



Diesel Diff - New York Harbour ULSD 1 Month Calendar Spread Options

Contract Specifications

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| Description | The New York Harbor ULSD 1-Month Calendar Spread Option is based on the difference between two consecutive New York Harbor ULSD Futures months. |
| Contract Symbol | HOC |
| Contract Size | 1,000 barrels (42,000 gallons) |
| Unit of Trading | Any multiple of 1,000 barrels. |
| Currency | US Dollars and cents |
| Trading Price Quotation | One hundredth of one cent (\$0.0001) per gallon |
| Settlement Price Quotation | One hundredth of one cent (\$0.0001) per gallon |
| Minimum Price Fluctuation | One hundredth of one cent (\$0.0001) per gallon |
| Last Trading Day | Trading shall end at the end of the designated settlement period on the Expiration Date of the nearby month ICE Heating Oil Futures contract. |
| Option Style | Options are European style and will be automatically exercised on the expiry day if they are “in the money”. The future resulting from exercise immediately goes to cash settlement relieving market participants of the need to concern themselves with liquidation or exercise issues. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted. |

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| Option Premium / Daily Margin | Calendar Spread Options are equity-style and there is no daily Variation Margin payment. The premium on the Calendar Spread Option is paid/received on the business day following the day of trade. Net Liquidating Value (NLV) will be re-calculated each business day based on the relevant daily settlement prices. For buyers of options the NLV credit will be used to off-set their Original Margin (OM) requirement; for sellers of options, the NLV debit must be covered by cash or collateral in the same manner as OM requirement. OM for all options contracts is based on the ICE® Risk Model |
| Expiry | <p>19:30 London Time (14:30 EST).</p> <p>Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or more 'in the money' with reference to the relevant reference price. Members cannot override automatic exercise settings or manually enter exercise instructions for this contract.</p> <p>The reference price will be a price in USD and cents per gallon equal to the difference between the settlement price of the nearby ICE Heating Oil Futures contract and the settlement price of the next consecutive contract month of the ICE Heating Oil Futures contract series on the Last Trading Day.</p> |
| Strike Price Intervals | A minimum of 10 Strike Prices in increments of \$0.01 per gal above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.001 increments. |
| Contract Series | Up to 36 consecutive 1-month calendar spreads |
| Final Payment Date | Two Clearing House Business Days following the Last Trading Day |
| Business Days | Publication days for NYMEX |