

**SECTION TTTT - CONTRACT RULES: ICE FUTURES EURO-DENOMINATED GOVERNMENT BOND  
FUTURES CONTRACTS**

TTTT.1	Interpretation
TTTT.2	Contract Specification
TTTT.3	List of Deliverable Euro-denominated Government Bonds <sup>1</sup>
TTTT.4	Price Factor <sup>2</sup>
TTTT.5	Price
TTTT.6	Cessation of Trading
TTTT.7	Settlement Agent
TTTT.8	Seller's Delivery Notice
TTTT.9	Allocation to Buyers
TTTT.10	Submission of Details to the Relevant Settlement System
TTTT.11	Exchange Delivery Settlement Price ("EDSP")
TTTT.12	Calculation of Invoicing Amount
TTTT.13	Settlement Payments
TTTT.14	Settlement
TTTT.15	Emergency Provisions
TTTT.16	Costs
TTTT.17	Default
TTTT.18	Consequences of Delivery Default
TTTT.19	Force Majeure
TTTT.20	[Not Used]
TTTT.21	[Not Used]
TTTT.22	[Not Used]
TTTT.23	Statement in relation to ICE Futures Euro-denominated Government Bond Futures Contracts
TTTT.24	[Not Used]
TABLE I	Contract on Euro-denominated Bonds of The Federal Republic of Germany
TABLE II	Contract on Euro-denominated Bonds of The Italian Republic (Buoni del Tesoro Poliennali) <sup>3</sup>
TABLE III	Contract on Euro-denominated Bonds of The Kingdom of Spain (Bonos y Obligaciones del Estado) <sup>4</sup>
TABLE IV	<a href="#">Contract on Euro-denominated Bonds of The French Republic (Obligations Assimilables du Trésor)</a>

<sup>1</sup> Amended 3 January 2023

<sup>2</sup> Amended 3 January 2023

<sup>3</sup> Amended 3 January 2023

<sup>4</sup> Amended 3 January 2023

## TTTT.1 INTERPRETATION

(a) Save as otherwise specified herein, words and phrases defined in the Regulations shall have the same meanings in these Contract Rules and in the Administrative Procedures.

(b) In these Contract Rules and the Administrative Procedures:

“Administrative Procedures” means the administrative procedures at Rule UUUU implemented by the Exchange for the purposes of these Contract Rules.

“Assured Payment” means, in the case of Euro-denominated Government Bonds transferred through the Relevant Settlement System, a system-generated payment instruction which is binding on:

(a) the Clearing House’s settlement bank in favour of the Seller’s, or if he has nominated one, the Transferor’s settlement bank in the case of a transfer of Euro-denominated Government Bonds from the Seller, or if he has nominated one, the Transferor to the Clearing House through the Relevant Settlement System; and

(b) the Transferee’s settlement bank in favour of the Clearing House’s settlement bank in the case of a transfer of Euro-denominated Government Bonds from the Clearing House to the Transferee through the Relevant Settlement System,

of an amount equal to the invoicing amount.

“business day” means a day on which the market and banks in Europe, the Clearing House and the Relevant Settlement System are open for business.

“Buyer” in respect of a Contract means the person who, unless they have nominated a Transferee, is required under such Contract to accept transfer in respect of each lot of the delivery amount of a Deliverable Euro-denominated Government Bond and who is obliged pursuant to these Contract Rules to make payment in respect of each lot (including, except where the context otherwise requires, the Clearing House as buyer under a registered Contract).

“Buyer’s Notification” means the notice to be given by the Clearing House to the Buyer under Rule TTTT.9.

“Contract” means a contract made expressly or impliedly under these Contract Rules for the sale and purchase of one or more lots specified by the Exchange in the Tables, and “registered Contract” means a contract registered by the Clearing House.

“Deliverable Euro-denominated Government Bond” means in respect of one or more lots specified by the Exchange in the Tables, a bond listed on the List of Deliverable Euro-denominated Government Bonds for a particular Delivery month.

“Delivery Day”	in respect of each lot comprised in a Contract means (subject to Rule TTTT.15(b)) the tenth calendar day of the delivery month for such Contract. If such day is not a business day, then the business day immediately following the tenth business day of the relevant delivery month.
“delivery month”	means each month specified as such by the Exchange pursuant to the Regulations.
“EDSP”	means Exchange Delivery Settlement Price and has the meaning attributed to it in Rule TTTT.11.
“euro”, “€”, “eurocents”	denotes the single currency of the European Union introduced in a Member State pursuant to its participation in Economic and Monetary Union in the European Union.
“Euro-denominated Government Bond”	means a unit of €100 of a Deliverable Euro-denominated Government Bond.
“Euro-denominated Government Bond issue”	means a bond issued by Germany, Italy, <u>or</u> Spain <u>or</u> France.
“full coupon period”	means the period from and including the previous quasi-coupon date up to but excluding the following quasi-coupon date.
<u>“France”</u>	<u>means the French Republic.</u>
“Germany”	means the Federal Republic of Germany.
“invoicing amount”	has the meaning attributed to it in Rule TTTT.12.
“Italy”	means the Republic of Italy.
“Last Trading Day”	means, subject to Rule TTTT.15(a), in respect of any delivery month where the Market Day is two business days prior to the Delivery Day in that month.
“List of Deliverable Euro-denominated Government Bonds”	has the meaning attributed to it in Rule TTTT.3(a).
“lot”	has the meaning attributed to it in Rule TTTT.2(b).
“Market Day”	in respect of a Deliverable Euro-denominated Government Bond means a day on which the market and the Clearing House are open for business.
“Notional Coupon”	means the annual interest rate, expressed as a percentage, in respect of a €100,000 nominal value notional Euro-denominated Government Bond.
“Price Factor”	has the meaning attributed to it in Rule TTTT.4.
“proprietary or equitable interest”	means any proprietary or equitable interest or right whatsoever including without limitation any such interest or right arising under or by virtue of any disposition made or purporting to be made by way of security or by way of loan and any other lien, encumbrance or equity of any kind.

“quasi-coupon dates”	in respect of a Deliverable Euro-denominated Government Bond means the dates which reflect the coupon frequency (i.e. annual, semi-annual or quarterly) defined by a bond’s maturity date, irrespective of whether cash flows occur on those dates, including a date falling before the issue date of the Deliverable Euro-denominated Government Bond.
“Relevant Delivery Procedures”	means one or more documents issued by the Clearing House from time to time relating to the settlement of Euro-denominated Government Bonds through the Relevant Settlement System.
“Relevant Settlement System”	means Euroclear NV/SA, <a href="#">Euroclear France</a> or Clearstream Banking AG as the context may require.
“Relevant Settlement System Account”	means: <ul style="list-style-type: none"><li>(a) in the case of Clearstream Banking AG, a member account (as defined in the Clearstream Rules) maintained by Clearstream Banking AG for the transfer of securities.</li><li>(b) in the case of Euroclear NA/SA, a member account (as defined in the Euroclear Rules) maintained by Euroclear NV/SA for the transfer of securities.</li><li>(c) <a href="#">in the case of Euroclear France, a member account (as defined in the Euroclear France Rules) maintained by Euroclear France for the transfer of securities.</a></li></ul>
“Relevant Settlement System business day”	means a day when the Relevant Settlement System is operational for business.
“Relevant Settlement System Rules”	means those parts of the rules, reference manual, procedures, practices and any other document from time to time in force of the Relevant Settlement System which apply to the settlement of transactions by participants in the Relevant Settlement System.
“Rules of the Relevant Settlement System”	means, in the case of Clearstream Banking AG, Clearstream Banking AG Rules, <del>and</del> in the case of Euroclear NV/SA, the Euroclear NV/SA Rules <a href="#">and Euroclear France, the Euroclear France Rules</a> .
“Spain”	means the Kingdom of Spain.
“Seller”	in respect of a Contract means the person who, unless they have nominated a Transferor, is required under such Contract to transfer in respect of each lot the delivery amount of a Deliverable Euro-denominated Government Bond and who is obliged under such Contract to make delivery pursuant to these Contract Rules.
“Seller’s Delivery Notice”	means the notice to be given by the Seller to the Clearing House under Rule RRRR.8.
“Settlement Agent”	means:

- (a) in respect of Euro-denominated Bonds settled through Clearstream Banking AG, a Clearstream AG Member; and
- (b) in respect of Euro-denominated Bonds settled through Euroclear NV/SA, a Euroclear Member.
- (c) in respect of Euro-denominated Bonds settled through Euroclear France, a Euroclear Member.

