



## Illinois Basin Coal Options

### Contract Specifications

Description	The ICE Illinois Basin Options contract is an option on the Illinois Basin Coal Futures contract. At expiry, one lot of Illinois Basin Coal Options will exercise into one lot of Illinois Basin Coal. Illinois Basin Coal are European-style, such that In-The-Money options, unless abandoned, are automatically exercised at expiry. At-The-Money and Out-of-The-Money options will expire un-exercised unless the Member has elected to exercise them
Commodity Code	ILB
Hedge Instrument	Illinois Basin Coal Future contract
Expiration Date	The option contract shall expire at the close of the designated settlement period on the first business day of the month prior to the contract month of the futures contract.
Contract Security	ICE Clear Europe acts as central counterparty to all trades thereby guaranteeing the financial performance of ICE Futures Europe contracts registered in the name of its Members up to and including delivery, exercise and/or settlement.
Trading Model	Continuous trading throughout trading hours
Trading Methods	Electronic futures, Exchange for Physical (EFP), Exchange for Swap (EFS) and Block Trades are available for this contract.
Contract Size	1,000 U.S. tons of thermal coal
Minimum Trading Size	1 lot = 1,000 U.S. tons
Minimum Block Order	5 lots = 5,000 U.S. tons

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Quotation	The contract price is in USD and in US Dollar Cents per ton
Strike Price Increments	A minimum of ten Strike Prices in increments of \$0.50 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.25 increments.
Minimum Price Fluctuation	1 dollar cent per ton
Minimum Tick	\$0.01 per ton
Maximum Price Fluctuation	There are no limits
Position Limit	Positions are reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take steps to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate
Initial Margin	Calculated on all open contracts, initial margin is a deposit held by ICE clear Europe in order to cover the costs that may be incurred in closing out a position in default. It is returned upon the closing of the position, or at expiry, with interest
Option Premium	Equity Style such that premiums are paid at the time the transaction is executed.
Exercise and Automatic Exercise	Expires into the ICE Illinois Basin Coal Futures contract with European-style exercise. If the option is not abandoned, automatic exercise will occur for options which are one or more ticks in the money. At-The-Money and Out-of-The-Money options will expire worthless. Members will have up to two and a quarter hours after the designated Settlement Period on the option expiry day to manually abandon or exercise an option.