

PART N1: ICE FUTURES US DELIVERABLE US EMISSIONS CONTRACTS (DELIVERY VIA CENTRAL COUNTERPARTY CLEARING HOUSE); ICE DELIVERABLE NORTH AMERICAN OIL ENERGY CREDITS CONTRACTS (DELIVERY VIA CENTRAL COUNTERPARTY CLEARING HOUSE)

1. APPLICABILITY AND DEFINITIONS

1.1 This Part N1 applies to all ICE Futures US Contracts:

- (a) for which physical delivery is specified as being ‘Applicable’ in the relevant Contract Terms;
- (b) which go to physical delivery on the expiry date; and
- (c) for which the Clearing House has announced by Circular that these Delivery Procedures apply to the specific ICE Deliverable US Emissions Contract or ICE Deliverable North American Oil Energy Credits Contract.

Such ICE Futures US Contracts are referred to in this part as “ICE Deliverable US Emissions or ICE Deliverable North American Oil Energy Credits Contracts”.

1.2 The following additional definitions apply to this part of the Delivery Procedures:

- (a) “**Allowance**” means an instrument, certificate, permit, asset, security, right, contract or allowance that is designated as a deliverable instrument for an ICE Deliverable US Emissions Contract in the relevant Contract Terms.
- (a) “**Oil Energy Credit**” means any and all transferrable or assignable interests (whether being in property, equity or contract or otherwise) in an instrument, credit, certificate, permit, asset, security, right, contract or allowance that is designated as a deliverable instrument for an ICE Deliverable North American Oil Energy Credits Contract in the relevant Contract Terms.
- (b) “**Central Time or CT**” means the standard time in a zone that includes the central states of the US and parts of central Canada.
- (c) “**London Prevailing time or LPT**” means Greenwich Mean Time or British Summer Time.
- (d) “**Registry**” means a registry, custodian, depository or other system used for physical delivery of Allowances or Oil Energy Credits pursuant to an ICE Deliverable US Emissions Contract or an ICE Deliverable North American Oil Energy Credits Contract, that is approved by the Clearing House for purposes of physical delivery for the particular ICE Deliverable US Emissions Contract Set or ICE Deliverable North American Oil Energy Credits Contract Set in question. The Registry for a particular ICE Deliverable US Emissions Contract Set or an ICE Deliverable North American Oil Energy Credits Contract Set may be specified in the Contract Terms.
- (e) “**Registry Account**” means an account to hold Allowances or Oil Energy Credits at the relevant Registry. References to “Registry Account of the Clearing House” in these Delivery Procedures, shall mean a Registry Account in the name of the Clearing House or ICE Clear US acting as agent for the Clearing House.
- (f) “**Registry Operator**” means the operator of a Registry.

2. DELIVERY SPECIFICATION

2.1 **Delivery**

Deliveries under ICE Deliverable US Emissions Contracts or ICE Deliverable North American Oil Energy Credits Contracts are effected upon:

- (a) in the case of the Seller effecting delivery, the completion of the transfer of the relevant Allowances or Oil Energy Credits, from the relevant Registry Account of the Seller, to the relevant Registry Account of the Clearing House; and
- (b) in the case of the Buyer taking delivery, the initiation of the transfer of the relevant Allowances or Oil Energy Credits, from the relevant Registry Account of the Clearing House to the relevant Registry Account of the Buyer. For the purposes of this provision and notwithstanding the practice of a Registry, there shall be no prerequisite for the Buyer to accept the relevant Allowances or Oil Energy Credits in order for transfers to be considered effected.

- 2.2 This takes place during the Delivery Period for the relevant ICE Deliverable US Emissions Contracts or ICE Deliverable North American Oil Energy Credits Contracts in accordance with the relevant Contract Terms. Neither delivery by the Seller nor receipt of the delivery by the Buyer requires performance by the other to occur simultaneously. Each of the Buyer and Seller shall deal directly with the Clearing House.

For the avoidance of any doubt, as between the Seller and Buyer, transfer of any Allowances or Oil Energy Credits shall be done in accordance these Delivery Procedures, regardless of the position reflected in the Registry or the timing of any updates with respect thereto under the rules or regulations applicable to the relevant Registry, except as may otherwise be required by law.

2.3 **Quantity**

Quantities are as required under the relevant Contract Terms.

2.4 **Price**

The price at which the Contract is delivered is the relevant Exchange Delivery Settlement Price (EDSP) for the Contract Set on expiry.

2.5 **Cessation of Trading**

Contracts cease trading ~~at 17:00 CT~~ on the last trading day, at such times as are specified as defined in the Contract Terms.

3. **LIABILITY**

- 3.1 The provisions of this paragraph 3 are without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

- 3.2 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the performance or non-performance of, or any delay or error in performance by, any Registry or Registry Operator. Neither the Buyer nor the Seller shall have any claim against the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the condition or operation of any Registry or the performance or non-performance of any Registry Operator. This provision is without prejudice to the Clearing House's liability under Contracts.

- 3.3 The Clearing House, ICE Clear US and ICE Futures US do not make any representation regarding the authenticity, validity or accuracy of any delivery tender notice, description of a Registry, market tracking system or any other Registry instructions, confirmation of transfer, errors in transfer or any other notice, document, file, record or instrument used or delivered pursuant to the Rules and Procedures or pursuant to the procedures of any Registry.