“Settlement Day” in respect of each lot comprised in a Contract means the business day after the Last Trading Day.

“Transferee” in respect of a Contract means the person who, having been nominated by another Clearing Member, is required under such Contract to accept transfer in respect of each lot of the delivery amount of a Deliverable Euro-denominated Government Bond and who is obliged pursuant to these Contract Rules to make payment in respect of each lot (including, except where the context otherwise requires, the Clearing House as buyer under a registered Contract).

“Transferor” in respect of a Contract means the person who, having been nominated by another Clearing Member, is required under such Contract to transfer in respect of each lot of the delivery amount of a Deliverable euro-denominated Government Bond and who is obliged under such contract to make delivery pursuant to these Contract Rules (including, except where the context otherwise requires, the Clearing House as seller under a registered Contract).

(c) References to “specified by the Exchange in the Tables” means as specified in the relevant column in Table I, Table II and Table III. The Tables attached hereto form part of these Contract Rules.

## **TTTT.2 CONTRACT SPECIFICATION**

- (a) These Contract Rules shall apply to all Contracts.
- (b) Each Contract shall be for one or more lots for the delivery month specified. A “lot” shall be an amount having a nominal value as set out under “Unit of Trading” in the Tables.

## **TTTT.3 LIST OF DELIVERABLE EURO-DENOMINATED GOVERNMENT BONDS<sup>5</sup>**

- (a) In respect of each delivery month, the Exchange will publish on or before the day specified for that purpose in the Administrative Procedures a final list of Deliverable Euro-denominated Government Bonds (the “List of Deliverable Euro-denominated Government Bonds”) which will constitute, subject to Rule TTTT.3(c), Deliverable Euro-denominated Government Bonds capable of being included in a valid Seller’s Delivery Notice given in accordance with Rule TTTT.8, being Euro-denominated Government Bond issues having the characteristics listed in Rule TTTT.3(b) at the date of publication of the List of Deliverable Bonds.
- (b) The characteristics referred to in Rule TTTT.3(a) are:
  - (i) having terms as to redemption that provide for redemption of the entire Euro-denominated Government Bond issue in a single instalment such that the length of time to the maturity date

<sup>5</sup> Amended 3 January 2023

from the Delivery Day of the relevant delivery month is within the maturity range specified by the Exchange in the Tables;

- (ii) where relevant, having an original term to maturity, such that the length of time from the issue date to the maturity date of the Euro-denominated Government Bond issue is within the original term specified by the Exchange in the Tables;
- (iii) having no terms permitting or requiring early redemption;
- (iv) bearing interest at a single fixed rate throughout the term of the issue payable in arrears according to the coupon frequency (except in the case of the first interest payment period which may be more or less than a full quasi-coupon period);
- (v) being denominated and payable as to principal and interest only in euro and eurocents;
- (vi) not being callable; and
- (vii) with respect to Contracts in Table I having an aggregate principal amount outstanding of not less than €4 billion which, by its terms and conditions, if issued in more than one tranche or tap or issue, is fungible.

(viii) with respect to Contracts in Table II, and Table III and Table IV having an aggregate principal amount outstanding of not less than €5 billion which, by its terms and conditions, if issued in more than one tranche or tap or issue, is fungible.

(viii)(ix) with respect to Contracts in Table II Euro-denominated Government Bonds of Italy that are issued as “BTP Futura”, “BTP Valore”, or “BTP Green” shall not be eligible for its List of Deliverable Euro denominated Government Bonds

- (c) The Exchange may in its absolute discretion exclude from the List of Deliverable Euro-denominated Government Bonds any Euro-denominated Government Bond issue which would qualify to be included in such list in respect of a delivery month without giving any reason for such exclusion.
- (d) All details included in the List of Deliverable Euro-denominated Government Bonds published in respect of a delivery month under Rule TTTT.3(a) shall (subject to the emergency powers contained in the Regulations) be final and binding including, without prejudice to the foregoing Price Factors, and the accrued interest figures shown thereon for the purposes of calculating the invoicing amount (subject to the provisions of Rule TTTT.15(c) regarding adjustments to the invoicing amount).

#### TTTT.4 PRICE FACTOR<sup>6</sup>

- (a) The List of Deliverable Bonds published by the Exchange in respect of a delivery month specified by the Exchange in the Tables under Rule TTTT.3(a) will specify a price factor (the “Price Factor”) for each Deliverable Euro-denominated Government Bond calculated in accordance with the formulae set out in Rule TTTT.4(a).
  - (i) For each Deliverable Euro-denominated Government Bond issued by Germany and Spain, the Price Factor will be calculated in accordance with the following formulae set-out in paragraphs (i) and (ii) of this Contract Rule:

$$P(x) = \frac{1}{(1+x)^f} \times \left[ c \left( \frac{r_k}{s_k} \right) + \frac{c}{x} \left( (1+x) - \frac{1}{(1+x)^n} \right) + \frac{1}{(1+x)^n} \right] - AI$$

<sup>6</sup> Amended 3 January 2023

## CONTRACT RULES: ICE FUTURES EURO-DENOMINATED GOVERNMENT BOND FUTURES CONTRACTS

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where  $P(x)$  equals the price per €1 nominal of such Deliverable Euro-denominated Government Bond at which it has a gross redemption yield of  $x$  per annum, calculated as at the Delivery Day, minus the undiscounted amount of accrued interest on such Deliverable Euro-denominated Government Bond on that day, using the formulae set out in paragraph (ii) of this Contract Rule.

where:

$D$  = Delivery Day

$NCD$  = next quasi-coupon date after the Delivery Day where actual cash flows are expected to occur

$1CD$  = quasi-coupon date one full coupon period prior to the  $NCD$

$2CD$  = quasi-coupon date two full coupon periods prior the  $NCD$

$IAD$  = interest accrual date if the Delivery Day falls in a short or long first coupon period, otherwise quasi-coupon date one full coupon period prior to the  $NCD$ .

$r$  =  $1CD - D$

$s$  =  $NCD - 1CD$ , where  $r < 0$ ;  $1CD - 2CD$  where  $r \geq 0$

$r_k$  =  $1CD - IAD$

$s_k$  =  $NCD - 1CD$ , where  $r_k < 0$ ;  $1CD - 2CD$  where  $r_k \geq 0$

$f$  =  $1 + r/s$

$c$  = Annual coupon per €1 nominal of the Euro-denominated Government Bond

$n$  = Number of full coupon periods between the  $NCD$  and the redemption date

$x$  = Notional Coupon as specified in the Tables e.g.  $x = 0.06$  for a 6% Notional Coupon

$AI$  = Accrued interest per €1 nominal of the Euro-denominated Government Bond calculated using the formula set out in (ii);

(ii) The accrued interest (AI) in the formula set out in paragraph (i) will be calculated in accordance with the following formula:

$$AI = c \left( \frac{r_k}{s_k} - \frac{r}{s} \right)$$

(iii) For each Deliverable Euro-denominated Government Bond issued by Italy, the Price Factor will be calculated in accordance with the following formula:

$$P(x) = \frac{1}{(1+x)^{\frac{f}{cc}}} \times \left[ \frac{c}{cc} \left( \frac{r_k}{s_k} \right) + \sum_{i=0}^n \frac{c_i}{cc \times (1+x)^{\frac{i+p_i}{cc}}} + \frac{1}{(1+x)^{\frac{n+p_n}{cc}}} \right] - AI$$

where  $P(x)$  equals the price per €1 nominal of such Deliverable Euro-denominated Government Bond at which it has a gross redemption yield of  $x$  per annum, calculated as at the Delivery Day, minus the undiscounted amount of accrued interest on such Deliverable Euro-denominated Government Bond on that day, using the formulae set out in paragraph (ii) of this Contract Rule.

