

Contract Specifications: ICE Brent Crude Futures and Options Contract

ICE Brent Crude Futures Contract:

Description	The ICE Brent Crude Futures Contract is a deliverable contract based on EFP delivery with an option to cash settle
Contract Symbol	B
Contract Size	1,000 barrels
Unit of Trading	Any multiple of 1,000 barrels
Currency	US Dollars and cents
Trading Price Quotation	One cent (\$0.01) per barrel
Settlement Price Quotation	One cent (\$0.01) per barrel
Minimum Price Fluctuation	One cent (\$0.01) per barrel
Expiration Date	<p><u>Contract Months up to and including February 2016:</u></p> <p>Trading shall cease at the end of the designated settlement period on the Business Day (a trading day which is not a public holiday in England and Wales) immediately preceding <u>either</u>:</p> <p>(i) Either the 15th <u>calendar</u> day before the first <u>calendar</u> day of the contract month, if such 15th <u>calendar</u> day is a Business Day; <u>or</u>,</p> <p>(ii) if such 15th <u>calendar</u> day is not a Business Day, the next preceding Business Day.</p> <p><u>Contract Months from March 2016:</u></p> <p><u>Trading shall cease at the end of the designated settlement period on the last Business Day of the second month preceding the relevant contract month (e.g. the March contract month will expire on the last Business Day of January).</u></p> <p><u>If the day on which trading is due to cease would be either: (i) the Business Day preceding Christmas Day, or (ii) the Business Day preceding New Year's Day, then trading shall cease on the next preceding Business Day</u></p>
Contract Security	ICE Clear Europe acts as the central counterparty for trades conducted on the London exchanges. This enables it to guarantee the financial performance of every contract registered with it by its members (the clearing members of the exchanges) up to and including delivery, exercise and/or

	settlement. ICE Clear Europe has no obligation or contractual relationship with its members' clients who are non-member users of the exchange markets, or non-clearing members of the exchanges
Daily Settlement	The weighted average price of trades during a two minute settlement period from 19:28:00, London time
Daily Margin	All open contracts are marked-to-market daily
Position Limits	The Brent crude future is a cash-settled contract. The Exchange's daily position management regime requires that any position greater than 100 lots <u>all positions</u> in all any contract months must be 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 any steps necessary to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate
<u>Expiry Limits</u>	<p><u>The Exchange may impose limits on positions in this contract at its discretion in accordance with Exchange Rule P3.</u></p> <p><u>Current expiry limit: 6,000 contracts in the last five business days, up to and including the expiry day in the spot month, inclusive of futures-equivalent position in Brent Options.</u></p> <p><u>Exemptions from expiry limits may be granted at the Exchange's discretion to participants who provide and document a commercial rationale for their requirement</u></p>
Contract Series	Consecutive months up to and including February 2020
Trading Methods	Electronic futures, Exchange of futures for physical (EFP), Exchange of futures for swap (EFS) and Block Trades are available for this contract
Delivery/Settlement Basis	The ICE Brent Crude Futures Contract is a deliverable contract based on EFP delivery with an option to cash settle, i.e. the ICE Brent Index price for the day following the last trading day of the futures contract
Business Days	ICE Business Days
MIC Code	IFEU
Clearing Venue	ICEU

ICE Brent Crude Option Contract:

