule 401(a)(i), (ii), (iii), (iv), (v), (vii) or (viii); or
 - (ii) Rule 401(a)(vi) in relation to an Energy Contract,
the Clearing Member in question must be an Energy Clearing Member.
- (j) In order for a Contract to arise pursuant to:
- (i) Rule 401(a)(ix) or (x); or
 - (ii) Rule 401(a)(vi) in relation to a CDS Contract,
the Clearing Member in question must be a CDS Clearing Member.
- (k) On each occasion that the Clearing House gives notice in relation to a CDS Contract pursuant to Rule 401(a)(ix) or Rule 401(a)(x), each affected Clearing Member must submit, in accordance with the Procedures, the terms of the actual or proposed CDS Contract to Deriv/SERV or another service specified by the Clearing House with identical terms as the original submission for clearing or the CDS Contract arising under Rule 401(a)(x), as applicable, adjusted to take into account netting and aggregation of CDS Contracts pursuant to Rule 406.
- (l) Where an Energy Contract arises pursuant to Rule 401 as a result of trading, submission of trade data or other action by a Customer of a Clearing Member, an opposite corresponding contract shall arise between the Customer and that Clearing Member (and may be void or voided) and further corresponding contracts may arise between Customers in the manner specified by and in accordance with:
- (i) in the case of Energy Contracts arising as a result of ICE Futures Europe Transactions, the ICE Futures Europe Rules; or
 - (ii) in the case of Energy Contracts arising as a result of ICE OTC Transactions, the Procedures.

Rule 402 *Contracts only between Clearing Members and Clearing House*

- (a) Each Clearing Member that is party to a Contract shall act as principal and not as agent. In performing its obligations and exercising its rights under these Rules, the Clearing House shall treat the entitlement of Clearing Members to rights pursuant to Contracts to be a full legal and beneficial entitlement and not subject to any Encumbrance in favour of any Person other than the Clearing House (other than pursuant to the Contract Terms).

CLEARING PROCEDURES

(I) CLEARING PROCEDURES

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CLEARING PROCEDURES

1. SYSTEMS⁴

- 1.1 The Clearing House's primary systems, to which Clearing Members require interfaces, consist of:
- (a) Post-trade administration/clearing and settlement processing: ("the ICE Post Trade and Clearing Systems" or "the ICE Systems");
 - (b) Risk management: the ICE Systems and SPAN®;
 - (c) Banking: ECS;
 - (d) Deliveries: ICE in-house system; and
 - (e) Billing: ICE in-house system.
- 1.2 These Clearing Procedures deal primarily with matters relating to post-trade administration, clearing and settlement and risk management. Details relating to finance and deliveries are set out in the Finance Procedures and Delivery Procedures respectively.
- 1.3 **Clearing Members should immediately inform the Clearing House of any event, system-related or otherwise, that would prevent them from operating timely and accurately on the Markets cleared by the Clearing House. Clearing Members must, at all times, ensure that they are able to continuously monitor communication facilities for receipt of communications from the Clearing House.**
- 1.4 These Clearing Procedures apply only to Energy Contracts.

2. TRADE CLEARING AND POSITION MANAGEMENT

2.1 The Clearing Systems

- (a) The components of the ICE Systems are licensed to, and supplied and maintained for the benefit of, the Clearing House. The ICE Systems are integrated trade registration and clearing processing systems used for the clearing of the relevant Market.
- (b) The ICE Systems work together to process transactions from the time of trading and entry into the system, through the maintenance and settlement of Open Contract Positions, the calculation of Margin, and the delivery/expiry of Contracts.

2.2 Trade registration and clearing process

- (a) The instant a Contract is formed pursuant to Rule 401, the Clearing House becomes the Buyer to the Selling Clearing Member and the Seller to the Buying Clearing Member.
- (b) Data in relation to matched trades will automatically pass to the ICE Systems.
- (c) The ICE Systems receive details of trades in real-time from the relevant Market. It allows Clearing Members and their Representatives to perform the following functions, among others:
 - (i) assign trades to one of various accounts described below;
 - (ii) allocate trades to other Clearing Members (within one hour of trading) as allowed under Rule 408(a)(ii) and Market Rules or between position keeping accounts;