where:

D = Delivery Day

NCD = next quasi-coupon date after the Delivery Day where actual cash flows are expected to occur

1CD = quasi-coupon date one full coupon period prior to the NCD

2CD = quasi-coupon date two full coupon periods prior the NCD

IAD = interest accrual date if the Delivery Day falls in a short or long first coupon period, otherwise quasi-coupon date one full coupon period prior to the NCD.

r = 1CD - D

s = NCD - 1CD, where  $r < 0$ ; 1CD - 2CD where  $r \geq 0$

$r_k$  = 1CD - IAD

$s_k$  = NCD - 1CD, where  $r_k < 0$ ; 1CD - 2CD where  $r_k \geq 0$

f = 1 + r/s

c = Annual coupon per €1 nominal of the Euro-denominated Government Bond

cc = coupon cycle (1 = annual, 2 = semi-annual, 4 = quarterly)

$c_i$  =  $i^{\text{th}}$  coupon payment after NCD ( $c_0$  = coupon payment at NCD)

lag<sub>i</sub> = number of calendar days between the quasi-coupon payment date and the actual payment date of the  $i^{\text{th}}$  coupon (adjusts for weekends or holidays)

$t_{i,i+1}$  = number of calendar days between the  $i^{\text{th}}$  quasi coupon date, and the  $i^{\text{th}}+1$  quasi coupon date

$p_i$  = lag<sub>i</sub> /  $t_{i,i+1}$

lag<sub>n</sub> = number of calendar days between the redemption date and the actual payment date of the redemption value (adjusts for weekends or holidays)

$t_{n,n+1}$  = number of calendar days between the redemption date and the following quasi coupon date

$p_n$  = lag<sub>n</sub> /  $t_{n,n+1}$

n = Number of full coupon periods between the NCD and the redemption date

x = Notional Coupon as specified in the Tables e.g. x = 0.06 for a 6% Notional Coupon

AI = Accrued interest per €1 nominal of the Euro-denominated Government Bond calculated using the formula set out in (iv);

(iv) The accrued interest (AI) in the formula set out in paragraph (iii) will be calculated in accordance with the following formula:

$$AI = \frac{c}{cc} \left( \frac{r_k}{s_k} - \frac{r}{s} \right)$$

**TTTT.5 PRICE**

- (a) The Contract price shall be expressed in euro and eurocents per €100 nominal of a security which if it were in issue and included in the List of Deliverable Euro-denominated Government Bonds would have a Price Factor of 1.

**TTTT.6 CESSATION OF TRADING**

- (a) No Contract for the current delivery month shall be made after the time on the Last Trading Day specified for that purpose in the Administrative Procedures.

**TTTT.7 SETTLEMENT AGENT**

- (a) Only a Settlement Agent with a settlement account at the Relevant Settlement System (a “Relevant Settlement System Account”) may be used for the purposes of making or taking delivery of a Euro-denominated Government Bond under a Contract by transfer of Euro-denominated Government Bond through such Relevant Settlement System and making or receiving payment of the settlement amount under a Contract in accordance with these Contract Rules, unless the Regulations otherwise require or permit.

**TTTT.8 SELLER'S DELIVERY NOTICE**

- (a) In respect of each delivery month, a Seller in whose name are registered by the Clearing House one or more Contracts and who intends to make delivery of any lot comprised in any such Contract shall give to the Clearing House a Seller's Delivery Notice not later than the time on the Last Trading Day specified for that purpose in the Administrative Procedures in respect of each lot comprised in such Contracts.
- (b) A Seller's Delivery Notice shall be addressed to the Clearing House by the Seller and be in a form from time to time prescribed by the Clearing House. A Seller's Delivery Notice shall, in respect of each lot referred to in the notice, specify:
  - (i) full details of the Deliverable Euro-denominated Government Bond, the delivery amount of which is to be transferred in accordance with these Contract Rules in respect of a lot, against payment of the invoicing amount;
  - (ii) any other details required by the Clearing House from time to time.
- (c) Only one Deliverable Euro-denominated Government Bond shall be nominated in respect of each lot referred to in a Seller's Delivery Notice.
- (d) By giving a Seller's Delivery Notice the Seller shall be deemed:
  - (i) to represent and warrant to the Clearing House and to the Buyer that on the Settlement Day the Seller, or if he has nominated one, the Transferor will transfer to the Clearing House in accordance with Rule TTTT.14(a) the delivery amount of the Deliverable Euro-denominated Government Bond referred to in the Seller's Delivery Notice by the time specified for that purpose in the Administrative Procedures; and
  - (ii) to acknowledge to and agree with the Clearing House and the Buyer, or if he has nominated one, the Transferee that:
    - (A) (on the Settlement Day and thereafter until the delivery amount of the Deliverable Euro-denominated Government Bond is transferred to the Clearing House, the Seller, or if he has nominated one, the Transferor will be entitled to transfer all right, title and interest in such Euro-denominated Government Bonds free of any proprietary or equitable interest of any other person; and

(B) (without prejudice to the generality of paragraph (ii)(A) above) the Seller, if he is not also the Transferor, shall have no proprietary or equitable interest in such Euro-denominated Government Bonds.

The Seller waives any interest referred to in paragraph (ii)(B) above to the extent that it may arise.

(e) The Clearing House shall not be obliged to accept a Seller's Delivery Notice if the Transferor is not the Seller, unless evidence satisfactory to the Clearing House of the Transferor's title to the euro - denominated Government Bonds to be transferred as referred to in Seller's Delivery Notice is requested by the Clearing House and provided to the Clearing House.

## TTTT.9 ALLOCATION TO BUYERS

(a) (i) The Clearing House will allocate to a Clearing Member registered or to be registered as a Buyer each lot referred to in a Seller's Delivery Notice by such method of allocation as may be specified in the Administrative Procedures.

(ii) The Clearing House may make a re-allocation to Buyers pursuant to Rule TTTT.14(c)(i).

(b) The Clearing House will advise the Buyer of any allocation made pursuant to Rule TTTT.9(a) on the Last Trading Day and by the applicable time specified in the Administrative Procedures.

(c) The Buyer shall be deemed:

(i) to represent and warrant to the Clearing House and to the Seller that the Buyer, or if not himself, the Transferee will accept the transfer of the delivery amount of the Deliverable Euro-denominated Government Bond in respect of each lot; and

(ii) to acknowledge to and agree with the Clearing House and the Seller that:

(A) the Buyer, if he is not also the Transferee, shall have no proprietary or equitable interest in such Euro-denominated Government Bonds; and

(B) subject only to Rule TTTT.14(d)(iii), the Buyer alone is responsible to the Clearing House for payment of all sums due to the Clearing House in respect of such transfer by the time specified for that purpose in the Administrative Procedures.

The Buyer waives any interest referred to in paragraph (ii)(A) above to the extent that it may arise.

(d) By the time specified for that purpose in the Administrative Procedures on the Last Trading Day, the Clearing House will notify the Buyer and the Seller of any sums due from the Buyer to the Clearing House and from the Clearing House to the Seller (or vice versa) calculated in accordance with Rule TTTT.12.

## TTTT.10 SUBMISSION OF DETAILS TO THE RELEVANT SETTLEMENT SYSTEM

(a) The Clearing House shall, on the relevant day and by the applicable time specified in the Administrative Procedures, have given to the Seller and to the Buyer the details of Contracts which shall be submitted to the Relevant Settlement System.

(b) On the Last Trading Day and by the applicable time specified in the Administrative Procedures, the details of Contracts notified to the Seller and to the Buyer pursuant to Rule TTTT.10(a), and such other details as may be required by the Relevant Delivery Procedures shall have been submitted by or on behalf of the Transferor, the Transferee and the Clearing House in such form as may be required by such terms, to the Relevant Settlement System to enable matching to take place in the Relevant Settlement

System in order that settlement of Contracts is effected through the Relevant Settlement System on the Settlement Day.