- 3.4 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the compliance or lack of compliance of any Seller or Buyer or their respective Transferors or Transferees with any rules of the relevant Registry or any laws applicable to it.
- 3.5 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, any errors in the Registry Account details entered into the relevant Registry systems or provided to the Clearing House by a Seller, Transferor, Buyer or Transferee in respect of a delivery.
- 3.6 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, the closure of its Registry Account(s).
- 3.7 The Clearing House, ICE Clear US and ICE Futures US are not responsible for, and neither of them shall have any liability whatsoever as a result of, complying with the contractual obligations owed to the Registry in respect of any ICE Registry Account(s).
- 3.8 The Clearing House may appoint ICE Clear US or ICE Futures US to act as its agent to facilitate settlement through a Registry for Allowances or Oil Energy Credits, as applicable. In such case, it is hereby acknowledged that: (i) ICE Clear US or ICE Futures US are acting solely as agents in connection with any such settlement at the Registry and shall not assume or be liable for any obligation of the Clearing House with respect to such settlement; (ii) the Seller or Buyer or their respective Transferors or Transferees shall not have any claim against ICE Clear US or ICE Futures US for the performance of such settlement; and (iii) ICE Clear US or ICE Futures US will hold any Allowances or Oil Energy Credits in the relevant Registry Account, and receive and make delivery of the same to and from such Registry Account solely on behalf of the Clearing House pursuant to these Delivery Procedures.

4. DELIVERY CONTRACT SECURITY AND CONTRACT VALUE

- 4.1 At end-of-day on the LTD+1, the Clearing House will call for full contract value from the Buyer, such amount to be paid in accordance with the Finance Procedures.
- 4.2 At end-of-day on LTD+1, the Clearing House will call for Delivery Margin from the Seller, such amount to be paid in accordance with the Finance Procedures. The Clearing House will retain the Seller's Security until such time as the full contract value is released to the Seller under the table in paragraph 5.

5. DELIVERY TIMETABLE AND OBLIGATIONS

Delivery under an ICE Deliverable US Emissions Contract or an ICE Deliverable North American Oil Energy Credits Contract is based on Open Contract Positions after expiration of the relevant Contract Set. Delivery is a three Business Day process consisting of three consecutive days which must be Business Days. However, payments may take place after the end of the Delivery Day, as provided in the table below and the Finance Procedures.

5.1 Use of relevant Registry

- (a) Clearing Members must have or ensure that their Transferors/ Transferees have established the appropriate Registry Accounts in the relevant Registry for the Contract in question and provide any necessary instructions or confirmations to the Registry.
- (b) Clearing Members making or taking delivery of Allowances or Oil Energy Credits on their house account must have established Registry Accounts in the relevant Registry for the ICE Deliverable US Emissions Contract or ICE Deliverable North American Oil Energy Credits Contract in question.

- (c) It is the responsibility of the Seller or Buyer to comply with the rules, regulations and laws applicable to the Registry and to ensure their respective Transferor(s) / Transferee(s) also comply with the rules, regulations and laws applicable to the Registry.
- (d) It is the responsibility of any Seller or Buyer to provide correct Registry Account details at all times and to ensure their respective Transferor(s)/ Transferee(s) also provide correct Registry account details at all times.

Cessation of Trading	Last Trading Day (LTD)	
	At 17:00CT Trading ceases. <u>At the times specified in the Contract Terms.</u>	
	By 17:00CT Clearing Members with Open Contract Positions at this time are obliged to make or take delivery.	
	By 17:30CT EFPs and EFSs may be posted up to 30 minutes following the cessation of trading.	
Confirmation of Delivery Position/Expiry	LTD+1 Business Day	
	By 10:00 CT	Clearing Members must confirm their final delivery positions by submitting their delivery intentions via ECS (or any successor system). Clearing Members may only assign 1 client Registry Account to each individual client position. In instances where a client has multiple Registry Accounts only 1 can be used per delivery/receipt obligation.
	By 10:00 CT	A Seller or Buyer who is nominating a Transferor or Transferee in respect of a Contract must ensure that the Clearing House has in its possession a signed ICE US Emissions Contract / ICE Deliverable North American Oil Energy Credits Contract: Transferor Form or ICE US Emissions Contract ICE Deliverable North American Oil Energy Credits Contract: Transferee Form (as applicable) for each nominated Transferor or Transferee, as applicable. This Transferor/Transferee form must be signed by an authorised signatory of the Transferor/Transferee.
	After 10:00 CT	Clearing Members MPFE report (futures expiry report) available and delivery confirmation report sent to Clearing Members via email.
LTD+2 Business Days		
Payment by the Buyer	By 9:00 LPT	Buyer pays full contract value to the Clearing House.

Payment of Delivery Margin	By 9:00 LPT	Seller pays Delivery Margin to the Clearing House
Seller's Delivery to Clearing House	By 12:00CT	The Seller must ensure that appropriate Allowances or Oil Energy Credits (delivery of which would satisfy its Delivery Obligations) have been delivered to the designated Clearing House Registry Account
Delivery Day - LTD + 3 Business Days		
Payment to Seller	By 09:00 LPT	<p>Seller receives full contract value against the Allowances or Oil Energy Credits, as the case may be, received by the Clearing House on LTD +2.</p> <p>Seller's Delivery Margin is returned against the Allowances or Oil Energy Credits received by the Clearing House.</p>
Clearing House Delivery to Buyers	By 13:00 CT	The Clearing House will have initiated the appropriate Allowances or Oil Energy Credits transfers to the Buyer's Registry Account/ nominated Transferee Registry Account.