⁴ Amended 27 July 2009

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- (iii) accept trades allocated or split by other Clearing Members (within one hour of trading) as allowed under Rule 408(a)(ii) and Market Rules;
 - (iv) allocate or split trades between different position keeping accounts;
 - (v) enter position settlement instructions;
 - (vi) input consolidation crosses in order to consolidate trades at various prices into average prices; and,
 - (vii) view trading history and status of trades.
- (d) Clearing Members should refer to the ICE Systems user guides for more detailed information concerning the ICE Systems' functionality.
- (e) The ICE Systems will allow Clearing Members to perform the following functions, among others:
- (i) monitor Open Contract Positions;
 - (ii) close out open Contracts by netting off equal and opposite Contracts in its Customer Account;
 - (iii) process physical delivery of Commodities pursuant to Futures Contracts;
 - (iv) review Margin requirements; and,
 - (v) exercise or abandonment of Option Contracts.
- (f) Clearing Members should refer to the ICE Systems user guide for more detailed information concerning ICE Systems' functionality. A number of reports are available in the ICE Systems, the list and details of which are available in the ICE Systems user guide and ICE Clear Europe Systems user guide.
- (g) In the event of any system errors or other systemic issues connected with the ICE Systems, Clearing Members should contact the Clearing House's Operations department.
- (h) In the event of any processing errors or error in communications with the Clearing House, Clearing Members should contact the Clearing House's Operations department.

2.3 Position keeping

- (a) Position-keeping activities are governed by Market Rules. In the event of any conflict between these Procedures and Market Rules in relation to position-keeping, Market Rules shall prevail.
- (b) Open Contract Positions can be kept in up to six accounts within the ICE Systems, identified in the ICE Systems by one letter as follows:
 - (i) H – House;
 - (ii) N - Non-Segregated Client;
 - (iii) S - Segregated Client;
 - (iv) L - Individual Trader;

CLEARING PROCEDURES

- (v) D - Default (trades not assigned to a specific account or sought to be allocated but left unclaimed by another Clearing Member will automatically clear in the default account); and,
- (vi) G – Gas Associate.

Clearing Members may maintain separate position-keeping accounts for each Exchange member or OTC Participant for whom they provide clearing services.

- (c) The House (H), Non-Segregated Client (N), Individual Trader (L), Default (D), and Gas Associate (G) accounts are linked to the Proprietary Account for purposes of the Rules. The Segregated Client (S) account is linked to the Customer Account for the purposes of the Rules. This is described further in paragraph 3 of this section.
- (d) Where a Clearing Member holds accounts of Exchange members or OTC Participants who are not Clearing Members, the mapping of these accounts to the Customer Account or Proprietary Account will be determined by the Clearing Member in conjunction with the relevant Market. Segregated accounts will however always map to the Customer Account.

2.4 Open Contract Positions and Close-outs

- (a) The House (H), Individual Trader (L) and Gas Associate (G) accounts will only reflect net Open Contract Positions. Systematic netting will take place before any Option exercise or delivery allocation.
- (b) The Non-Segregated Client (N), Segregated Client (S) and Default (D) accounts will hold gross Open Contract Positions, showing all sell and all buy positions that have not been netted or closed out as Open Contract Positions. The ICE Systems allow Clearing Members to close out Open Contract Positions that are held gross. In order to ensure a true representation of Open Contract Positions, Clearing Members are required to perform manual close-outs (netting) in the accounts where gross Open Contract Positions are maintained (N, D and S). Clearing Members are responsible for inputting any required manual netting or close-out instructions in relation to such accounts.
- (c) Any close-outs should be performed in a fashion and at a time in accordance with Exchange Rules and in any event before Options expire or delivery processes commence. Position transfers between accounts in the ICE Systems must be complete at or before 10:00 am in order to be reflected in Open Contract Positions and Margin calls calculated at the end of that day.

2.5 Invoicing Back, Void Contracts, etc.

- (a) Any Contracts which are subject to Invoicing Back will be reflected by the entry into by the Clearing House through the ICE Systems of a new Contract of opposite effect to the original Contract (or pursuant to such other terms or prices as are determined by the Clearing House pursuant to the Rules). Clearing Members will be notified of Contracts subject to Invoicing Back or amendment by the Clearing House's Operations department. Each such event will be confirmed in writing.
- (b) Any Contracts which are void or voided will be deleted from the ICE Systems by the Clearing House. Clearing Members will be notified of Contracts which are void or voided by the Clearing House's Operations department. Each such event will be confirmed in writing.
- (c) The Clearing House may make other trade or Open Contract Position adjustments as directed by the relevant Market. In each such event, the Clearing House's Operations department will contact the Clearing Member and confirm such adjustment in writing.