### **TTTT.11 EXCHANGE DELIVERY SETTLEMENT PRICE ("EDSP")**

- (a) Subject to Rules TTTT.11(b) and 11(c), the EDSP for Contracts for a particular delivery month shall be calculated on the Last Trading Day by Exchange officials as follows:
  - (i) if one or more Contracts for that delivery month have been made on such day during the period specified for this purpose in the Administrative Procedures, then:
    - (A) if only one Contract has been made, the EDSP shall be the price at which that Contract was made, or
    - (B) if more than one Contract has been so made, the EDSP shall be the average of the prices at which such Contracts were made, weighted by reference to the number of lots comprised in each such Contract and rounded to the nearest minimum price movement of the Contract or, where such average is a number of whole minimum price movements and one half of one minimum price movement, to the nearest lower number of minimum price movements.
  - (ii) if on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that delivery month has been made but both an offer (or offers) and a bid (or bids) have been made in respect of a Contract (or Contracts) for the delivery month, then the EDSP shall be the average of the lowest price at which such an offer was made and the highest price at which such a bid was made and rounded to the nearest minimum price movement or, where such average is a number of whole minimum price movements and one half of one minimum price movement, to the nearest lower number of minimum price movements;
  - (iii) if on such day, during the period specified for this purpose in the Administrative Procedures, no Contract for that delivery month has been made and either no offer or bid or neither an offer nor a bid has been made in respect of a Contract for that delivery month, then Exchange officials shall determine the EDSP by reference inter alia to the prices at which any offers or bids in respect of a Contract for that delivery month were made during such period on such day, reference to readily observable prices in other related markets, including the cash market values of the relevant underlying Deliverable Euro-denominated Government Bonds during such period on such day, or to any of such prices and values, such prices and values being in all cases those as ascertained by Exchange officials.
- (b) If, in the opinion of Exchange officials, the EDSP which would result from a calculation made in accordance with Rule TTTT.11(a) would not be consistent with the cash market values of Deliverable Euro-denominated Government Bonds (as determined by Exchange officials) during the period referred to in Rule TTTT.11(a), then Exchange officials may in their absolute discretion fix the EDSP at a price determined by them as being consistent with such cash market values.
- (c) The Exchange shall publish the EDSP at such time as may be specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

### **TTTT.12 CALCULATION OF INVOICING AMOUNT**

- (a) The "invoicing amount" in respect of each lot comprised in a Seller's Delivery Notice shall be a sum calculated in accordance with the formula:

$$1000 \times \text{EDSP} \times \text{PF} + \text{AI}$$

where:

EDSP = the EDSP for the current delivery month;

PF = the Price Factor for the Deliverable Euro-denominated Government Bond specified in respect of a lot in the Seller's Delivery Notice, as shown in respect of that Deliverable Euro-denominated Government Bond in the column of the List of Deliverable Euro-denominated Government Bonds headed "Price Factor";

AI = the accrued interest in respect of such Deliverable Euro-denominated Government Bond as at the Delivery Day, as shown in respect of that Deliverable Euro-denominated Government in the column of the List of Deliverable Bonds headed "Accrued Interest".

(b)

(i) Where the sum calculated in accordance with Rule TTTT.12(a) is not a number of euro and whole eurocents such sum shall be rounded to the nearest sum which is a number of euro and whole eurocents, and the invoicing amount shall be such nearest sum.

(ii) Where the sum calculated in accordance with Rule TTTT.12(a) is a number of euro and whole eurocents and one half of one eurocent, such sum shall be rounded down to the nearest sum which is a number of euro and whole eurocents, and the invoicing amount shall be such nearest sum.

(c) In the case of lots comprised in registered Contracts the invoicing amount shall be paid by and to the Clearing House (as the case may be) in accordance with Rule TTTT.14 and the Administrative Procedures.

### TTTT.13 SETTLEMENT PAYMENTS

(a) In respect of each lot comprised in a Seller's Delivery Notice, in addition to any other payment required by these Contract Rules, the following payments shall be made by the time specified for that purpose in the Administrative Procedures:

(i) where the EDSP exceeds the Contract price, payment by the Seller to the Clearing House or payment by the Clearing House to the Buyer, or both (as the case may require), and

(ii) where the Contract price exceeds the EDSP, payment by the Buyer to the Clearing House or payment by the Clearing House to the Seller, or both (as the case may require),

of a sum calculated as the difference, in euro and eurocents multiplied by 1000 in respect of each lot, between the EDSP and the Contract price.

(b) Where the sum calculated in accordance with Rule TTTT.13(a) is not a number of euro and whole eurocents, such sum shall be rounded down to the nearest sum which is a number of euro and whole eurocents and the sum payable under Rule TTTT.13(a) shall be such nearest sum.

### TTTT.14 SETTLEMENT

(a) Subject to Rule TTTT.14(d), on the Delivery Day at or by the time specified for that purpose in accordance with the Relevant Settlement System Rules and the Administrative Procedures the Seller, or if he has nominated one, the Transferor shall transfer to the Clearing House through the Relevant Settlement System the delivery amount of the Deliverable Euro-denominated Government Bond in respect of each lot referred to in the Seller's Delivery Notice, each transfer being in an amount of €100,000 nominal of each such Deliverable Euro-denominated Government Bond or an exact multiple thereof and the consideration therefor (to be satisfied, as between the Clearing House and the Transferor,

**CONTRACT RULES: ICE FUTURES EURO-DENOMINATED GOVERNMENT BOND FUTURES CONTRACTS**

by way of an Assured Payment) being equal to the aggregate of the invoicing amounts in respect of the lots comprised in such transfer.

- (b) Subject to Rule TTTT.14(d), on the Delivery Day at or by the time specified for that purpose in accordance with the Administrative Procedures, the Transferee shall accept transfer through the Relevant Settlement System of the delivery amount of the Deliverable Euro-denominated Government Bond referred to in the Buyer's Notification in respect of each lot, each transfer being in an amount of €100,000 nominal of each such Deliverable Euro-denominated Government Bond or an exact multiple thereof and the consideration therefor (to be satisfied, as between the Clearing House and the Transferee, by way of an Assured Payment) being equal to the aggregate of the invoicing amounts in respect of the lots comprised in such transfer.
- (c)
  - (i) At any time after accepting transfer of the delivery amount of the Deliverable Euro-denominated Government Bond pursuant to Rule TTTT.14(a) the Clearing House may re-allocate to a Buyer (other than that to whom such lot was allocated pursuant to Rule TTTT.9(a)(i)) each lot referred to in a Seller's Delivery Notice.
  - (ii) Where the rules relating to bad deliveries contained in the Rules of the Relevant Settlement System are invoked in respect of the transfer of Euro-denominated Government Bonds to the Clearing House by the Seller, or if he has nominated one, the Transferor or to the Buyer, or if he has nominated one, the Transferee by the Clearing House which may lead to the reversal of one or more of such transfers of Euro-denominated Government Bonds, the Seller shall be held to be in default under Rule TTTT.17 notwithstanding that the Seller may not be responsible for any circumstance which leads to any such rule being invoked.
  - (iii) No lot shall be re-allocated to a Buyer under paragraph (i) or (ii) above so that such Buyer would thereby be required to accept delivery of a delivery amount of a Deliverable Euro-denominated Government Bond different in specification to that which he would have received as a result of the allocation made pursuant to Rule TTTT.9(a)(i).
- (d)
  - (i) Every transfer of the delivery amount of a Deliverable Euro-denominated Government Bond through the Relevant Settlement System shall be subject to and in accordance with the Relevant Settlement System Rules.
  - (ii) The obligation of the Clearing House to the Seller to make the payment referred to in Rule TTTT.12(c) shall be discharged by an Assured Payment arising upon the transfer of Euro-denominated Government Bonds made under Rule TTTT.14(a) and the obligation of the Buyer to the Clearing House shall be discharged by an Assured Payment arising upon the transfer of Euro-denominated Government Bonds made under Rule TTTT.14(b).
  - (iii) If any transfer or transfers of the delivery amount of a Deliverable Euro-denominated Government Bond required by this Rule TTTT.14 cannot be accomplished on the Settlement Day by the time or times specified in the Administrative Procedures due to any event occurring which is outside the control of the seller, or if he has nominated one, the Transferor or of the Buyer, or if he has nominated one, the Transferee or of the Clearing House, as the case may be, which, without prejudice to the generality of the foregoing, may include:
    - (A) where relevant, a failure by a seller of Euro-denominated Government Bonds to the Transferor to make transfer of such Euro-denominated Government Bonds by the due time so as to enable the Seller, or if he has nominated one, the Transferor to fulfil his obligations to transfer the Euro-denominated Government Bonds to the Clearing House in accordance with Rule TTTT.14(a)(i);

