

ICE Clear Credit LLC

Procedures for Identification of Contract Reference Obligations

These Procedures for Identification of Contract Reference Obligations (the “**Contract Reference Obligation Procedures**”) form part of the ICE Clear Credit Procedures and supplement the provisions of Rule 20-601 relating to the identification of Substitute Reference Obligations.

1. **Definitions.** Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Credit Clearing Rules (the “**Rules**”).
2. **Identification of Contract Reference Obligations.** Except as provided below, ICE Clear Credit identifies the Contract Reference Obligation with respect to each Single-Name CDS Contract accepted by ICE Clear Credit for clearing, as follows.
 - a. A Contract Reference Obligation is initially identified in accordance with these Procedures with respect to the Reference Entity for a Single Name CDS Contract when the contract is first listed for clearing at ICE Clear Credit. That Contract Reference Obligation is referred to herein as the “Original Reference Obligation.”
 - b. With respect to existing Contract Reference Obligations, ICE Clear Credit will identify a “Substitute Reference Obligation” when called for under the Applicable Credit Derivatives Definitions in accordance with Rule 20-601 and these Procedures.
 - c. Exceptions: No Contract Reference Obligation (and no Substitute Reference Obligations) will be identified by ICE Clear Credit for those Reference Obligations where either “Standard Reference Obligation” or “No Reference Obligation” is indicated on the List of Eligible Reference Entities for the relevant transaction type maintained by ICE Clear Credit (as published on its website [<https://www.ice.com/clear-credit>]).
 - d. Restructuring New Trades: For the avoidance of doubt, determination of the Contract Reference Obligation for a New Trade resulting from a Restructuring Credit Event will be determined in accordance with the Rules rather than these Procedures.
3. **Methodology for Selection of Contract Reference Obligation.**
 - a. **Objective.** ICE Clear Credit seeks to select Contract Reference Obligations that reflect CDS market participants’ consensus as to the most appropriately representative debt obligation of the relevant seniority of the Reference Entity. ICE Clear Credit recognizes that factors market participants may consider relevant for this purpose, include, but are not limited to, outstanding principal amount, remaining maturity, liquidity and availability of public information concerning the obligation.
 - b. **Initial Identification of Proposed Reference Obligation.** The starting point for the identification of a Contract Reference Obligation (either in the case of an Original Reference Obligation or a Substitute Reference Obligation) is commercially available

reference data obtained from one or more data vendors¹ (each a “**Data Source**”). Such data is used to first identify the most liquid reference obligation used in connection with the trading of CDS on the applicable Reference Entity. This obligation is commonly known among market participants as the “Preferred” reference obligation. ICE Clear Credit will initially identify a proposed Original Reference Obligation based on the current Preferred (if one is available) or a proposed Substitute Reference Obligation based on a change in the Preferred.

- c. **Consultation with Market Participants.** After the identification of a proposed Original Reference Obligation or a proposed Substitute Reference Obligation pursuant to paragraph b. above, ICE Clear Credit will engage in the following market participant consultations to consider whether the proposed reference obligation should be used as the Contract Reference Obligation.
- i. Proposed Contract Reference Obligations are reviewed by the ICE Clear Credit Operations Working Group (“**OWG**”). The OWG consists of operations personnel from ICE Clear Credit Clearing Participants. There is no limit on the number of Participant operational personnel that can participate in OWG meetings.² The OWG typically meets weekly. The OWG operates as a working group and there are no quorum requirements, minimum number of attendees or mandatory attendees.
 - ii. ICE Clear Credit will present the new proposed reference obligation to the OWG in the materials for the next scheduled OWG meeting. The information presented to the OWG will include the proposed Contract Reference Obligation for the applicable Reference Entity and a deadline by which the OWG members can raise an objection to the proposed Reference Obligation (“**Objection Date**”). The OWG meeting materials are distributed by ICE Clear Credit’s Client Services Department (“**CSS**”) to all OWG members in advance of the meeting date.
 - iii. Members of the OWG may raise objections to the proposed Contract Reference Obligation during the OWG meeting, or at any time in advance of the Objection Date by sending an email to the address designated by ICE Clear Credit. In either case, the objecting individual must provide in writing their reasons for the objection.
 - iv. Proposed Contract Reference Obligations are also reviewed by the ICE Clear Credit Trading Advisory Group (“**TAG**”). The TAG consists of trading personnel from Participants. There is no limit to the number of Participant trading personnel that can participate in TAG meetings.³ The TAG typically meets weekly. The TAG

¹ For example, IHS Markit.