CLEARING PROCEDURES

3. FINANCIAL ACCOUNTS

3.1 Margining accounts

- (a) While Open Contract Positions are held in up to six different accounts through the ICE Systems, the margining of Open Contract Positions will be consolidated through two accounts as follows:
- (i) H, N, L, D and G will be margined via the House (H) account (referred to as the "Proprietary Account" under the Rules and herein); and
 - (ii) S will be margined via the Client (C) account (referred to as the "Customer Account" under the Rules and herein).
- (b) Proprietary Account and Customer Accounts will be subject to calculations and calls for Margin separately. Transfers or offsets between the two accounts will not be possible. These two accounts are also treated separately following any Event of Default, under Part 9 of the Rules.
- (c) Records of all financial information including, but not limited to, Margin requirements, cash balances, Collateral, contingent Margin, Buyer's Security and Seller's Security will be held in ICE Clear Europe's Extensible Clearing System ("ECS") within the ICE Systems. The naming convention for the accounts in ECS will be the Clearing Member's three letter mnemonic followed by the account type (e.g. XXXH for a Proprietary Account or XXXC for a Customer Account).
- (d) Clearing Members can find more information about ECS functions and facilities in the ICE Systems user guide.

3.2 Guaranty Fund account

- (a) Each Clearing Member's Guaranty Fund Contribution will be held in a separate account, recorded in ECS under the name XXXH-GUAR.

Table A: Summary of Account Codes

the ICE Systems Position Account	the ICE Systems Term	ECS Term	ECS Account name	Rulebook
N/A	N/A	Guaranty Fund Account	XXXH-GUAR	Guaranty Fund Contribution
H N L D	House Non-Segregated Client Individual Trader Default	House Account (H)	XXXH	Proprietary Account
S	Segregated Client	Client Account (C)	XXXC	Customer Account

4. MARGIN PROCEDURES

4.1 General

The matters described in this section will be recorded through ECS and will form part of the Clearing House's daily Margin processes. Margin requirements will determine whether funds are needed to be paid to, or received from, the relevant Clearing Member. Any required payments will be effected through Approved Financial Institutions that participate in the Assured Payment System (APS), as described in the Finance Procedures.

CLEARING PROCEDURES

4.2 Original Margin

- (a) Original Margin calculations are made separately in respect of a Clearing Member's Customer Account and Proprietary Account. No Margin offset is possible between these two accounts. Original Margin calculations will be applied to net positions for each Contract Set rather than the sum of the gross positions for a Set.
- (b) Original Margin parameters are set by the Clearing House within the framework of the policy approved by the Risk Committee. Margin parameters applicable from time to time will be issued and amended by Clearing House Circular and published on the Clearing House's website.
- (c) The Clearing House will notify Clearing Members of any change to Original Margin parameters by Circular no later than the day before calls are made based on the new parameters. For routine changes, the Clearing House will provide five Business Days' advance notice of changes to Margin parameters, unless another period is specified in the relevant Circular.
- (d) Original Margin requirements will be calculated at close of business on a daily basis, for both Proprietary Accounts and Customer Accounts, using the SPAN®* algorithm.

4.3 Variation Margin

With the exception of Premium Up-Front Options (discussed in paragraph 4.4(c) below), all open Contracts are marked to market daily in accordance with the Contract Terms (which includes, for ICE Futures Europe Contracts, the contract terms set out in ICE Futures Europe Rules). Profits and losses are credited to or debited from the relevant Nominated Customer Account or Nominated Proprietary Account of each Clearing Member as set out in the Finance Procedures.

4.4 Options Premium

- (a) The Clearing House clears two types of Options with different margining methodology, "Premium Up-Front" and "Future-Style".
- (b) Future-Style Options (e.g. Brent) are marked to market and subject to Variation Margin calls daily in the same way as for Future Contracts.
- (c) Premium Up-Front Options (e.g. Emissions) are subject to a full premium charge or credit on the day on which the Option Contract first arises under the Rules (i.e. the day of trading) as part of the overnight margining process. After the premium has been paid, Margin is calculated on an ongoing basis with reference to the difference between the Strike Price and the relevant daily Settlement Price (net liquidating value).
- (d) The table⁴ below details the premium types for the Options currently cleared by the Clearing House as well as their exercise style (discussed further in paragraph 5 of this section).

Options Contract	Premium type	Exercise style
Gas Oil	Future-Style	American
Brent	Future-Style	American
WTI	Premium Up-Front	American

* SPAN is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no responsibility in connection with the use of SPAN by any person or entity. SPAN is a risk evaluation and margin framework algorithm.

