
SECTION A

A.1 DEFINITIONS

“ICE Block Broker” means an entity which has been admitted to the General Participant category of membership for the sole purpose of accessing the ICE Block facility to enter Block Trades brokered on behalf of Members;

“ICE Block Facility” or “ICE Block” means the facility for the entry of Block Trades by Members;

“the ICE Platform” means the electronic trading system for the trading of such contracts as determined by the Directors from time to time and administered by the Exchange and ~~;~~ ~~this was previously known as IPE ETS;~~ in the case of an ICE Block Broker the term “the ICE Platform” shall, where applicable, mean the ICE Block Facility and any other implied or explicit terms relating to the ICE Platform shall be construed accordingly.

B.2 CATEGORIES OF MEMBERSHIP

B.2.1 Subject to Rule B.2.1A below Any person seeking access to trading on the ICE Platform as a Member must elect and apply for one of the following categories of membership:

- (a) General Participant - to transact own business and business for clients (whether such clients are other Members or non-Members);
- (b) Trade Participant - to transact own business only;
- (b) Individual Participant - to transact own business and business for other Individual Participants (provided such business is only allocated to the relevant Individual Participant requesting the execution).

"Own business" for the purposes of this Rule B.2.1 means business for its own account or for the account of a subsidiary, wholly-owned subsidiary or holding company of the relevant Member. For the purposes of this Section B of the Regulations the terms "subsidiary", "wholly-owned subsidiary" and "holding company" shall have the meanings applied to them by section 736 of the Companies Act 1985 as such section is supplemented by section 736A of the Companies Act 1989. "Own business" will not include transactions concluded for the benefit of a client of a third party.

B.2.1A Any person seeking access to ICE Block as an ICE Block Broker must elect and apply for the General Participant category of membership.

B.2.2 Each category of membership confers the permissions set out in Rule B.6. Only certain categories of membership are eligible to be clearing members for the purposes of the Regulations, on the basis set out in Rule B.10 below.

B.3 MEMBERSHIP CRITERIA

B.3.1 An applicant for access to trading on the ICE Platform as a Member must, at the time of its application and at all times thereafter:

- (a) be able to demonstrate, to the satisfaction of the Exchange, that the applicant is fit and proper to be a Member;

- (b) be able to demonstrate, to the satisfaction of the Exchange, that the applicant has sufficient systems and controls in place to ensure that all the Member's Representatives who may act on its behalf or in its name in the conduct of business on the ICE Platform are fit and proper, suitable, adequately trained and properly supervised to perform such functions;
- (c) maintain a properly established office (in a location which is acceptable to the Directors as they may determine in their absolute discretion) for the conduct of its business on the ICE Platform;
- (d) satisfy the minimum financial standing requirements for the time being stipulated by the Directors in relation to the relevant category of membership, supporting its claim to do so by copies of its last three years of audited accounts (or in the case of an ICE Block Broker, a copy of its last audited accounts) and by a copy of its latest audited accounts from time to time as they become available, or such other evidence as the Directors may require;

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B.4 APPLICATION FOR MEMBERSHIP

- B.4.1 An applicant for membership under any of the above categories (other than an entity applying to be an ICE Block Broker), shall complete such form of application as the Directors may prescribe, specifying which category of membership it is seeking, whether it wishes to: (1) trade and/or clear Oil Contracts; (2) trade and/or clear Utility Contracts; (3) trade and/or clear Emission Contracts by virtue of holding an Emissions Trading Privilege; (4) trade and/or clear Coal Contracts; ~~and~~ whether it is to be a clearing Member or non-clearing Member as applicable. In the case of an entity applying to be an ICE Block Broker, the applicant shall complete such form of application as the Directors may prescribe, specifying the Contracts for which it wishes to have access to ICE Block.
- B.4.4 A successful applicant shall be notified in writing by the Membership Department of the approval of its application. The applicant shall be admitted to the category of membership applied for and details of the contracts it may trade (or in the case of an ICE Block Broker, the Contracts for which it may have access to ICE Block) will be confirmed, and where appropriate, it will be further confirmed that the applicant has been granted an Emissions Trading Privilege. The membership shall become effective at the point in time notified by the Membership Department to the applicant. Membership or an Emissions Trading Privilege shall not be transferable.
- B.4.6 Subject to B.4.7 a Member may, at any time, apply to vary the Contracts it wishes to trade and/or clear, and in the case of an ICE Block Broker, the Contracts for which it may have access to ICE Block. Such an application shall be made in the manner prescribed by the Exchange from time to time.
- B.4.7 A Member (other than a Member who is an ICE Block Broker) may, at any time, apply to hold an Emissions Trading Privilege or cancel an existing one. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.

