

## Annex 1 - Amendment of Market Rules for QBOE designation

### I-9 Obligations of Members

I-9.1 Without prejudice and in addition to any other specific requirement in these Rules regarding obligations and compliance with these Rules by a Member, the Member shall, ~~(and shall)~~ on a continuous basis, be responsible for making adequate arrangements, and having appropriate systems and controls to ensure that the Member: ~~shall~~:

- (a) ~~meets~~meet the membership requirements as mentioned in Article I-5 of these Rules;
- (b) ~~acts~~act with due care and diligence vis-à-vis ICE Endex and the other Members and comply with these Rules and any other rule in force;
- (c) ~~complies~~comply with the technical requirements of the ICE Endex Platform and immediately notify ICE Endex of any irregularity in the ICE Endex Platform;
- (d) ~~complies~~comply with any requirement of ICE Endex with regard to the execution of a Trade conducted by the Member on the ICE Endex Platform;
- (e) ~~complies~~comply with any obligation that may arise from applicable legislation and/or regulations, including any amendment thereto;
- (f) ~~complies~~comply with any rule imposed by the Clearing House;
- (g) ~~respects~~respect and ~~complies~~comply with the established Operating Procedures, to the extent applicable;
- (h) ~~refrains~~refrain from any action that may jeopardise the proper functioning of the ICE Endex Platform or trading on the ICE Endex Platform;
- (i) ~~has~~have and ~~continues~~continue to have all necessary regulatory authorisations, approvals and consents for trading on the ICE Endex Platform in place;
- (j) ~~has~~have Responsible Individual(s) registered as set forth in Article I-7;
- (k) ~~it establishes, implements and maintains~~establish, implement and maintain adequate internal control mechanisms designed to secure compliance with decisions and procedures, these Rules and applicable laws at all levels within the Member;
- (l) ~~ensure that~~ its internal record-keeping is complete, adequate, consistent and compliant with applicable laws ~~Furthermore, and~~ in addition to the beforementioned, ~~ensure that~~ all information relating to trading activities ~~should be~~is retained for a minimum period of 5 years;
- (m) ~~ensure that~~ the performance of multiple functions by its staff does not and is not likely to prevent those persons from discharging any particular function soundly, honestly and professionally;
- (n) ~~ensure that~~ it carries out appropriate testing of algorithms to ensure that Algorithmic Trading cannot create or contribute to disorderly trading conditions on the market; and
- (o) ~~it undertakes~~undertake technical and functional conformance testing, through ICE Endex's conformance testing facilities, prior to the deployment or a substantial update of the access to ICE Endex's system or the Member's trading system, trading algorithm or trading strategy, in order to:
  - (i) verify whether the basic functioning of the Member's trading system, algorithm and strategy complies with the conditions set by ICE Endex from time to time; and

(ii) verify:

- (a) the ability of the Member's system or algorithm to interact as expected with ICE Endex's matching logic and the adequate processing of the data flows to and from ICE Endex;
  - (b) the basic functionality such as the submission, modification or cancellation of an order or an indication of interest, static and market data downloads and all business data flows;
  - (c) the connectivity, including the cancel on demand command, market data feed loss and throttles, and the recovery of trading and the handling of suspended instruments or non-updated market data;
- (p) ~~ensures~~ensure that all of its Responsible Individuals, Member Representatives and other individuals involved in the conduct of business on the ICE Endex Platform and/or Block Trade Facility are fit and proper, suitable, adequately trained and properly supervised;
- (q) ~~ensures~~ensure prompt and complete fulfilment of all its obligations towards ICE Endex at the moment ICE Endex requires the Member to do so, amongst which – but not limited to – timely payment of any amount charged to it by ICE Endex;
- (r) ~~informs~~inform ICE Endex in writing about any fact or circumstances or anticipated fact or circumstance which may affect its legal status or organisation, its activities on the Market, its ability to meet the membership criteria set out in Article I-5, or any other information ICE Endex may reasonably specify from time to time;
- (s) ~~informs~~inform ICE Endex in writing of any change in the information communicated by or on behalf of the Member to ICE Endex;
- (t) ~~complies~~comply with any applicable regulatory rules in force, among which, but not limited to, compliance with any applicable know your customer rule and best execution rule. It will be the Member's sole responsibility that it complies with all applicable regulatory rules in force;
- (u) ~~ensures~~ensure that no Responsible Individual or other employee of the Member enters Orders or makes trades on the ICE Endex Platform in or from a jurisdiction where ICE Endex does not have the relevant regulatory status (if such regulatory status is required) if to do so could bring ICE Endex into disrepute with any Competent Authority within such jurisdiction or put ICE Endex in breach of any regulatory obligations to which it might be subject within that jurisdiction;
- (v) ~~shall~~ notify ICE Endex immediately of any infringement of these Rules and as soon as practicable thereafter, give ICE Endex full details of such infringement;
- (w) ~~to the extent permitted by applicable laws, a Member may outsource or procure performance of any of its obligations under these Rules and applicable law to an affiliate or other person, but will remain fully responsible and liable to ICE Endex for such its performance notwithstanding the outsourcing or procurement arrangements in place; and and shall comply with all applicable laws when outsourcing or procuring performance of any of its obligations under these Rules or applicable law to an affiliate or other person;~~
- (x) in relation to Gas Spot Market Products, immediately ~~notifies~~notify ICE Endex if the Member does not comply with one or more of the requirements imposed by the Clearing House (including appropriate gas delivery arrangements);