- (B) a failure by the Seller, or if he has nominated one, the Transferor to transfer Euro-denominated Government Bonds to the Clearing House in accordance with Rule TTTT.14(a) so as to enable the Clearing House to fulfil its obligations to transfer Euro-denominated Government Bonds to the Buyer, or if he has nominated one, the Transferee in accordance with Rule TTTT.14(b);
- (C) an error, failure, closure or suspension of the Relevant Settlement System;
- (D) a failure or termination of the Seller's or Buyer's or, if so nominated, their Transferor's or the Transferee's or the Clearing House's access to its Settlement Agent;
- (E) a failure of the Transferor's or Transferee's Settlement Agent's or the Clearing House's access to the Relevant Settlement System for any reason, including, without limitation, as a result of any fault or failure of any computer or communication system;
- (F) any action taken by the Relevant Settlement System, whether pursuant to the Relevant Settlement System Rules or otherwise; or
- (G) any failure of, or any action or failure to take action by, a settlement bank appointed by the Seller or Buyer or, if so nominated, their Transferor or Transferee or, the Clearing House from time to time in connection with the settlement of Euro-denominated Government Bonds through the Relevant Settlement System, which prevents the transfer of Euro-denominated Government Bonds to the Seller or Buyer or, if so nominated, their Transferor or Transferee or to the Clearing House, as the case may be,

then such transfer or transfers shall be made as soon as possible through the Relevant Settlement System, in accordance with any instructions which may be given by the Clearing House, which may, if it is not possible to transfer Euro-denominated Government Bonds through the Relevant Settlement System for any period, require delivery of Euro-denominated Government Bonds by a means other than through the Relevant Settlement System. In the case of any disagreement between the Clearing House and the Transferee as to whether any particular transfer can be or has been accomplished the determination of the Clearing House shall be final.

- (iv) Any amounts payable under Rule TTTT.13 shall be made outside the Relevant Settlement System.
- (v) Any instructions given by the Clearing House under paragraph (iii) above shall be binding and failure by the Seller or the Buyer to comply or ensure compliance with such instructions shall constitute a default under Rule TTTT.17(b) by such Seller or, as the case may be, such Buyer.

(e) Where for any reason other than the default of the Seller, the Clearing House, through circumstances beyond its control, is unable by the time specified for that purpose in the Administrative Procedures to transfer to the Buyer, or if he has nominated one, the Transferee the delivery amount of the Deliverable Euro-denominated Government Bond in respect of a lot referred to in the delivery notification, then no alteration shall be made to the invoicing amount, provided that, in respect of such delay,

- (i) the rights of a Buyer shall consist solely of the right to have transfer made to the Buyer, or if he has nominated one, the Transferee as soon as possible and the Buyer shall pay to the Clearing House, in addition to any other sums payable by him, a sum in respect of such lot calculated in accordance with the formula set out in Rule TTTT.14(f), and
- (ii) the rights of a Seller shall consist solely of the right to receive from the Clearing House a sum in respect of such lot calculated in accordance with the formula set out in Rule TTTT.14(f).

(f) Sums payable under Rule TTTT.14(e) shall be calculated in accordance with the formula:

$$\frac{D}{365} \times \frac{R}{100} \times I$$

where

D = the number of days from (and excluding) the Settlement Day up to (and including) the day on which transfer is effected through the Relevant Settlement System;

R = the average of the Clearing House's euro base rate in percentage terms at the close of business on each day from (and including) the Settlement Day up to (and excluding) the day on which delivery is effected through the Relevant Settlement System;

I = the invoicing amount in respect of the relevant lot;

and shall be payable at such time and in such manner as the Clearing House may specify.

(g)

(i) If as a result of any of the circumstances referred to in Rules TTTT.14(d) or TTTT.14(e) there is a delay in the transfer of the delivery amount of a Deliverable Euro-denominated Government Bond and a coupon interest payment which would have been received by the Buyer, or if he has nominated one, the Transferee if transfer to him had taken place on the Settlement Day (and he had retained title to the Euro-denominated Government Bonds) is received by the Clearing House or by the Seller, or if he has nominated one, the Transferor then, in addition to any other payments to be made under Rule TTTT.14(e), the Clearing House and the Seller shall make such payments and deliver such documents as may be specified in the Administrative Procedures.

(ii) Any payment required by paragraph (i) of this Contract Rule shall be made at such time and in such manner as the Clearing House may specify.

(h) In the event of any delay resulting from any of the circumstances referred to in Rules TTTT.14(d) or 14(e), the Seller and Buyer shall provide to the Clearing House documentary evidence satisfactory to the Clearing House that they had complied with their obligations under a Contract by the time and in the manner prescribed.

(i)

(i) The Clearing House shall give notice to the Exchange of any instructions given by it under Rule TTTT.14(d)(iii) forthwith upon giving such instructions and of any event contemplated by Rule TTTT.14(d)(iii) which may prevent or has prevented a transfer of Euro-denominated Government Bonds in respect of a Contract upon becoming aware of any such event.

(ii) If any event contemplated by Rule TTTT.14(d)(iii) occurs, the provisions of Rule TTTT.14 shall apply and the provisions of Rule TTTT.19 shall not apply unless, after consultation with the Clearing House, the Exchange determines that such circumstances have continued or are likely to continue for such duration that the provisions of Rule TTTT.14(d) and TTTT.14(e) shall no longer apply and that the provisions of Rule TTTT.19 shall apply. The Exchange's determination shall be final and binding.

(j) Any provision of these Contract Rules or of the Administrative Procedures relating to procedures for settlement may be varied, or substituted by different procedures for settlement, by the Exchange from time to time. Any such variation or substitution shall have such effect with regard to existing and/or new Contracts as the Exchange may determine.