⁴ Amended 27 July 2009

CLEARING PROCEDURES

Options Contract	Premium type	Exercise style
Emissions (ECX and CER)	Premium Up-Front	European
Henry Hub (PHE)	Premium Up-Front	European
Henry Hub (PHH)	Future-Style	European
Brent APO (I)	Premium Up-Front	Asian
Gas Oil APO (GSP)	Premium Up-Front	Asian
WTI APO (R)	Premium Up-Front	Asian
Brent EU-Style (BUL)	Premium Up-Front	European
Gas Oil EU-Style (GUL)	Premium Up-Front	European
WTI EU-Style (WUL)	Premium Up-Front	European
PJM Mini (PMI)	Premium Up-Front	American
SP-15 Mini (SPY)	Premium Up-Front	American

4.5 Cash Settlement

- (a) When it reaches maturity, a Contract can give rise either to cash settlement (if determined by the Contract Terms or, where permitted by the Contract Terms, if the Clearing Member opts out of the delivery via EFP) or delivery obligations.
- (b) Cash settlement will be determined by the difference between the Market Delivery Settlement Price and the previous day's Settlement Price, as determined in accordance with Part 7 of the Rules.
- (c) Details relating to deliveries are set out in the Delivery Procedures.

4.6 Contingent Variation Margin

- (a) A contingent Variation Margin amount will be calculated and called daily for Gas Oil Futures Contracts under tender. This contingent Variation Margin will result from the difference between the Market Delivery Settlement Price for the Contract under tender and the Settlement Price for the next maturing Contract Set of otherwise equivalent specifications.
- (b) Clearing Members will not receive repayment in respect of any contingent Variation Margin in cash. However, they will be able to use any excess against Margin requirements on the Contracts in respect of which contingent Variation Margin is called and other Contracts. If contingent Variation Margin is a debit, it will be possible for Clearing Members to use assets, as permitted by these Procedures and updated by Circular, as Permitted Cover.
- (c) Contingent Variation Margin will be released:
 - (i) for the Buyer, on payment of the Buyer's Security; and
 - (ii) for the Seller, once all relevant deliveries are completed,
 as detailed in the Delivery Procedures.

4.7 Contingent Credit

When a Seller satisfies its daily delivery obligations under ICE Futures Europe Rules for Natural Gas Futures and Electricity Futures Contracts, the Clearing House will take into account a "Contingent Credit" equivalent to the amount or number of underlying Commodities already delivered in respect of which payment has not been made to the Seller. This credit will not be made available to the Seller in

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cash but may be used to cover Original Margin requirements on the Contracts in respect of which the contingent credit is applicable and other Contracts.

4.8 Buyer's Security and Seller's Security

In accordance with ICE Futures Europe Rules and the Delivery Procedures, Clearing Members will be liable for Buyer's Security and Seller's Security in respect of Contracts undergoing deliveries. Such amounts will be included in the Margin call process.

4.9 Intra-day or *ad hoc* margin calls

If market conditions dictate, the Clearing House may decide to proceed to an intra-day or *ad hoc* Margin call for certain, or all, Contract Sets or for all or particular Clearing Members. In the event of an intra-day or *ad hoc* call applying, any increased Margin requirements will be reflected in ECS. If there is a shortfall, ECS will generate a call which must be met in accordance with the Finance Procedures. Affected Clearing Members will be informed of the call by the Clearing House and such call will be confirmed by e-mail to a designated mail account of each affected Clearing Member.

4.10 Contingency Holidays

If there is a bank holiday in the country of a particular currency, the Clearing House will call cash in another currency, as described in the Finance Procedures.

5. OPTIONS EXERCISE AND EXPIRY

5.1 Definitions

In these Procedures:

- (a) The term "**American-Style Option**" means an Option that can be exercised at any time between the purchase date and the expiration date under its Contract Terms.
- (b) The term "**European-Style Option**" means an Option that can only be exercised on the expiry date under its Contract Terms.
- (c) The term "**At The Money**", in respect of an Option Contract or Set of Option Contracts, means where the Strike Price equals the Reference Price.
- (d) The term "**In The Money**", in respect of an Option Contract or Set of Option Contracts for a Person with a Long Position: for a Put Option, means where the Strike Price is greater than the Reference Price; and, for a Call Option, means where the Strike Price is less than the Reference Price.
- (e) The term "**Out Of The Money**", in respect of an Option Contract or Set of Option Contracts for a Person with a Long Position: for a Put Option means, where the Strike Price is less than the Reference Price; and, for a Call Option, means where the Strike Price is greater than the Reference Price.

5.2 General

- (a) Options may only be exercised by Clearing Members in accordance with the Rules, the applicable Contract Terms and these Procedures.
- (b) Options may be exercised either:
 - (i) by an exercise notification entered manually to the ICE Systems (as described in the ICE Systems user guide);

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- (ii) automatically through the ICE Systems (as described in the ICE Systems user guide);
or
- (iii) automatically in accordance with the Contract Terms.

