



October 4, 2018

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6 –
Clearing Rule Amendments

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, the amendments to its Delivery Procedures (the “Delivery Procedures”)¹ discussed herein. The amendments are to become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Clear Europe is amending its Delivery Procedures to add a new Part CC addressing delivery under a new Permian West Texas Intermediate Crude Oil Futures Contract (the “Permian WTI Contract”) that will be traded on ICE Futures Europe and cleared by ICE Clear Europe, and to make certain related changes. ICE Clear Europe does not otherwise propose to amend its Clearing Rules (the “Rules”)² or Procedures in connection with these changes.

New Part CC of the Delivery Procedures provides specifications and procedures for deliveries under the Permian WTI Contract, which will take place at the Magellan Crude

¹ Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Delivery Procedures.

² Capitalized terms used but not defined herein have the meanings specified in the Rules.

Oil Pipeline Company, L.P. (“Magellan”) East Houston terminal (“MEH”). Consistent with the exchange contract terms, the buyer and seller must be approved shippers with delivery documentation with Magellan. Delivery may be effected through orders for inter-facility transfer, in-line (or in-system) transfer or in-tank transfer of title, in accordance with relevant Magellan documentation and tariffs, as set out in Part CC and the relevant exchange contract terms. The amendments also establish standards for delivery quality, as well as relevant procedures for exchange of futures for physical transactions under exchange rules.

Part CC addresses certain the responsibility of the Clearing House and relevant parties for delivery under the Permian WTI Contracts, supplementing the existing provisions of the Rules. Specifically, neither the Clearing House nor ICE Futures Europe are responsible for the performance of Magellan or any person operating MEH nor do they make any representation regarding the authenticity, validity or accuracy of any delivery tender notice, confirmation of transfer or any other notice, document, file, record or instrument used or delivered pursuant to the Rules and Procedures.

The amendments address delivery margin and relevant contract security with respect to Permian WTI Contracts. The amendments specify certain details of the delivery process. Delivery of ICE Permian WTI Contracts will be based on open contract positions at the close of trading on the last trading day for which physical delivery is specified. A delivery schedule must be agreed between Magellan and the Buyer and Seller. The procedures include a detailed timeframe for relevant notices of intent to deliver or receive, nominations of parties to delivery or receive, delivery confirmations, invoicing, release of delivery margin following completion of delivery and other matters.

The amendments also contemplate the use of alternative delivery procedures for Permian WTI Contracts, under which the buyer and seller under a contract may agree to arrange delivery and payment for a specific tender outside of the exchange rules and in lieu of the standard delivery arrangements and procedures. The amendments set out notice and other requirements for such alternative delivery procedures.

ICE Clear Europe is also adding a new section 16.7 requiring Clearing Members, Buyers, Seller, Transferors and Transferees that make or take delivery pursuant to a Contract to comply with requirements relating to filing, notification, reporting, registration, certification or authorization under Applicable Laws or from the Delivery Facility.

Compliance with the Act and CFTC Regulations

The rule amendments are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments are intended to facilitate the clearing of a new physically settled oil futures contract, the Permian WTI Contract, that is being launched for trading by the ICE Futures Europe exchange. The amendments set out the obligations and roles of Clearing Members, the Clearing House and Magellan, the facility used for physical delivery under the

Permian WTI Contracts. ICE Clear Europe believes that its existing financial resources, risk management, systems and operational arrangements are sufficient to support clearing of such products (and to address physical delivery under such contracts) and to manage the risks associated with such contracts. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).

- *Settlement Procedures.* As noted above, the amendments set out the delivery procedures with respect to Permian WTI Contracts and clearly set out the role and liabilities of the Clearing House in the physical delivery process. The amended Delivery Procedures also set out the role of Magellan in the delivery process and the need for Clearing Members to have appropriate documentation in place with Magellan to access its delivery facility. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and CFTC Rule 39.14.

As set forth herein, the amendments consist of changes to the Delivery Procedures, a copy of which is attached hereto.

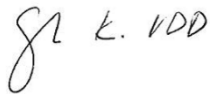
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at carolyn.vandendaelen@theice.com or +44 20 7429 4515.

