ICE Messaging Policy

Introduction

The ICE Messaging Policy ("Policy") is designed to discourage inefficient and excessive messaging at ICE exchanges without compromising market liquidity. The Policy sets forth messaging and volume ratio thresholds that consider the quality of an order as measured by the depth of the order in relation to the top-of-book and therefore the likelihood of the order to provide liquidity and promote an efficient market.

Scope

Futures contracts that fall under the scope of this policy ("the Designated Contracts") shall be designated from time-to-time but not less than annually. Designated Contracts are determined based on the historical performance of the futures contract, messaging rates, and the business needs to help support market liquidity.

Each market participant in a Designated Contract shall be subject to the Policy when the number of orders submitted on a trading day exceeds the pre-determined daily message threshold set for each Designated Contract. For the purpose of this Policy, only new orders (i.e. orders that add liquidity to the market) are considered for the calculations.

The Policy shall only be in effect on days with regular trading hours for a Designated Contract. The Policy will not be enforced on days where the Designated Contract has shortened trading hours or when closed for an exchange recognized holiday. Trading Schedules and Holiday Trading Hours can be found on the ICE website for each ICE exchange that lists a Designated Contract.

The order message types that are included in this Policy are specified in **Appendix 1** to this Policy.

The list of Designated Contracts and daily message thresholds for inclusion in this Policy is provided in **Appendix 2** to this Policy.

Weighted Volume Ratio

A Weighted Volume Ratio ("WVR") will be calculated on each trading day that a market participant exceeds the daily message threshold in a Designated Contract. The WVR is calculated by dividing the sum of weighted orders submitted in all contract months in a Designated Contract by the total number of cleared lots traded on the same trading day in all contract months in the Designated Contract. The result of the calculation is the weighted messages entered per cleared lot, or WVR.

The sum of weighted messages is calculated by assigning a multiplier to each new order that was submitted in the Designated Contract based on the price level the order was submitted at. Since the purpose of this Policy is to discourage inefficient order messaging, and the further away from the top-of-book that an order is submitted the less likely the order is to be traded against and provide liquidity, orders submitted further away from the top-of-book will have a higher weighting by a factor of 1 to 3 depending on the price level. Orders entered at top-of-book or at price levels that have a high likelihood of trading and providing liquidity will be multiplied by a factor of 0. The weighted messages calculation will exclude system priced or implied legs.

Given the unique characteristics of each product, the price level where an order is submitted at and is likely to get filled will vary. The message weights are determined for each Designated Contract and will be re-calculated at least annually, or more frequently as determined by ICE.

The sum of cleared lots in a Designated Contract is calculated by adding together the cleared volume of in all individual contract months for a Designated Contract on one trading day.

The Designated Contract message weighting is provided in **Appendix 3** to this Policy.

Calculation Examples

Outright Order

A trading firm enters an order to buy 10 Jan24 at a price of $9.00 and sell 10 Feb24 at a price of $10.00.

The Jan24 order is entered at a price level that has a weight of 2 and the Feb24 order is entered at a price level that has a weight of 2.

The weighted message calculation for these outright orders is:

- (One order multiplied 2 = 2) plus (one order multiplied by 2 = 2) = 4

When both orders are filled the trading firm receives a cleared position of long 10 lots in the Jan24 outright and short 10 lots in the Feb24 outright.

The volume calculation for the orders is:

- 10 lots in the Jan24 plus 10 lots in Feb24 = 20 lots

The trading firm's WVR calculation is:

- [(One order multiplied 2 = 2) plus (one order multiplied by 2 = 2) = 4] / (10 lots in the Jan24 plus 10 lots in Feb24 = 20) = .20

Spread Order

A trading firm enters an order to buy 10 Jan24/Feb24 spread at a differential of -$1.00 in a Designated Contract.

The spread order differential is entered at a price level that has a weight of 2. The matching engine derives a Jan24 outright order to buy 10 at a price of $9.00 and a Feb24 outright order to sell 10 at a price of $10.00.