Those Options which are not so exercised by the time of expiry will expire (be abandoned) and will terminate.

- (c) The Contract Terms determine the days on which, and the times by which, notification of exercise of an Option may, or must, be made.
- (d) When an Option is exercised, a Future Contract at the Strike Price of the Option will arise in accordance with Rule 401.

5.3 Early Exercise

- (a) It is possible for Clearing Members to exercise Long American-Style Options at any time when the ICE Systems are open via the ICE Systems exercise notification screen. Such exercises must be input by Clearing Members before the daily exercise cut-off time specified in the Contract Terms, which is currently set at 17:00 hours.
- (b) Clearing Members may not manually enter an exercise notification on to the ICE Systems for Options other than American-Style Options.

5.4 Manual Exercise

- (a) Clearing Members are permitted manually to input exercise notifications on to the ICE Systems exercise notification screen in the manner set out in the ICE Systems user guide at any time within the deadlines specified in the Contract Terms.
- (b) Where permitted by the Contract Terms, Clearing Members wishing to exercise an Option which is Out Of The Money, or an Option that will not automatically exercise, must input a manual Option exercise notification in accordance with the ICE Systems user guide.

5.5 Automatic exercise

- (a) On the relevant expiry day, once the exercise deadline has passed for an Option Set, the Clearing House will input into the ICE Systems the Reference Price communicated by the relevant Market and will instruct the ICE Systems to process an Option Set expiry. The ICE Systems will effect the automatic exercise of all Options in the relevant Set meeting the criteria in the Automatic Exercise Instruction facility and the relevant Contract Terms.
- (b) The default setting of the Automatic Exercise Instruction facility is that all Options that are one or more minimum price variation or greater In The Money will be subject to automatic exercise (e.g. in the case of ICE Brent Options, one 'tick' In The Money).
- (c) For European-Style Options, it is not possible to modify the parameters of the Automatic Exercise Instruction Facility. As a result, all European-Style Options will be exercised in line with the default value.
- (d) For American-Style Options, Clearing Members can, on the day of the expiry and up to the instant the ICE Systems deadline is applied, modify the automatic exercise settings through the ICE Systems in accordance with the ICE Systems user guide. If exercise settings are modified, they will revert to default settings after the expiry is complete for any subsequent Option Set expiry. Clearing Members are advised to make any changes to Option exercise settings well in advance of any deadline.

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- (e) **Clearing Members must check their automatic exercise settings before each expiry of an Option Set.**
- (f) Where permitted by the Contract Terms, Clearing Members wishing to exercise an Option that will not be automatically exercised must do so by inputting, before the deadline is applied, an instruction as described above for manual exercises. This is however only possible for American-Style Options. As detailed above, European-Style Options cannot be manually exercised.
- (g) Members experiencing difficulties with any aspect of an Option exercise or who have any doubt about how to carry specific exercise or abandonment instructions must contact the Clearing House's Operations department in advance of the expiry deadline. Failure to do so may result in the abandonment of In The Money Options.

5.6 Reference Price

- (a) The Reference Price used by the ICE Systems automatic Option exercise facility to determine whether an Option is In The Money is the Settlement Price of the relevant Futures Contract on the day of the expiry of the Option.
- (b) For example:
 - (i) for all ICE Futures Europe Options, the Reference Price will be (except in unusual circumstances) the Settlement Price of the underlying Future on the expiry day; and
 - (ii) for the ICE OTC Natural Gas Swap, the Reference Price will be (except in unusual circumstances) the published monthly penultimate Settlement Price for the Henry Hub Natural Gas Contract.

5.7 Exercise Deadlines on Expiry Day

- (a) Pursuant to Market Rules and the Contract Terms, Clearing Members have a limited period after the time when trading in an Option Set ceases to enter exercise notifications and/or amend automatic exercise settings in the ICE Systems for American-Style Options. Once the ICE Systems deadline has passed for the exercise of an Option Set, it will not be possible to input any exercise instructions or alter the automatic exercise settings. Options which have not been exercised in accordance with these Procedures at that time will be abandoned.
- (b) Clearing Members are advised via the ICE Systems messages of the time by which all position maintenance instructions for expiring Options must be inputted and when the ICE Systems Delivery/Exercise HIT report is available by selecting the relevant menu item in the ICE Systems.
- (c) Table B details the deadlines for exercise of the American-Style Options currently supported by the Clearing House:

Table B: Exercise Deadlines on Expiry Day⁴

Contract	Time Option ceases trading	Time before which Option may be manually exercised
ICE Brent Options	19:30	20:30
ICE Gasoil Options	16:30	17:30