Very truly yours,



Carolyn Van den Daelen
Head of Regulation & Compliance

(IV) DELIVERY PROCEDURES

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Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

7. EMISSIONS ALTERNATIVE DELIVERY PROCEDURE (“EADP”): EMISSION CONTRACTS

In the event of a failed delivery in respect of an Emission Contract which is not an ICE EUA Auction Contract or ICE EUAA Auction Contract, the relevant Clearing Member and the Clearing House may enter into a separate contract to make or take delivery beyond the point of failure in a manner and on terms pursuant to paragraph 6 of Part A below.

8. ALTERNATIVE DELIVERY PROCEDURE: FINANCIALS & SOFTS WHITE SUGAR CONTRACTS

In the event that the Seller agrees with the Buyer (to whom the Seller’s Tender is allocated by the Clearing House) to make delivery other than as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable, in respect of Financials & Softs White Sugar Contracts, both parties must advise LIFFE or ICE Futures Europe, as applicable, via Guardian (or any successor system) of their agreement. In such circumstances, the Clearing House will terminate the Financials & Softs White Sugar Contracts at the agreed settlement price, in fulfilment of all obligations and rights of all parties under the Contracts.

9. ALTERNATIVE DELIVERY PROCEDURE: ICE FUTURES EUROPE PERMIAN WEST TEXAS INTERMEDIATE CRUDE OIL FUTURES CONTRACTS

9.1 In respect of an ICE Futures Europe Permian West Texas Intermediate Crude Oil Futures Contract (“ICE Permian WTI Contract”), if the Buyer agrees with the Seller to undertake a specific Tender outside the ICE Future Europe Rules, both parties must advise the Clearing House using the Form ICE Permian WTI Contracts: Confirmation of Agreed ADP.

9.2 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price and using such pipeline or facilities and subject to such specifications as are agreed between the Buyer and Seller fulfilling its obligations under the Contract in respect of delivery.

9.3 ICE Permian WTI Contracts: Confirmation of Agreed ADP forms received by the Clearing House after 09:00 CT / 15:00 LPT will be deemed to have been received on the next Business Day.

9.4 Where an ADP is agreed for an ICE Permian WTI Contract, then, as from the time that the Clearing Members’ accounts are amended by the Clearing House as described in this paragraph 9, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

10. ~~9.~~ EXCLUSION OF ALTERNATIVE DELIVERY PROCEDURES FOR OTHER CONTRACTS

Clearing Members may not agree alternative delivery procedures for any ICE Futures UK Natural Gas Futures Contract, ICE Futures UK Natural Gas (EUR/MWh) Futures Contract, ICE Futures UK Natural Gas Daily Futures Contract, ICE UK Base Electricity Futures Contract (EFA), ICE UK Peak Electricity Futures Contract (EFA), ICE UK Base Electricity Futures Contract (Gregorian), ICE UK Peak Electricity Futures Contract (Gregorian) or ICE Deliverable US Emissions Contract, Financials & Softs Coffee Contract, Financials & Softs Cocoa Contract, Financials & Softs Wheat Contract, Financials & Softs Gilt Contract, Financials & Softs Japanese Government Bond Contract, Financials & Softs Equity Futures/Options Contract or Financials & Softs Stock Contingent Trade Contract or any other Contract subject to a delivery from time to time for which

no specific alternative delivery procedure applies, save where a Governmental Authority of competent jurisdiction orders or requires or Applicable Law so requires or the Clearing House provides its consent in writing.

11. ~~10.~~ INTERIM PAYMENTS: GASOIL

Where a Delivery Panel formed under ICE Futures Europe Rules directs that an interim payment or payments should be made pending a decision as to the price to be set for Invoicing Back, the Clearing House may make an interim payment to the affected Clearing Member of the amount specified in the direction of the Delivery Panel (or such other amount as the Clearing House, at its discretion, determines). If the Clearing House makes any such interim payment, an equivalent deduction from the Buyer's Security will be effected. Any amount to be paid as a result of the Delivery Panel's decision or direction shall be such amount due less any interim payment made or shall result in an obligation to repay all or part of any interim payment, as applicable, and further deduction to, or replenishment of, the Buyer's Security shall be effected by the Clearing House appropriately.

12. ~~11.~~ ICE BRENT FUTURES: CASH SETTLEMENT

ICE Brent Futures is a contract deliverable via EFP with an option to cash settle. Where the Notice to Cash Settle ICE Brent Futures or the Standing Notice to Cash Settle ICE Brent Futures is completed and submitted to the Clearing House by the relevant time as applicable to each notice, then the Rules on cash settlement set out in the Rules shall apply.