(y) (i) in the case of Members who are subject to the reporting requirements of brokers under section 6045 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations thereunder, comply with such requirements, as amended from time to time, with respect to transactions effected on the ICE Endex Platform, or otherwise subject to these Rules, in the manner prescribed by section 6045 of the Code, the Treasury Regulations thereunder, and such other provisions of the Code and Treasury Regulations that are pertinent thereto, including the filing of all returns that were required to have been filed under section 6045 but were not filed or were filed improperly; and (ii) upon request by ICE Endex, with respect to transactions occurring on the ICE Endex Platform, supply to ICE Endex or directly to the U.S. Internal Revenue Service or any grand jury properly convened within the United States all books, papers, records, or other data as described in section 7602 of the Code and the Treasury Regulations thereunder, which requests will be made by ICE Endex whenever ICE Endex receives a written request, summons, or subpoena to produce such records from the U.S. Internal Revenue Service or from any grand jury (and failure of a Member to comply with this Article I-9.1 (y) will result in immediate suspension of such Member's membership privileges on the ICE Endex Platform, and the privileges of any successor to such Member, pursuant to Article I-12.5 until the Member complies with these requirements in all respects).

- I-9.2 Each Member shall certify that the algorithms they deploy have been tested to avoid contributing to or creating disorderly trading conditions prior to the deployment or substantial update of a trading algorithm or trading strategy and explain the means used for that testing. Each Member will provide ICE Endex with such information and documents as are necessary for such purposes.
- I-9.3 ICE Endex may set additional conditions or standards and publish guidance from time to time on what arrangements, systems and controls it considers appropriate in the context of this Article I-9.
- I-9.4 Each Member will be subject to risk-based assessments by ICE Endex, taking into account the scale and potential impact of trading undertaken by each Member as well as the time elapsed since the Member's last risk based assessment, of its compliance with the ICE Endex's conditions for using ICE Endex Platform, including those conditions set out in Article I-9.1 and, where applicable, Articles I-9.2 and I-9.3. Such assessment will take place on an annual basis and at any other time as deemed necessary by ICE Endex pursuant to the annual risk-based assessment.
- I-9.5 Every Member shall seek the consent of ICE Endex in relation to:
- (a) any proposed change in the nature of business or legal status of the Member, any proposed change in legal or beneficial ownership of the equity capital of the Member or any other circumstance that to the directors' belief would or might have the effect of changing the control of the Member;
  - (b) any proposed change in the identity of the Responsible Individuals registered on behalf of the Member and any proposed change in the location from which any such Responsible Individual will access the ICE Endex Platform (where the new location is in a different jurisdiction from that previously notified to ICE Endex);
  - (c) any other material changes in the way in which the Member accesses and uses the ICE Endex Platform.

## **I-12 Disciplinary Sanctions**

- I-12.1 If ICE Endex has determined that a Member violates a provision of these Rules, or acts in a manner that is potentially detrimental to the interests of ICE Endex or to the interests of another Member, ICE Endex may, at any time, without prejudice to the other powers conferred upon it, take one or more of the following measures against the Member:
- (a) deliver a warning;
  - (b) suspend the Member;
  - (c) impose a fine up to a maximum of € 250,000 (two hundred fifty thousand euro) per offence; or
  - (d) terminate (with immediate effect) the legal relationship as established by the Application Form.
- I-12.2 Within ten Business Days after the date of notice from ICE Endex to the Member involved, that Member may object to any decision of ICE Endex to take disciplinary measures by initiating proceedings in accordance with the article I-15 (Dispute Resolution) provided that ICE Endex may, in appropriate cases, take more than one of the above actions in relation to any one Member and/or different actions in relation to different Members concerned in the same investigation or on similar facts. An objection lodged by a Member hereunder does not suspend the disciplinary measure(s) taken by ICE Endex.
- I-12.3 ICE Endex reserves the right to report any disciplinary sanctions considered or imposed to any Competent Authority.
- I-12.4 ICE Endex has the right to publish such measures including the name of the Member.
- I-12.5 In the case of any known breach of Article I-9.1 (y) or the Code sections, Treasury Regulations or other requirements referred to thereunder, ICE Endex shall immediately give effect to a suspension under Article I-12.1 (b) or I-13, provided that, notwithstanding Article I-13, any such suspension shall not be lifted until the breach has ceased.