## TTTT.15 EMERGENCY PROVISIONS

- (a) If, at any time after the close of trading two business days prior to the day which would have been the Last Trading Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the Last Trading Day will not be a business day, then the Exchange may at its discretion determine either that such day shall be the Last Trading Day in respect of that delivery month notwithstanding that it will not be a business day or that the business day next following such day shall become the Last Trading Day in respect of that delivery month, and in either case the Exchange shall issue a notice posted on the Market of the Exchange's determination.
- (b) The Delivery Day shall always be the second business day following the Last Trading Day so that if the Last Trading Day is moved by the Exchange in the circumstances described in Rule TTTT.15(a) or if, at any time after the close of trading two business days prior to the Last Trading Day, either or both of the two business days immediately following the Last Trading Day or the Delivery Day itself ceases to be a business day, then the Delivery Day shall be moved so that it falls on the second business day following the Last Trading Day.
- (c)
  - (i) If, at any time after the List of Deliverable Euro-denominated Government Bond is published, the Delivery Day is moved (whether as a result of the operation of Rule TTTT.15(b) or otherwise), the invoicing amount calculated in accordance with Rule TTTT.12 in respect of each lot referred to in a Seller's Delivery Notice shall be adjusted by the Clearing House to reflect the additional gross coupon interest which will accrue during the period commencing on the day which would have been the Delivery Day and ending on the day that has become the Delivery Day.
  - (ii) If, at any time after the List of Deliverable Euro-denominated Government Bond is published, the Delivery Day is moved (whether as a result of the operation of Rule TTTT.15(b) or otherwise) and if the Deliverable Euro-denominated Government Bond specified in respect of a lot in a Seller's Delivery Notice would have been delivered cum-coupon but is to be delivered ex-coupon on the Delivery Day, then the invoicing amount in respect of that lot calculated in accordance with Rule TTTT.12 and paragraph (i) above shall be adjusted by the Clearing House by reducing it by a sum equal to the gross amount of the coupon.
  - (iii) If an adjustment to the invoicing amount required by paragraph (i) or (ii) above is made after the Clearing House has made available details of the invoicing amount to the Seller and Buyer under Rule TTTT.9(d), then a sum equal to the difference between that invoicing amount and the invoicing amount adjusted in accordance with paragraph (i) and, if applicable, paragraph (ii) above shall be payable:
    - (A) by the Seller to the Clearing House and by the Clearing House to the Buyer if the total adjustment gives rise to a reduction in the invoicing amount; or
    - (B) by the Buyer to the Clearing House and by the Clearing House to the Seller if the total adjustment gives rise to an increase in the invoicing amount.
    - (C) Sums payable hereunder shall be payable by such time and in such manner as the Clearing House may specify.
  - (iv) If the Deliverable Euro-denominated Government Bond specified in respect of a lot in a Seller's Delivery Notice is delivered to the Clearing House cum-coupon on the Delivery Day but is, in any circumstances other than those in which Rule TTTT.14(g) applies, delivered by the Clearing House to the Transferee ex-coupon, then the Clearing House shall make such payments to the Buyer as may be specified in the Administrative Procedures.

**TTTT.16 COSTS**

(a) The Seller and the Buyer shall bear all costs, losses, claims and expenses of whatsoever nature incurred by them respectively in the course of complying with their obligations under a Contract. This Rule shall be without prejudice to the exercise by the Clearing House of its rights under the Clearing House Rules in respect of fees and other charges.

**TTTT.17 DEFAULT**

(a) The provisions of Rules TTTT.17(b) to TTTT.17(i) inclusive shall be subject to the default rules of the Clearing House as may be in force from time to time.

(b) A Buyer or a Seller shall be in default where:

- (i) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed in accordance with these Contract Rules, the Regulations and the Administrative Procedures and the Clearing House Rules including, without limitation, if:
  - (A) (in the case of a Seller only) the Euro-denominated Government Bonds transferred by the Seller, or if he has nominated one, the Transferor to the Clearing House through the Relevant Settlement System do not accord with the Deliverable Euro-denominated Government Bond specified in respect of a lot in the Seller's Delivery Notice;
  - (B) (in the case of a Buyer only) the Buyer, or if he has nominated one, the Transferee fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified for that purpose in the Administrative Procedures; or
- (ii) in the reasonable opinion of the Clearing House, the Buyer or the Seller, as the case may be, is otherwise in default (including, but without limitation, in any of the circumstances referred to in Rule TTTT.18).

(c) Errors in a Seller's Delivery Notice or any other notice to be given hereunder which are determined, in the Clearing House's absolute discretion, to be clerical errors which can readily be rectified shall not be treated as constituting a default.

(d) Where a Buyer or Seller is in default under Rule TTTT.17(b), the Clearing House may in its absolute discretion take any steps whatsoever which may appear desirable to the Clearing House for the protection of the Clearing House or of the Seller or Buyer not in default including, without prejudice to the generality of the foregoing, steps referred to in Rule TTTT.18. Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which a default under Rule TTTT.17(b) relates shall be paid by the Buyer or Seller who is in default. Any steps taken by the Clearing House in relation to a default under Rule TTTT.17(b) shall be without prejudice to any rights (including rights to refer matters to arbitration), obligations or claims of the Buyer, the Seller or the Clearing House in relation to a Contract to which the default relates.

(e) A Buyer who is in default under Rule TTTT.17(b) shall forthwith pay to the Clearing House any sums payable by the Buyer under Rule TTTT.13 and any sums payable pursuant to Rule TTTT.17(d).

(f) A Seller who is in default under Rule TTTT.17(b) shall forthwith pay to the Clearing House any sums payable by the Seller under Rule TTTT.13 and any sums payable pursuant to Rule TTTT.17(d).

(g) Without prejudice to its rights under any other part of Rule TTTT.17, the Clearing House may refer to the Exchange any dispute or issue arising between any of the parties. If, upon such reference, the Exchange is of the opinion that the default under Rule TTTT.17(b) is of minor significance it shall determine any such dispute or issue between such parties upon such evidence as it may deem relevant

and convey its findings to such parties who shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of any party to refer the dispute or any related dispute to arbitration under the Regulations.

- (h) Notwithstanding that a Buyer or Seller may be in default under Rule TTTT.17(b), the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this Rule TTTT.17 or under Rule TTTT.18, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- (i) A Buyer, a Seller or the Clearing House may refer a dispute arising out of a default under Rule TTTT.17(b) (subject always to the application of provisions of Rule TTTT.18) to arbitration under the Regulations. Any steps taken by the Clearing House pursuant to Rule TTTT.17(d) shall be without prejudice to the rights of any party to refer a dispute to arbitration under the Regulations.

## TTTT.18 CONSEQUENCES OF DELIVERY DEFAULT

- (a) The provisions of Rules TTTT.18(b) to TTTT.18(h) inclusive shall be subject to the default rules of the Clearing House, as may be in force from time to time in force.
- (b) For the purpose of this Rule TTTT.18, a reference to a “delivery default” shall be construed as including an actual default by a Seller (or its Transferor in performing the Seller’s obligations) in delivering Euro-denominated Government Bonds in accordance with these Contract Rules or an actual default by a Buyer (or its Transferee in performing the Buyer’s obligations) in making a payment in accordance with these Contract Rules, or an anticipated default. An anticipated default is a default by a Seller (or its Transferor in performing the Seller’s obligations) or by a Buyer (or its Transferee in performing the Buyer’s obligations) which the Clearing House, in its reasonable opinion, thinks will occur and in respect of which the Clearing House considers that it should take action under the provisions of this Rule TTTT.18.
- (c) If there appears to the Clearing House to be a delivery default by a Buyer or a Seller in respect of any lot comprised in a registered Contract the Clearing House may take such steps as it deems appropriate to facilitate a mutually acceptable resolution of such delivery default. A resolution of a delivery default may be on such terms and take such form as is acceptable to the Clearing House, to the Buyer and to the Seller. Such terms may limit some or all of the rights of the Buyer, the Seller or the Clearing House to refer any matter concerning or arising out of a delivery default (or the resolution thereof) to arbitration under the Regulations.
- (d) If it appears to the Clearing House that a Clearing Member as Seller or a Clearing Member as Buyer is in delivery default, the Clearing House may in its sole discretion, in addition to any steps taken under Rule TTTT.18(c), take any steps whatsoever which may appear desirable to the Clearing House for the protection of the Clearing House or of the Seller or Buyer not in delivery default including, without prejudice to the generality of the foregoing, the steps referred to elsewhere in this Rule TTTT.18. Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which the delivery default relates shall be paid by the Buyer or Seller who is in delivery default. Any steps taken by the Clearing House in relation to a delivery default shall be without prejudice to any rights (including rights to refer matters to arbitration under Rule TTTT.18(h)), obligations or claims of the Buyer, the Seller or the Clearing House in relation to a Contract to which the delivery default relates.
- (e) **Seller in delivery default**
  - (i) Unless the terms of a resolution (if any) agreed under Rule TTTT.18(c) of a delivery default by a Seller have been performed then, notwithstanding that the Clearing House is in delivery default

to the Buyer on the Settlement Day, the Buyer shall make available, or shall procure its Transferee to make available, in the appropriate account for the purpose of making payment to the Clearing House against delivery the invoicing amount in respect of each delivery amount the Deliverable Euro-denominated Government Bond set out in the Buyer's Notification on each business day until the earlier of:

- (A) delivery by the Clearing House of a delivery amount of the Deliverable Euro-denominated Government Bond in respect of a specific lot; or
- (B) the end of the sixth business day following the Settlement Day.