The weighted message calculation for this spread order is:

- One order multiplied by 2 = 2 (the outright derived orders in Jan24 and Feb24 are not weighted or counted)

When the spread is matched the trading firm receives a cleared position of long 10 lots in the Jan24 outright and short 10 lots in the Feb24 outright.

The volume calculation for this spread order is:

- 10 lots in the Jan24 plus 10 lots in the Feb24 = 20 lots

The trading firm's WVR calculation is:

- (one order multiplied by 2 = 2) / (10 lots in Jan24 plus 10 lots in Feb24 = 20) = .10

<u>Calendar/Quarterly/Seasonal Order</u>

A trading firm enters an order to buy 10 Cal24 at a price of $5.00 in a Designated Contract.

The Cal24 order is entered at a price level with a weight of 3. The matching engine derives outright orders to buy 10 Jan24, buy 10 Feb24, buy 10 Mar24,…buy 10 Dec24.

The weighted message calculation for the Cal24 order is:

- One order multiplied by 3 = 3 (outright derived orders are not weighted or counted)

When the Cal24 order is matched the trading firm receives cleared positions of long 10 lots in Jan24, long 10 in Feb24, long 10 lots Mar24,…long 10 lots in Dec24.

The volume calculation for the Cal24 order is:

- (10 lots in Jan24 plus 10 lots in Feb24 plus 10 lots in Mar24…plus 10 lots in Dec24) = 120 lots

The trading firm's WVR calculation is:

- (One order multiplied by 3 = 3) / [(10 lots in Jan24 plus 10 lots in Feb24 plus 10 lots in Mar24…plus 10 lots in Dec24) = 120 lots] = .025

<u>WVR Thresholds and Surcharges</u>

When a market participant has a WVR that exceeds 100:1 in one or more Designated Contract(s) on a trading day, the firm will receive an electronic notification. A market participant that exceeds a WVR of 100:1 in one or more Designated Contract(s) for seven (7) or more trading days in a calendar month will receive a one-thousand-dollar ($1,000) surcharge for that calendar month. The surcharge will increase by one thousand dollars for each consecutive month that a market participant has seven or more trading days with a WVR that exceeds 100:1.

A market participant that has a WVR of 500:1 or greater in one or more Designated Contract(s) on a single day will be subject to a two-thousand-dollar ($2,000) surcharge on each day.

Company Aggregation

A market participant may request that ICE aggregate the order activity and trade volumes of trading companies that are owned and/or controlled by a common entity but the trading activity is routed through separate WebICE Company IDs. ICE at its sole discretion will decide based on a variety of factors and may consider input from the relevant Exchange's personnel. If aggregation is approved, it will become effective as of the beginning of the month determined by ICE and providing in writing. Until such time that a decision is made to approve a request for aggregation, the individual Company IDs must abide by the Policy. This aggregation solely applies to for the purposes of this Messaging Policy.

To request an aggregation under this Policy please contact ICE Trade Operations at icehelpdesk@ice.com.

Reports and Access to Data

Reports related to this Policy and the corresponding messaging and volume data will be made available to market participants in the Company Portal on the ICE website.

Restriction or Suspension of Access

Subject to the Rules of the applicable ICE exchange, ICE retains the right to restrict or suspend access to any market should it be determined that the messaging activity or platform usage become capable of impairing the orderly conduct of business. Such determination will be made by ICE at its absolute discretion and may be made at any time and, if necessary, any consequent restriction or suspension may be implemented immediately and without notice.

Support

For questions related to this Policy or access to a Company's data, please contact ICE Trade Operations at icehelpdesk@ice.com or at +1 770 738 2101 or +1 312 945 5800.

Appendix 1

The following message codes are included in the calculations for this Policy.

Message Status	Message Reason Code

active	submit
active	replace
active	refloat
active	change

Appendix 2

The list of Designated Contracts and their corresponding daily message thresholds for inclusion in the Policy are reflected below.