² Participant operations employees who wish to be added to the OWG invite/distribution list can send an email to: CSS@ice.com.

³ Participant trading employees who wish to be added to the TAG invite/distribution list can send an email to: iceclearcredit-CDSRiskManagement@ice.com.

operates as a working group and there are no quorum requirements, minimum number of attendees or mandatory attendees.

- v. When a new proposed reference obligation is identified, ICE Clear Credit will send an email to the members of the TAG containing the proposed Contract Reference Obligation for the applicable Reference Entity and the applicable Objection Date set by ICE Clear Credit.
 - vi. TAG members that have an objection to the proposed Contract Reference Obligation will be invited to send an email to the address designated by ICE Clear Credit with the reasons for the objection.
- d. **Public Consultation.** ICE Clear Credit will also publish on its website any proposed original or substitute Contract Reference Obligation, inviting market participants with any objections to the proposed Contract Reference Obligation to send an email to the address designated by ICE Clear Credit which must include their reasons for the objection. Such publication will be made no later than the date that such new or substitute Contract Reference Obligation proposal is provided to the OWG or TAG (whichever is sooner) as described above. Any such publication will explain that any objections must be made no later than the specified Objection Date for a given proposed Contract Reference Obligation.
- e. **Resolution of Objections.** If there are any objections raised from any of the above consultations (or otherwise) by the Objection Date, ICE Clear Credit will postpone adopting the proposed original or substitute Contract Reference Obligation change until such objection(s) have been sufficiently addressed to the satisfaction of ICE Clear Credit. As each Contract Reference Obligation objection is unique, ICE Clear Credit will respond by taking the steps it determines to be appropriate, which may include one or more of the following, depending on the circumstances:
- i. Obtaining additional information/explanation from the objector on their reasons for believing the proposed Contract Reference Obligation is inappropriate, which may result in further consultations with the groups noted above.
 - ii. Contact the applicable Data Source (directly or indirectly) regarding their identification of the Preferred reference obligation and objections raised with respect thereto, and/or request the objector to do so. If such communications result in the Data Source identifying a different Preferred reference obligation, ICE Clear Credit will consider such obligation as an alternative proposed Contract Reference Obligation through the process detailed in paragraphs b-d of these procedures. Should objections be raised regarding the proposed alternative Contract Reference Obligation, ICE Clear Credit shall resolve such objections by following the process detailed in this paragraph e of these procedures.
 - iii. Conduct a legal review of the available proposed Contract Reference Obligation documentation by ICE Clear Credit staff and/or counsel engaged by ICE Clear Credit.

- iv. Engage in further discussions with OWG or TAG members, or other market participants as ICE Clear Credit determines appropriate, as to whether the proposed Contract Reference Obligation is appropriate. Such other market participants consulted by ICE Clear Credit under this paragraph e.iv. may include both the market participant(s) that raised the objection(s) and other market participants with information or views relevant to selection of an appropriate Contract Reference Obligation.
 - v. Consult with the CDS Risk Committee, as appropriate.
 - vi. Submit a question to the relevant Credit Derivatives Determinations Committee (directly or indirectly) as to whether the proposed Contract Reference Obligation is an appropriate Substitute Reference Obligation.
4. **Certain Exceptions.** With respect to the identification of the Contract Reference Obligation for a Reference Entity that is the result of a Succession Event determined by the applicable Credit Derivatives Determinations Committee, ICE Clear Credit will follow the industry agreed timelines for implementing such Succession Event which may not allow for ICE Clear Credit's Contract Reference Obligation review process described in paragraphs 1-4 of these procedures, or may only allow for an abbreviated review process. As a result, ICE Clear Credit may not conduct its regular Contract Reference Obligation review process (or may only complete an abbreviated review process) with respect to the Contract Reference Obligation for a Reference Entity that is the result of a Succession Event. Similarly, in the event a Contract Reference Obligation is changed in connection with the re-naming of a Reference Entity, industry timelines for implementing such re-name event may not allow ICE Clear Credit to conduct its regular Contract Reference Obligation review process (or may only complete an abbreviated review process) with respect to the Contract Reference Obligation chosen for a re-named Reference Entity.

Revision History

Date	Version	Revisions
June 11, 2025	1.0	<ul style="list-style-type: none">Initial version