In the event that the Clearing House has not delivered the delivery amount of the Deliverable Euro-denominated Government Bond by close of business on the sixth business day following the Settlement Day, those lots in respect of which delivery has not been made by the Clearing House shall be the subject of cash settlement. The cash settlement price shall be determined by the Exchange on the seventh business day following the Settlement Day by reference, *inter alia*, to spread relationships in existence before the cessation of trading on the Last Trading Day and to movements in market prices and values for the Deliverable Euro-denominated Government Bond and for other delivery months from the cessation of trading on the Last Trading Day to the time when pursuant to this Rule TTTT.18(e)(i) the Exchange determines the cash settlement price. Such cash settlement price shall be final and no dispute as to such price may be referred to arbitration, notwithstanding that any party may refer any dispute which any party might have in relation to the costs, claims, losses, taxes or expenses incurred or suffered by it to arbitration pursuant to Rule TTTT.18(h).

- (ii) Until the time when the terms of a resolution (if any) agreed under Rule TTTT.18(c) of a delivery default by the Seller have been performed, the Clearing House in its sole discretion may take any steps whatsoever which may appear desirable to the Clearing House, in order to perform its obligations to the Buyer in whole or in part on the Delivery Day or otherwise before close of business on the sixth business day following the Delivery Day. The steps which the Clearing House may take may include buying or borrowing some or all of the delivery amount of the Deliverable Euro-denominated Bond from a person other than the Seller. In the event that the Seller attempts to deliver late or does deliver late some or all of the delivery amounts of the Deliverable Euro-denominated Government Bond to the Clearing House, the Clearing House shall be entitled to reject such attempted late delivery, or actual late delivery, or otherwise treat any such attempted or actual delivery as it sees fit (including, without limitation, selling such Deliverable Euro-denominated Government Bonds as have actually been delivered) if it has already made alternative arrangements to buy, borrow or otherwise acquire for delivery to the Buyer some or all of the delivery amounts of the Deliverable Euro-denominated Government Bonds. In the event that the Clearing House does acquire Euro-denominated Government Bonds at such time and place and in such manner and on such terms as the Clearing House thinks fit from a person other than the Seller in order to meet in whole or in part its obligations to the Buyer to make delivery of Euro-denominated Government Bonds:

- (A) if the total cost incurred by the Clearing House in acquiring the Euro-denominated Government Bonds, including for the avoidance of doubt the cost of any purchase of Deliverable Euro-denominated Government Bonds by the Clearing House in order to fulfil any obligations under the acquisition arrangements it has made ("the Acquisition Cost"), is greater than the invoicing amount which would have been payable by the Clearing House to the Seller, or if he has nominated one, the Transferor in respect of the relevant lot, the Seller shall forthwith pay the amount of such difference to the Clearing House; or
- (B) if the Acquisition Cost is less than the invoicing amount referred to above, the amount of such difference shall (if any remains after the deduction so far as possible of such sums as are payable by the Seller to the Clearing House under sub-paragraph (C) below or otherwise) be retained by the Clearing House to the order of the Exchange; and

(C) the Seller shall forthwith pay to the Clearing House any sums payable by the Seller under Rule TTTT.13 and any sums (including, without limitation, costs, claims, losses taxes or expenses) payable to the Clearing House pursuant to this Rule TTTT.18, including, for the avoidance of doubt, all related administrative and funding costs (including borrowing costs) suffered or incurred by the Clearing House.

(f) **Buyer in delivery default**

(i) If a Buyer is in delivery default to the Clearing House, the Clearing House shall be entitled to take such steps as it considers appropriate in order to make payment of the invoicing amount to the Seller in respect of the delivery amount of the Deliverable Euro-denominated Government Bond to be delivered to it by the Seller. Unless the terms of a resolution (if any) agreed under Rule TTTT.18(c) of a delivery default by a Buyer have been performed, or if the Clearing House has been unable to take delivery of the delivery amount of the Deliverable Euro-denominated Government Bond from the Seller as a result of a delivery default by the Buyer, the Seller shall, notwithstanding this delivery default, take all necessary steps to make available for delivery each delivery amount of the Deliverable Euro-denominated Government Bond specified in respect of each lot in the Seller's Delivery Notice at a later time on the Settlement Day and on each business day following the Settlement Day until the earlier of:

(A) the Seller delivering such delivery amounts (whether altogether simultaneously or in separate amounts at different times as may be directed by the Clearing House) to the Clearing House in consideration for the Clearing House paying to the Seller the invoicing amount in respect of each such previously undelivered delivery amount of the Deliverable Euro-denominated Government Bond; or

(B) the end of the sixth business day following the Settlement Day.

In the event that the Clearing House has not paid the invoicing amount to the Seller in respect of each lot by close of business on the sixth business day following the Settlement Day, those lots in respect of which payment has not been made by the Clearing House shall be the subject of cash settlement. The cash settlement price shall be determined by the Exchange on the seventh business day following the Settlement Day by reference, *inter alia*, to spread relationships in existence before the cessation of trading on the Last Trading Day and to movements in market prices and values for the Deliverable Euro-denominated Government Bond and for other delivery months from the cessation of trading on the Last Trading Day to the time when pursuant to this Rule TTTT.18(f)(i) the Exchange determines the cash settlement price. Such cash settlement price shall be final and no dispute as to such price may be referred to arbitration, notwithstanding that any party may refer any dispute which any party might have in relation to the costs, claims, losses, taxes or expenses incurred or suffered by it to arbitration pursuant to Rule TTTT.18(h).

(ii) Notwithstanding the Buyer's delivery default, the Clearing House may have acquired Deliverable Euro-denominated Government Bonds from the Seller (or its Transferor). When this occurs, the Clearing House in its sole discretion may sell any or all Euro-denominated Government Bonds delivered by the Seller (or its Transferor) at such time and place and in such manner and on such terms as may to the Clearing House seem fit. Where the price at which such Euro-denominated Government Bonds are sold ("the Sale Price") is less than the invoicing amount in respect of the relevant lot the difference between the Sale Price and the invoicing amount, together with any funding costs incurred by the Clearing House in accepting delivery of some, or all, delivery amounts of Deliverable Euro-denominated Government Bonds from the Seller pursuant to this Rule TTTT.18(f)(ii), shall forthwith be paid by the Buyer who is in delivery default to the Clearing House. Where the invoicing amount is less than the Sale Price the difference between the invoicing amount and the Sale Price (if any remains after the deduction so far as possible of such sums as are payable by the Buyer to the Clearing House hereunder (including, without limitation, costs, including administrative and funding costs suffered or incurred by the Clearing House and described elsewhere in this Rule TTTT.18(f)(ii) or otherwise including, without

limitation, costs, claims, losses, taxes or expenses) shall be retained by the Clearing House to the order of the Exchange.

- (iii) A Buyer who is in delivery default shall forthwith pay to the Clearing House any sums payable by the Buyer under Rule TTTT.13 and any sums payable to the Clearing House pursuant to this Rule TTTT.18.
- (g) Without prejudice to its rights under any other part of Rule TTTT.18, the Clearing House may refer to the Exchange any dispute or issue arising between any of the parties. If, upon such reference, the Exchange is of the opinion that the delivery default is of minor significance it shall determine any such dispute or issue between such parties upon such evidence as it may deem relevant and convey its findings to such parties who shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of any party to refer the dispute or any related dispute to arbitration under the Regulations.
- (h) Subject always to a resolution of a delivery default pursuant to Rule TTTT.18(c), the terms of which by agreement limit in whole or in part the rights of one or more of a Buyer, a Seller or the Clearing House to refer a dispute to arbitration under Rule TTTT.19(a) and subject to the provisions in this Rule TTTT.18 limiting the matters which may be referred to an arbitration under the Regulations, a Buyer, a Seller or the Clearing House may refer a dispute arising out of a delivery default to arbitration under the Regulations.
- (i) The provisions of Rules TTTT.17 and TTTT.18 relating to steps that may be taken by the Clearing House, where there appears to the Clearing House to be a delivery default by a Buyer or, as the case may be, a Seller under Rule TTTT.17(b), may be varied, or different steps may be substituted therefor by the Exchange from time to time. Any such variation or substitution shall have such effect with regard to such existing and/or new Contracts and registered Contracts as the Exchange may determine.