B.5 ONGOING NOTIFICATION REQUIREMENTS

- B.5.3 If the Directors decline to approve any change notified under Rule B.5.1 above which requires their consent, the Member shall be informed accordingly, and if the change nonetheless becomes effective, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions) (or in the case of an ICE Block Broker, permission to access ICE Block) may be suspended by the Directors until the Directors are willing, by agreement with the Member on such terms as they think fit, to lift the suspension.
- B.5.4 In addition to the requirements of Rule B.5.1, every Member shall promptly (and thereafter upon demand or with such regularity as may be prescribed) notify the Exchange's compliance officer in writing of such information and of any changes thereto in respect of such of the Member's directors, partners, Responsible Individuals, traders, representatives, staff and other persons as the Directors or the Authorisation, Rules and Conduct Committee may from time to time prescribe. Without limitation, such information may include details of all types of investment with which such person deals or has dealt, all previous employers, the reason for changing employment (including details of any allegation, investigation or suspicion prompting the person's resignation), all exchanges (whether or not in the United Kingdom) upon which the person is

or has in the past been permitted to trade, whether such permission has at any time been withdrawn and if so the reason therefor, any disciplinary proceedings of any exchange or other regulatory authority commenced against the person and the outcome thereof.

- B.5.5 If the Directors consider that there has been a failure to notify the Exchange fully in accordance with this Rule B.5 or if a Member has failed to obtain the Exchange's consent to the change in its circumstances or arrangements as required by the Regulations, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable), or in the case of an ICE Block Broker, the Member's permission to enter Block Trades on ICE Block (or any one or more of such permissions) may be suspended for such time as the Directors see fit. Suspension under this paragraph shall not prejudice the power of the Directors or the Authorisation, Rules and Conduct Committee to commence disciplinary proceedings in respect of the failure.

B.6 SCOPE OF PARTICIPANT ACTIVITIES

- B.6.1 A General Participant, other than an ICE Block Broker shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to trade and/or clear as required under Rules B.4.1 or B.4.6, be permitted to:

- (a) trade :
 - (i) those Oil and/or Utility and/or Coal Contracts available for trading on the ICE Platform and/or
 - (ii) Emission Contracts available for trading on the ICE Platform, provided that the General Participant is the holder of an Emissions Trading Privilege,
as appropriate, for own business and in connection with client business in conformity with the Regulations;
- (b) register any number of Responsible Individuals;
- (c) in the case of a General Participant who is also a clearing member of the Clearing House, become counterparty to the Clearing House in accordance with the Clearing House Rules in respect of:
 - (i) all Oil and/or Utility and/or Coal Contracts made by the General Participant on the ICE Platform;
 - (ii) Emission Contracts made by the General Participant on the ICE Platform, provided that the General Participant is the holder of an Emissions Trading Privilege;
 - (iii) by agreement, any Contract made on the ICE Platform by another Member provided that if the Contract is an Emission Contract, the General Participant is a holder of an Emissions Trading Privilege; and
- (d) accept allocations of Contracts made on the ICE Platform by other General Participants provided that if the Contract is an Emission Contract, the General Participant is a holder of an Emissions Trading Privilege.

B.6.1(A) A General Participant who is an ICE Block Broker shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to enter into ICE Block on behalf of Members (trading and/or clearing as required under Rules B.4.1 or B.4.6), only be permitted to access ICE Block to enter Block Trades for such communicated Contracts.

B.10 CLEARING ACTIVITIES

- B.10.1 Only certain categories of membership are eligible to be clearing members for the purposes of the Regulations in relation to the ICE Platform, on the basis set out below:
- (a) Individual Participants may not be clearing Members, and must therefore have in place a clearing agreement with a General Participant ;

- (b) Trade Participants may elect to be clearing Members for the purpose of clearing own business (subject to them also being members of the Clearing House) or non-clearing Members, in which case they must have in place a clearing agreement with a General Participant as permitted under Rule B.6.2(a) and Rule B.6.2(d);
- (c) General Participants (other than those General Participants who are ICE Block Brokers) may elect to be clearing Members for the purpose of clearing own business and/or client business (subject to them also being members of the Clearing House) or non-clearing members, in which case they must have in place a clearing agreement with a General Participant as permitted under Rule B.6.1(a) and Rule B.6.1(d).
- (d) For the avoidance of doubt, in order for a General Participant to be able to provide clearing services (pursuant to a clearing agreement) to another Member who is the holder of an Emissions Trading Privilege, the General Participant must also be the holder of an Emissions Trading Privilege.

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SECTION F - CONTRACTS

F.7. BLOCK TRADE FACILITY

Availability of facility

- F.7.1
- (a) Block Trades may take place in respect of contracts designated by the Exchange from time to time as contracts that may be traded as Block Trades pursuant to the Rules.
 - (b) Block Trades may be organised only during such trading hours of the Block Trade Contract concerned and on such Trading Days as the Exchange may from time to time prescribe.
 - (c) Any Member is permitted to arrange Block Trades subject only,
 - (i) to the individual arranging the Block Trade on behalf of the Member, being registered by the Member with the FSA as an approved person as defined in the FSA rules or having such other individual registration as is required by applicable laws.
 - (ii) in the case of an Individual Participant, to the Block Trade being in respect of business for his own account and the counterparty with whom he arranges the Block Trade being another Member.
 - (d) Where a General Participant enters into a Block Trade with or on behalf of a client who is not a Member of the Exchange, it must comply with all applicable FSA rules and any other applicable laws, including in relation to suitability and appropriateness.
 - (e) Members must, prior to entering into a Block Trade with a client(s) who is not a Member of the Exchange for the first time, notify such client(s) in writing of the client's classification under FSA rules or other applicable laws for the purposes of the Block Trade Facility and must provide the client with details of the facility and its written terms of business and satisfy such other documentary requirements as are required by applicable laws.