13. ~~12.~~ SIMILAR OBLIGATIONS UNDER DIFFERENT CONTRACTS

Where a Seller or a Buyer has delivery obligations under one or more Contracts that are not of the same Set but which result in a delivery obligation in respect of the same Deliverable at the same time, the Clearing House may notify the Seller (and its Transferor, if applicable) and the Buyer (and its Transferee, if applicable) of their aggregated delivery obligations under the affected Contracts and, upon such notification, the Seller and Buyer shall be required to make and take delivery in respect of such aggregated delivery obligations instead of such other obligations as may otherwise have been required.

14. ~~13.~~ INTERPRETATION

Words and phrases defined in the Rules or these Delivery Procedures bear the same meanings when used in any form or other document delivered pursuant to these Delivery Procedures.

The Clearing House may, from time to time, enter into clearing services arrangements with LIFFE or ICE Futures Europe, as applicable, in respect of Financials & Softs Contracts, pursuant to which the functions of the Clearing House (as designated in these Delivery Procedures) may be performed by LIFFE or ICE Futures Europe, as applicable, and *vice versa*. Accordingly, references in these Delivery Procedures to the Clearing House may be interpreted as references to LIFFE or ICE Futures Europe, as applicable, in respect of such Financials & Softs Contracts, and *vice versa*, as circumstances require.

15. ~~14.~~ REPORTS AND NOTIFICATIONS

Unless otherwise specified, the Clearing House will make the reports and confirmations it issues as part of the delivery processes available to the Clearing Members electronically, both via email and via the Clearing House Web Reporting Service (described in the Clearing House User Guide).

16. ~~15.~~ LIABILITY, MARGIN, DEFAULT AND DISCIPLINARY

16.1 ~~15.1~~ The requirements relating to liability set out in the Rules apply equally in relation to deliveries. Without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability:

- (a) it is the responsibility of Clearing Members to ensure that all forms are in place at the relevant time, and any failure or omission to ensure that they are in place that causes or contributes to the failure of any delivery may itself constitute a failure to deliver by the Clearing Member; and
- (b) upon any such failure or omission, the Clearing Member will be liable to the Clearing House for any cost, loss or expense of the Clearing House arising as a result of such failure or omission, which may include any delivery failure costs.

16.2 ~~15.2~~ The Clearing House may at any time make an additional Margin call as a result of any event or circumstance occurring in relation to a delivery.

16.3 ~~15.3~~ Notwithstanding the availability of any possible alternative or late delivery procedure, failure to comply with any requirement of these Delivery Procedures may constitute an Event of Default.

16.4 ~~15.4~~ Nothing in these Delivery Procedures shall preclude the Clearing House, in its discretion, from bringing disciplinary proceedings or levying a fine against a Clearing Member, including (without limitation) in respect of late or failed delivery.

16.5 ~~15.5~~ Clearing Members are referred to Rule I.21 of the ICE Futures Europe Rules which provisions are, to the extent relevant to the Rules, incorporated herein.

16.6 ~~15.6~~ Nothing in these Delivery Procedures shall exclude any liability for fraud, death, personal injury or any liability which by law may not be excluded.

17. ~~16.~~ PAYMENTS

All payments to and from Clearing Members pursuant to these Delivery Procedures shall take place to and from relevant Nominated Accounts as described in the Finance Procedures. Amounts due in respect of delivery obligations may be set off against or aggregated with other amounts due under the Rules, as described in the Finance Procedures.

18. ~~17.~~ GUARDIAN

Guardian is an electronic grading and delivery system which is used in the process of making and taking delivery of cocoa, coffee, wheat and white sugar (and bonds).

PART Y: DEBT EVENTS

The provisions of this Part Y shall apply to all government bond Contracts.

2. ~~1.~~ DEBT EVENTS

2.1 ~~1.1~~ The Clearing House shall not be responsible for any act with regard to any debt event relating to any underlying or Deliverable of any bond other than set out below.

For the purposes of these Delivery Procedures, the term 'debt event' is used to refer to: (i) cash claims in relation to an underlying Contract (for example a coupon payment, redemption or a cash obligation arising from a fractional entitlement (a "**Cash Claim**")); (ii) the issuance of Deliverables and/or Investments to a bondholder (*e.g.* by way of payment in kind) (a "**Distribution**"); or (iii) a transformation of the underlying (for example pursuant to a currency redenomination or debt-restructuring of the issuer) (a "**Transformation**").