⁴ Amended 27 July 2009

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ICE ECX CFI EUA and CER Options	16:15	N/A
ICE WTI Options	19:30	22:30
Natural Gas Swap Fixed Price for NYMEX Penultimate Options	21:30	N/A
Brent APO (I)	19:30	N/A
Gas Oil APO (GSP)	16:30	N/A
WTI APO (R)	19:30	N/A
Brent EU-Style (BUL)	19:30	N/A
Gas Oil EU-Style (GUL)	16:30	N/A
WTI EU-Style (WUL)	19:30	N/A
PJM Mini (PMI)	20:30	21:30
SP-15 Mini (SPY)	20:30	21:30

- (d) All specified times in Table B are UK times. Time differences with other locations will vary as a result of British summer time and US daylight saving time.
- (e) **In the event that a Clearing Member's ICE Systems Options Exercise facilities are unavailable, it is essential that the Clearing House's Operations department and the relevant Market's compliance department are informed. In such circumstances the Clearing House will determine appropriate steps to be taken in order to ensure exercise instructions can be processed, as appropriate.**
- (f) The Clearing House can modify any exercise deadline at its discretion in accordance with the Rules. Any such modification shall take effect as an amendment to Contract Terms pursuant to Rule 104. Amendments to deadlines may occur following a Force Majeure Event and otherwise at the Clearing House's discretion.

5.8 Assignments Allocation

- (a) If, in relation to exercise of a particular Option Set, there are more open Short Options than are exercised by the holders of Long Options, the Clearing House will select Clearing Members with Short Open Contract Positions in the same Option Set against which to exercise a corresponding Option or Options and subsequently become party to a Future Contract or Contracts.
- (b) Option assignment is performed by reference to each Clearing Member's ICE Systems position-keeping accounts i.e. assignments are made separately for each such position-keeping account H/N/S/D/L, as follows:

- (i) Clearing Members holding Short Open Contract Positions in the same Option Set will first be assigned with the following number of exercised Short Options (and hence, Future Contracts):

$$\text{SOCP}(\text{CM}) \times \text{LOCP}(\text{all}) / \text{SOCP}(\text{all})$$

where:

SOCP(CM) = the Short Open Contract Position for the relevant position-keeping account of the relevant Clearing Member;

LOCP (all) = the total number of Long Options of the relevant Option Set being exercised from all relevant position-keeping accounts by all Clearing Members; and

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SOCP (all) = the total number of Short Open Contract Positions in the relevant Option Set in all relevant position-keeping accounts of all Clearing Members,

- (ii) any fractions produced by the calculation in paragraph (i) shall be rounded down and Clearing Members shall not be assigned fractions of a Future Contract; and
- (iii) remaining unassigned Future Contracts following completion of the processes described in paragraphs (i) and (ii) shall be distributed among position-keeping accounts of Clearing Members with unassigned Short Aggregated Contract Positions, one lot at a time, to the largest remaining fractional quantities until the whole quantity is distributed.

(c) Below is an example of this allocation method, where 71 of 111 Contracts are exercised:

Clearing Member	Short Open Contract Position	Calculated allocation	Rounded allocation	Residual	Fraction remaining	Residual allocation	Total allocated
AAA-H	13	8.8153	8		0.8153	1	9
AAA-S	13	8.8153	8		0.8153	1	9
BBB	18	11.5135	11		0.5135		11
CCC	45	28.7838	28		0.7838		28
DDD	22	14.0721	14		0.0721		14
Totals	111	71	69	2	2.00	2	71

6. CLEARING PROCEDURES APPLICABLE TO ICE OTC TRANSACTIONS

6.1 Introduction

- (a) Pursuant to Annex K of the ICE OTC Participant Agreements, all of the rights, duties and obligations of ICE OTC Participants with respect to the formation of cleared contracts and the clearing process for cleared products based on ICE OTC Transactions are those set forth in the Rules and Procedures. All ICE OTC Participants have therefore agreed to the application of the provisions in this section 6, regardless of whether or not they are a Clearing Member.
- (b) Where an ICE OTC Participant is authorised to have its Eligible Transactions submitted for clearing, the provisions of this section 6 shall be incorporated into and form part of: (i) the Contract Terms of the Contract between the Clearing Member and the Clearing House; and (ii) the terms and conditions of any Corresponding Contract between an ICE OTC Participant which is not a Clearing Member and its Clearing Member (if applicable). In the event of a conflict between any provision of any such agreement and any provision of this section 6, the provision of this section 6 shall prevail.
- (c) In this section, the terms "Broker", "Exchange", "FCM", "System" and "Trade Give-Up" have the same meaning as that given to such term in the standard form of ICE OTC Participant Agreement published by ICE Inc. from time to time.
- (d) For the avoidance of doubt, this section 6 creates Bilateral Obligations for purposes of Rule 102(n).