Description	<p>The ICE Brent Crude American-style Option Contract is based on the underlying ICE Brent Crude Futures Contract (B) and if exercised will result in a corresponding futures position. The contract is for American-style exercise, allowing the buyer to exercise an option any time up to, and including the expiry day.</p> <p>Beyond the American-style Option described in this contract specification, ICE also clears Brent Crude European-style Cash Settled Options (BUL) which is based on the underlying Brent Bullet and Brent Crude Average Price Options (I) which are based on the underlying Brent 1st Line Swap.</p>
Hedge Instrument	The delta hedge for the American-Style Option is the Brent Crude Future (B)
Contract Symbol	B
Contract Size	1,000 barrels
Unit of Trading	Any multiple of 1,000 barrels
Currency	US Dollars and cents
Settlement Price Quotation	One cent (\$0.01) per barrel
Trading Price Quotation	One cent (\$0.01) per barrel
Minimum Price Fluctuation	One cent (\$0.01) per barrel
Last Trading Day	<p><u>Trading shall cease at the end of the designated settlement period of the ICE Brent Crude Futures Contract three Business Days before the scheduled cessation of trading for the relevant contract month of the ICE Brent Crude Futures Contract.</u></p> <p><u>If the day on which trading in the relevant option is due to cease would be either: (i) the Business Day preceding Christmas Day, or (ii) the Business Day preceding New Year's Day, then trading shall cease on the immediately preceding Business Day</u></p> <p>Expiry of the option is three Business Days before the scheduled cessation of trading for the relevant contract month of the ICE Brent Futures contract (B) i.e. three Business Days prior to:</p> <p>(i) Either the 15th calendar day preceding the first day of the contract month, if such 15th day is a Business Day, or</p> <p>(ii) If the 15th calendar day is not a Business Day, trading shall end four business days prior to the Business Day</p>

	preceding the 15th day.
Option Premium/Daily Margin	Due to futures style margining option premiums are not paid/received at the time of the transaction. Rather margins are paid /received every day according to the changing value of the option. The total value to be paid/received is only known when the position is closed (by an opposing sale/purchase, exercise or expiry). The buyer never pays more margin than the cost of the premium. All open contracts are marked-to-market daily.
Exercise and Expiry	<p>ICE Brent Options can be exercised into ICE Brent Crude Futures Contracts. ICE Futures Europe options contracts are of American-style exercise, allowing the buyer to exercise call and/or put options up to 17:00 (London time) hours on any Business Day (except on expiry day) during the life of the contracts, by giving an exercise notice to ICE Clear Europe in respect of such options.</p> <p>On expiry day, the buyer has up to one hour after the end of the designated settlement period of the ICE Brent Crude Futures Contract 19:30 (London time) to exercise his options. At that time ICE Clear Europe will automatically exercise all options that are in-the-money on behalf of the Member unless instructed otherwise by the Member.</p>
Strike Price Increments	<p>At launch multiples of \$0.01 per barrel ranging from a strike of \$20 to a strike of \$240. Additional strike prices are added according to futures price movements.</p> <p>The at-the-money strike price is the closest interval nearest to the previous business day's settlement price of the underlying contract.</p>
Position Reporting	All positions are converted to futures equivalents by way of deltas and are aggregated with the futures position for daily position monitoring by the Exchange. The Exchange's daily position management regime requires that any position greater than 100 lots all positions in all-any contracts month must be reported to the Exchange on a daily basis by the Member . The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take any steps necessary to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate.
<u>Expiry Limits</u>	<p><u>The Exchange may impose limits on positions in this contract at its discretion in accordance with Exchange Rule P3.</u></p> <p><u>Current expiry limit: 6,000 contracts in the last five business days, up to and including the expiry day in the spot month, inclusive of futures-equivalent position in Brent Options.</u></p> <p><u>Exemptions from expiry limits may be granted at the Exchange's discretion to participants who provide and</u></p>

	<u>document a commercial rationale for their requirement</u>
Contract Security	ICE Clear Europe acts as the central counterparty for trades conducted on ICE Futures Europe and ICE OTC. This enables it to guarantee the financial performance of every contract registered with it by its members (the clearing members of the Exchange) up to and including delivery, exercise and/or settlement. ICE Clear Europe is able to provide margin offsets between the options and the underlying futures contract as well against options positions executed in other option styles.
Contract Series	Consecutive months up to and including February 2020
Business Days	ICE Business Days
MIC Code	IFEU
Clearing Venue	ICEU