

**CONTRACT RULES: ICE DUTCH TTF NATURAL GAS 1ST LINE (USD/MMBTU)  
AVERAGE PRICE OPTIONS CONTRACT**

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**7L1**

**SECTION 7L1 - CONTRACT RULES: ICE DUTCH TTF NATURAL GAS 1ST LINE (USD/MMBTU)  
AVERAGE PRICE OPTIONS CONTRACT<sup>1</sup>**

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<sup>2</sup> Amended 14 November 2022

<sup>3</sup> Amended 14 November 2022

<sup>4</sup> Amended 14 November 2022

<sup>5</sup> Amended 14 November 2022

<sup>6</sup> Amended 14 November 2022

### 7L1.1 SCOPE<sup>7</sup>

The Rules in this Section 7L1 and in Section 7L2 shall apply to Contracts for the ICE Dutch TTF Natural Gas 1st Line (USD/MMBtu) Average Price Options.

Each option shall be a put option or a call option in respect of one or more lots for the product and contract month and at the strike price specified.

### 7L1.2 DEFINITIONS

In the Contract Rules and Administrative Procedures the following terms shall bear the meanings set opposite them below, if not inconsistent with the subject or context:

“Calendar Year Contract”	means a strip of twelve (12) consecutive contract months commencing with January and ending with December;
“option”	a put option or a call option;
“put option”	a right upon the exercise of which the Buyer of the option becomes the Seller under a Futures Contract, and the Seller of the option becomes the Buyer under a Futures Contract;
“call option”	a right upon the exercise of which the Buyer of the option becomes the Buyer under a Futures Contract, and the Seller of the option becomes the Seller under a Futures Contract;
“strike price”	the price payable under the Futures Contract resulting from exercise of an option;
“in-the-money option”	an option where the strike price is greater (in the case of a put option) or is less (in the case of a call option) than the current futures market price for the product and contract month;
“out-of-the-money option”	an option where the strike price is less (in the case of a put option) or is greater (in the case of a call option) than the current futures market price for the product and contract month;
“expiry date”	in respect of an option, the date when the option will, unless exercised, expire.
“Quarter” or “Quarterly”	means three consecutive contract months grouped as follows: January, February and March (first quarter); April, May and June (second quarter); July, August and September (third quarter) and October, November and December (fourth quarter);
“Season Contract”	means six consecutive contract months and grouped as follows: "Summer Season Contract" consisting of the months April to September; and "Winter Season Contract" consisting of the months October to March;

### 7L1.3 STRIKE PRICE<sup>8</sup>

- (a) The strike price shall, in the case of the ICE Dutch TTF Natural Gas 1st Line (USD/MMBtu) Average Price Options Contracts, be in multiples of One tenth of one cent (\$0.001) per MMBtu or such other multiple as may from time to time be prescribed by the Exchange.

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<sup>7</sup> Amended 14 November 2022

<sup>8</sup> Amended 14 November 2022

- (b) In the case of the ICE Dutch = TTF Natural Gas 1st Line (USD/MMBtu) Average Price Options Contracts:
  - (i) when options in respect of a contract month are available for trading for the first time forty one strike prices, or such greater number as may for the time being be determined by an authorised Exchange Official, will be listed of which one will be the nearest to the previous Trading Day's official settlement price for the product and contract month with a further twenty or more above and twenty or more below that price.
  - (ii) prior to the commencement of trading each day, the strike price nearest to the previous day's official settlement price for the product and contract month and the next twenty (or, at the discretion of an authorised Exchange Official, more than twenty) strike prices higher and the next twenty (or, at the discretion of an authorised Exchange Official, more than twenty) strike prices lower than that strike price, shall (unless they are already listed) be included in the listed strike prices.
  - (iii) During any Trading Day, an authorised Exchange Official may list one or more strike prices nearest to the last strike price listed for the product and the contract month.
- (d) Trading shall not be permitted at strike prices other than those listed for the relevant product and contract month.

#### **7L1.4 EXERCISE<sup>9</sup>**

- (a) A Member may not give instructions to the Clearing House to exercise an option, neither may a Member give instructions to the Clearing House not to exercise an option.
- (b) After the cessation of trading on the expiry date in options of that kind, all options of the relevant Contract that are in-the-money options with reference to that day's intraday reference price for the relevant futures business will be automatically exercised. All options of the relevant Contract that are at-the-money options or out-of-the-money options with reference to that day's intraday reference price for the relevant futures business will automatically expire.
- (c) The exercise of a Dutch TTF Natural Gas 1st Line (USD/MMBtu) Average Price Options will give rise to a corresponding monthly, Quarterly, Season or Calendar Year Dutch TTF Natural Gas 1st Line Financial Futures (USD/MMBTU) Contract between Buyer and Seller, at the strike price of the option and in the relevant contract month, Quarter, Season or Calendar Year.

#### **7L1.5 PAYMENTS DUE SUBSEQUENT TO EXPIRY<sup>10</sup>**

On the morning of the Trading Day following exercise of an Dutch TTF Natural Gas 1st Line (USD/MMBTU) Average Price Options Contract, the Clearing House may call for cover for margin in respect of the resulting futures Contract.

#### **7L1.6 PREMIUM<sup>11</sup>**

- (a) The premium for an option shall be in United States dollar and cent per MMBTU subject to a minimum fluctuation of One tenth of one cent (\$0.001) per MMBtu.
- (b) In respect of each strike price of each a Dutch TTF Natural Gas 1st Line (USD/MMBtu) Average Price Options Contract and contract month, an official settlement premium will be established in accordance with section 2.5.2 of the Trading Procedures.

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<sup>9</sup> Amended 14 November 2022

<sup>10</sup> Amended 14 November 2022

<sup>11</sup> Amended 14 November 2022

### 7L1.7 ABANDONMENT

An option may not be abandoned by the Buyer in advance of expiry.