6.2 Pre-requisites to clearing of ICE OTC Transactions

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Rule 401(a)(ii) and 401(a)(iv) provide for Contracts to arise pursuant to ICE OTC Transactions in any instance in which, in accordance with relevant ICE OTC Participant Agreements and the Procedures, the Transaction is to proceed to clearing. This section 6.2 sets out the instances in which such a transaction is to proceed to clearing. For transactions not submitted through Brokers, in order for an ICE OTC Transaction to proceed to clearing, both ICE OTC Participants must be Eligible Participants and the transaction must be in an Eligible Transaction, in each case as defined below. For transactions submitted through Brokers, in order for an ICE OTC Transaction to proceed to clearing, the Broker submitting the ICE OTC Transaction must be an "Eligible Broker" (as defined below) and the ICE OTC Transaction must be submitted in accordance with the applicable ICE OTC Participant Agreement and ICE OTC Broker Agreement.

(a) "Eligible Participant"

In order to be an Eligible Participant (i.e. able to submit Eligible Transactions (as defined below) for clearing):

- (i) An ICE OTC Participant must either (A) have duly designated a Clearing Member to clear Eligible Transactions on its behalf (either directly or through a duly registered broker that clears its customers' trades through the Clearing Member (e.g., an Affiliate of the Clearing Member that is a U.S. futures commission merchant ("FCM")) in the System; or (B) be itself a Clearing Member that is authorised by ICE Clear Europe to clear ICE OTC Transactions (and therefore "self-clear"); and
- (ii) the Clearing Member in question must be authorised by the Clearing House and ICE Inc. for clearing Eligible Transactions through the Clearing House and be set up on the System to do so.

(b) "Eligible Transactions"

To be an Eligible Transaction (i.e. an ICE OTC Transaction that is eligible for clearing):

- (i) the ICE OTC Transaction must relate to a contract of a kind specified in the Contract Terms Procedures;
- (ii) each party to the relevant ICE OTC Transaction must satisfy the Eligible Participant requirements specified above; and
- (iii) the Clearing Member's credit filter and risk controls in the System must allow the relevant ICE OTC Transaction to be processed. Credit filter approval for option orders is limited to a maximum volume check on each order.

(c) "Eligible Broker"

To be an Eligible Broker (i.e. eligible to submit an Eligible Transaction for clearing on behalf of an ICE OTC Participant using the Trade Give-Up service), a Broker must:

- (i) be party to an ICE OTC Broker Agreement with ICE Inc.;
- (ii) be authorised by ICE Inc. for the Trade Give-Up service and be set up on the System to do so; and
- (iii) have all necessary permissions from that ICE OTC Participant within the System to do so.

6.3 Order Entry and Routing

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Rule 401(a)(ii) and 401(a)(iv) provide for Contracts to arise pursuant to ICE OTC Transactions in any instance in which, in accordance with relevant ICE OTC Participant Agreements and the Procedures, the Transaction is to proceed to clearing. The applicable processes for order entry and routing are set out in this section 6.3.

(a) ICE OTC Matched Transactions

When an ICE OTC Participant who has designated a Clearing Member or who itself is a Clearing Member enters an order on the Exchange for an Eligible Transaction, the order is routed to the Clearing Member's credit filter and risk controls in the System. If the order passes both relevant Clearing Members' credit filter and risk controls (as described in paragraph 6.2(b)(iii)), the order may be transmitted to the Exchange and made available for execution. ICE OTC Matched Transactions are only subject to clearing by the Clearing House if both the ICE OTC Participant acting as buyer and the ICE OTC Participant acting as seller choose for the ICE OTC Matched Transaction to be subject to clearing within the System.

(b) ICE OTC Block Transactions

When an ICE OTC Block Transaction is submitted for clearing, the ICE OTC Block Transaction is routed to the credit filter and risk controls of each relevant ICE OTC Participant's Clearing Member in the System. If the ICE OTC Block Transaction passes the Clearing Members' credit filter and risk controls (as described in paragraph 6.2(b)(iii)), it will be automatically submitted for clearing.