Exchange	Product Name	Product Code	Daily Threshold
ICE Futures Abu Dhabi	Murban Crude Futures	ADM	100,000
ICE Futures Europe	Brent Crude Futures	B	250,000
ICE Futures Europe	WTI Crude Futures	T	100,000
ICE Futures Europe	Low Sulphur Gasoil Futures	G	100,000
ICE Futures U.S.	Cocoa Futures	CC	100,000
ICE Futures U.S.	Coffee Futures	KC	100,000
ICE Futures U.S.	Cotton No. 2 Futures	CT	100,000
ICE Futures U.S.	Henry LD1 Fixed Price Futures	H	100,000
ICE Futures U.S.	Sugar No. 11 Futures	SB	100,000
ICE Futures U.S.	US Dollar Index Futures	DX	100,000
ICE Endex	Dutch TTF Natural Gas Futures	TFM	100,000

Appendix 3

The order message weighting scale for each Designated Contract is provided below. Each table is specific to the corresponding Designated Contract and as such one "tick" is reflected as the minimum price fluctuation. "Off market" shall mean the number of price fluctuations from the best bid or offer. For example, a reference to "1 to 5 ticks off market" means that an order submitted at a price level that is within one minimum price fluctuation through five minimum price fluctuations from the best bid or offer will be weighted according to the table.

ICE Futures Abu Dhabi

Murban Crude Futures (one tick = one cent ($0.01) per barrel)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 2 ticks off market	0	0
3 to 5 ticks off market	1	.5
6 to 10 ticks off market	2	1
>10 ticks off market	3	1.5

ICE Futures Europe

Brent Crude Futures (one tick = one cent ($0.01) per barrel)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 10 ticks off market	0	0
11 to 14 ticks off market	1	.5
15 to 20 ticks off market	2	1
>20 ticks off market	3	1.5

WTI Crude Futures (one tick = one cent ($0.01) per barrel)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 5 ticks off market	0	0
6 to 8 ticks off market	1	.5
9 to 12 ticks off market	2	1
>12 ticks off market	3	1.5

Low Sulphur Futures (one tick = twenty-five cents ($0.25) per metric tonne)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 2 ticks off market	0	0
3 ticks off market	1	.5
4 ticks off market	2	1
>4 ticks off market	3	1.5

ICE Futures US

Cocoa Futures (one tick = one dollar ($1.00) per metric ton, equivalent to $10.00 per contract)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 2 ticks off market	0	0
3 ticks off market	1	.5
4 to 6 ticks off market	2	1
>6 ticks off market	3	1.5

Coffee C Futures (one tick = 5/100 cent/lb., equivalent to $18.75 per contract)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 4 ticks off market	0	0
5 to 6 ticks off market	1	.5
7 to 13 ticks off market	2	1
>13 ticks off market	3	1.5

Cotton No. 2 Futures (one tick = 1/100 of a cent per pound, equivalent to $5.00 per contract)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 9 ticks off market	0	0
10 to 12 ticks off market	1	.5
13 to 18 ticks off market	2	1
>18 ticks off market	3	1.5

Henry LD1 Fixed Price Futures (one tick = one tenth of a cent ($0.001) per MMBtu

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 3 ticks off market	0	0
4 to 5 ticks off market	1	.5
5 to 10 ticks off market	2	1
>10 ticks off market	3	1.5

Sugar No. 11 Futures (one tick = 1/100 of a cent per pound, equivalent to $11.20 per contract)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 2 ticks off market	0	0
3 ticks off market	1	.5
4 to 5 ticks off market	2	1
>5 ticks off market	3	1.5

US Dollar Index Futures (one tick = .005 or $5.00)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier

At or better than	0	0
1 to 2 ticks off market	0	0
3 ticks off market	1	.5
4 to 5 ticks off market	2	1
>5 ticks off market	3	1.5

ICE Endex

Dutch TTF Natural Gas Futures (one tick = 0.5 Euro Cent per MWh (€0.005/MWh)

Price difference from best bid or offer	Outright Order Multiplier	Spread Order Multiplier
At or better than	0	0
1 to 12 ticks off market	0	0
13 to 16 ticks off market	1	.5
17 to 25 ticks off market	2	1
>25 ticks off market	3	1.5