**TTTT.19 FORCE MAJEURE**

- (a) Subject to the provisions of Rules TTTT.14(d)(iii) and TTTT.14(e) and to any steps taken at any time by the Exchange under emergency powers in the Regulations and subject to the default rules of the Clearing House, in the event of a Seller or a Buyer being prevented from performing his obligations in respect of any lot comprised in a Contract by the due time therefor by any cause beyond his reasonable control including, without limitation, any act of God, strike, lockout, war, armed conflict, use of force by authority of the United Nations, fire, riot or civil commotion, combination of workmen, act of terrorism, breakdown of machinery, unavailability or restriction of computer or data processing facilities or energy supplies or bank transfer systems such lot shall be invoiced back at a price to be fixed by the Exchange in consultation with the Clearing House.

**TTTT.20 [NOT USED]****TTTT.21 [NOT USED]****TTTT.22 [NOT USED]****TTTT.23 STATEMENT IN RELATION TO ICE FUTURES EURO-DENOMINATED GOVERNMENT BOND FUTURES CONTRACTS**

- (a) Potential users of the ICE Futures Euro-denominated Government Bond Futures Contracts made available on ICE Futures Europe should familiarise themselves with the relevant Contract Rules and Administrative Procedures.
- (b) Potential users should consider the risks of holding a position until the Last Trading Day of an ICE Futures Euro-denominated Government Bond Futures Contract wherein they shall be buyers or sellers in the delivery process. In particular, they should familiarise themselves with the use of Price Factors

and the EDSP price formation process as these are both constituents of the formula for the calculation of the invoicing amount.

**TTTT.24 [NOT USED]**

**TABLE I**  
**CONTRACT ON EURO-DENOMINATED BONDS OF THE FEDERAL REPUBLIC OF GERMANY**

Contract	Ultra Long Bund	Long Bund	Medium Bund (Bobl)	Short Bund (Schatz)
Maturity Range of Deliverable	24 to 35 years	8.5 to 10.5 years	4.5 to 5.5 years	1.75 to 2.25 years
Original Term to Maturity	N/A	≤ 11 years	≤ 11 years	≤ 11 years
Unit of Trading	€100,000 nominal value notional	€100,000 nominal value notional	€100,000 nominal value notional	€100,000 nominal value notional
Relevant Currency	Euro	Euro	Euro	Euro
Notional Coupon	4%	6%	6%	6%
Delivery Months	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec
No. of delivery months available for trading	2 Quarterly	2 Quarterly	2 Quarterly	2 Quarterly
Quotation	Per €100 nominal	Per €100 nominal	Per €100 nominal	Per €100 nominal
Minimum price movement (value)	0.02 (€20)	0.01 (€10)	0.01 (€10)	0.005 (€5)
Last Trading Day	Two business days prior to Delivery Day of the delivery month			
Delivery Day	Tenth calendar day of the delivery month. Where such day is not a business day, the next business day after the tenth calendar day of the delivery month shall be the Delivery Day.			
Relevant Settlement System	Clearstream Banking AG			

**TABLE II<sup>7</sup>**  
**CONTRACT ON EURO-DENOMINATED BONDS OF THE ITALIAN REPUBLIC (BUONI DEL TESORO POLIENNALI)**

Contract	Long BTP	Medium BTP	Short BTP
Maturity Range of Deliverable Debt Securities	8.5 to 11 years	4.5 to 6.0 years	2 to 3.25 years
Original Term to Maturity	≤ 17 years	≤ 16 years	≤ 11 years
Unit of Trading	€100,000 nominal value notional	€100,000 nominal value notional	€100,000 nominal value notional
Relevant Currency	Euro	Euro	Euro
Notional Coupon	6%	6%	6%
Delivery Months	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec
No. of delivery months available for trading	2 Quarterly	2 Quarterly	2 Quarterly
Quotation	Per €100 nominal	Per €100 nominal	Per €100 nominal
Minimum price movement (value)	0.01 (€10)	0.01 (€10)	0.01 (€10)
Last Trading Day	Two business days prior to Delivery Day of the delivery month		
Delivery Day	Tenth calendar day of the delivery month. Where such day is not a business day, the next business day after the tenth calendar day of the delivery month shall be the Delivery Day.		
Relevant Settlement System	Euroclear NV/SA		

<sup>7</sup> Amended 3 January 2023

**TABLE III<sup>8</sup>**  
**CONTRACT ON EURO-DENOMINATED BONDS OF THE KINGDOM OF SPAIN (BONOS Y OBLIGACIONES DEL ESTADO)**

Contract	Long Spanish Government Bond	Medium Spanish Government Bond	Short Spanish Government Bond
Maturity Range of Deliverable Debt Securities	8.5 to 10.5 years	4 to 6 years	1 to 3 years
Original Term to Maturity	≤ 15 years	≤ 15 years	≤ 15 years
Unit of Trading	€100,000 nominal value notional	€100,000 nominal value notional	€100,000 nominal value notional
Relevant Currency	Euro	Euro	Euro
Notional Coupon	6%	6%	6%
Delivery Months	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec	Mar, Jun, Sep, Dec
No. of delivery months available for trading	2 Quarterly	2 Quarterly	2 Quarterly
Quotation	Per €100 nominal	Per €100 nominal	Per €100 nominal
Minimum price movement (value)	0.01 (€10)	0.01 (€10)	0.01 (€10)
Last Trading Day	Two business days prior to Delivery Day of the delivery month		
Delivery Day	Tenth calendar day of the delivery month. Where such day is not a business day, the next business day after the tenth calendar day of the delivery month shall be the Delivery Day.		
Relevant Settlement System	Euroclear NV/SA		

<sup>8</sup> Amended 3 January 2023

**TABLE IV**  
**CONTRACT ON EURO-DENOMINATED BONDS OF THE FRENCH REPUBLIC (OBLIGATIONS ASSIMILABLES DU TRÉSOR)**

<u>Contract</u>	<u>Long French Government Bond (OAT)</u>	<u>Medium French Government Bond (OAT)</u>	<u>Short French Government Bond (OAT)</u>
<u>Maturity Range of Deliverable Debt Securities</u>	<u>8.5 to 10.5 years</u>	<u>4.5 to 5.5 years</u>	<u>1 to 3 years</u>
<u>Original Term to Maturity</u>	<u>≤ 17 years</u>	<u>≤ 17 years</u>	<u>≤ 17 years</u>
<u>Unit of Trading</u>	<u>€100,000 nominal value notional</u>	<u>€100,000 nominal value notional</u>	<u>€100,000 nominal value notional</u>
<u>Relevant Currency</u>	<u>Euro</u>	<u>Euro</u>	<u>Euro</u>
<u>Notional Coupon</u>	<u>6%</u>	<u>6%</u>	<u>3%</u>
<u>Delivery Months</u>	<u>Mar, Jun, Sep, Dec</u>	<u>Mar, Jun, Sep, Dec</u>	<u>Mar, Jun, Sep, Dec</u>
<u>No. of delivery months available for trading</u>	<u>2 Quarterly</u>	<u>2 Quarterly</u>	<u>2 Quarterly</u>
<u>Quotation</u>	<u>Per €100 nominal</u>	<u>Per €100 nominal</u>	<u>Per €100 nominal</u>
<u>Minimum price movement (value)</u>	<u>0.01 (€10)</u>	<u>0.01 (€10)</u>	<u>0.01 (€10)</u>
<u>Last Trading Day</u>	<u>Two business days prior to Delivery Day of the delivery month</u>		
<u>Delivery Day</u>	<u>Tenth calendar day of the delivery month. Where such day is not a business day, the next business day after the tenth calendar day of the delivery month shall be the Delivery Day.</u>		
<u>Relevant Settlement System</u>	<u>Euroclear France</u>		