6.4 Creation of Corresponding Contract (Inapplicable to an ICE OTC Participant which is itself the Clearing Member in relation to an ICE OTC Transaction)

- (a) Pursuant to Rule 401(l), where an Energy Contract arises as a result of ICE OTC Transaction as a result of trading, submission of trade data or other action by a Customer of a Clearing Member, a corresponding contract shall arise between the Customer and that Clearing Member (and may be void or voided) in the manner specified by and in accordance with the Procedures. This section 6.4 sets out certain terms, conditions and other details of such corresponding contracts (each, a "Corresponding Contract") and how they arise and are void or voided.
- (b) Simultaneously with the establishment of any Contract in the name of the Clearing Member selected by an ICE OTC Participant, an opposite Corresponding Contract shall arise between the Clearing Member and its Customer, with the Selling Clearing Member as buyer or the Buying Clearing Member as seller, as applicable. The Corresponding Contract shall be on the same terms as the Contract except that it is not a cleared Contract (with the result that certain terms applicable only to cleared Contracts will not apply) and that it shall be subject to such amended or different terms and conditions as are or have been agreed between the ICE OTC Participant and such Clearing Member.
- (c) The Corresponding Contract will automatically terminate without any obligation or liability of any party to such Corresponding Contract in the event that the Contract is void or voided pursuant to the Rules, at the same time as the Contract terminates and without need for any further action on the part of any person.
- (d) The Clearing Member selected by an ICE OTC Participant which is its Customer may be suspended, have its membership terminated or be subject to default proceedings by the Clearing House. ICE OTC Participants that are not Clearing Members should be aware that such events may have effects upon Corresponding Contracts or a Customer's ability to enforce their rights under Corresponding Contracts. ICE OTC Participants should refer to Parts 2, 9 and 10 of the Rules in particular for further details and to other references to Customers in the Rules and Procedures.

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- (e) If the Clearing House takes any action in relation to a Contract, without limitation including pursuant to Rule 103 (Delay in performance by the Clearing House), 104 (Invoicing back and specification of terms), 107 (Conversion to other Eligible Currency), 109 (Alteration of Rules, Procedures, Guidance and Circulars), 110 (Extension or Waiver of Rules) or 112 (Force majeure and similar events), each affected Clearing Member may take equivalent action as against the Customer under the Corresponding Contract.
- (f) Each Customer agrees and acknowledges that Clearing Member does not guarantee the Clearing House's performance of any of the Clearing House's obligations under the Rules or any Contract. In the event that the Clearing House fails to make any payment or performance of any obligation owed by it in respect of a Customer Account position corresponding to a Corresponding Contract, the Clearing Member will be entitled to make a corresponding deduction from any payment or forbear any performance otherwise owed by it under such Corresponding Contract (and where any such deduction or forbearance may be attributable to Corresponding Contracts of other of its Customers, the Clearing Member shall allocate such deduction or forbearance among such Customers on a pro rata basis), provided that if such payment or performance is subsequently obtained by the Clearing Member from the Clearing House (in whole or in part), Clearing Member shall thereupon make the corresponding payment or performance (or portion thereof) to the Customer.
- (g) Where an ICE OTC Transaction is submitted by an affiliate of an FCM in accordance with section 6(h) of an ICE OTC Participant Agreement and any applicable ICE OTC Broker Agreement, the FCM shall be treated as the Customer for purposes of this section 6.4 and shall enter into a Corresponding Contract with the Clearing Member in question. In such circumstances, a second Corresponding Contract shall arise between the FCM and its customer on the same terms as the Corresponding Contract between the Clearing Member and the FCM, with the FCM taking the place of and having the same rights as, the Clearing Member, except that: (i) if the FCM was seller under the first Corresponding Contract, it shall be buyer under the second Corresponding Contract or if it was buyer under the first Corresponding Contract, it shall be seller under the second Corresponding Contract; and (ii) the second Corresponding Contract shall be subject to such amended or different terms and conditions as are or have been agreed between the FCM and its customer.

6.5 ICE OTC Participant representations

Each ICE OTC Participant is hereby deemed to acknowledge, represent and agree that:

- (a) only Clearing Members will be principal to Contracts with the Clearing House that arise from Eligible Transactions executed through the Exchange and submitted for clearing;
- (b) Clearing Members act as principal and not as agent in relation to Contracts;
- (c) as further detailed in Rule 111, the Clearing House has no obligation or liability to an ICE OTC Participant that is not a Clearing Member (except any liability for fraud, death or personal injury or any other liability which under Applicable Laws may not be excluded);
- (d) in accordance with the Rules, the Clearing House has the right to suspend or terminate the clearing of Eligible Transactions, either generally or in relation to a particular Clearing Member, without notice; and
- (e) the ICE OTC Participant has read and understood this section 6 of the Clearing Procedures, the Rules, the rest of the Procedures and the ICE OTC Participant Agreement and agrees to comply with all such provisions in relation to Corresponding Contracts and Eligible Transactions that are submitted for clearing.

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Deletion	
Moved from	
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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
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