Where a Transformation occurs, notwithstanding whether the relevant record or reference date and time occurs prior to or after the expiry of a Contract, the Clearing House may, in relation to affected Contracts, amend the notional amount or currency of the underlying bond and/or the EDSP in respect of a Set subject to delivery obligations. Without prejudice to the preceding sentence, amendments to the notional amount deliverable (or the currency of such notional amount) under an Contract or the underlying bonds to be delivered in relation thereto arising as a result of a debt event where the relevant record or reference date or time is on or after the expiry of such contract shall generally be determined by the Clearing House in accordance with these Delivery Procedures.

While the Clearing House will use reasonable efforts to carry out the steps set out below, it shall have no liability for any loss or damage arising out of or connected with any action or inaction on its part or on its behalf in connection with any debt event.

The Clearing House shall not be obliged to provide or forward any information, or deliver any notice, document or instruction received by it, or of which it is aware, relating to or in connection with any debt event, to any Clearing Member.

In the event that a Clearing Member fails to take delivery of a Deliverable by the final date for delivery of such Deliverable, due to insufficient funds, failure to match, by not allowing transactions to settle because of priority settings or for any other reason, the Clearing House may charge to that Clearing Member any costs incurred by the Clearing House or of which it is aware as a result thereof. Such charges will be debited to the Clearing Member's relevant Account.

Although Clearing Members are not permitted to delete claims in the relevant settlement system, the Clearing House may, in its discretion at any time, agree with a Clearing Member to give effect to a debt event claim processed outside the relevant settlement system. In such circumstances, and always subject to the Clearing House's prior approval, the Clearing Member concerned may, in accordance with the Clearing House's instructions, thereafter delete the claim within the relevant settlement system and the Clearing House will seek to facilitate settlement through the Clearing House's systems. Without limiting the Clearing House's discretion in this regard, Clearing Members are advised that generally this is only likely to occur when there are, in the Clearing House's opinion, circumstances that would be likely to prevent settlement in the relevant settlement system.

2.2 ~~1.2~~ Elective Debt Events

Neither the Clearing House nor any Seller is under any obligation to accept any instructions from a Buyer in relation to any debt event requiring an election to be made, where such election would occur after the expiry date but prior to the date of settlement, unless the Buyer notifies the Clearing House of a request to make an election prior to 11 a.m. on the day before the relevant deadline set by the relevant issuer of the Deliverable for such election (or such other deadline as the Clearing

House may specify). If the Clearing House receives a valid and timely request from a Buyer to make an election, it shall promptly notify the Seller of the request and the Seller and Buyer shall, upon receipt of the request by the Seller, simultaneously become bound by the effects of the request.

Where no instructions are received by the Clearing House by 11 a.m. on the day before the relevant deadline, the Seller shall select the elective debt event to default to the 'default option' for elections, as directed by the relevant settlement system. The Seller and Buyer shall simultaneously become bound by the default option election.

Where a Seller does not act in accordance with an election relating to a Deliverable and/or an Investment made pursuant to the Contract Terms (including pursuant to any instructions made by the Clearing House in accordance with this paragraph 1.2), that Seller will be responsible for reimbursing the Clearing House for any costs, expenses and other losses suffered by the Clearing House or Buyer in connection with or as a result of that failure or omission.

Where a Buyer provides the Clearing House with a request for instructions in relation to an election after 11 a.m. on the day before the relevant deadline set by the relevant Issuer for such election, such claim shall be treated as invalid by the Clearing House and neither the Clearing House nor the Seller shall be under any obligation whatsoever to effect settlement on the basis of such election.

2.3

~~1.3~~ Cash Claims

Subject to paragraphs 1.1 and 1.2, where a debt event giving rise to a Cash Claim occurs where the relevant record or reference date is after the expiry date of the relevant Contract, the Buyer shall be entitled, in addition to delivery of the Deliverable (if applicable), to such Cash Claim, and the Clearing House and (if applicable) the Seller shall be obliged to effect settlement of such Contract taking into account such Cash Claim.

Subject to paragraphs 1.1 and 1.2, in the event of a failure of settlement, a Buyer's rights in respect of reimbursement or settlement shall be calculated to include the Cash Claim (or may, consist entirely of the Cash Claim, as the case may be).

All such Cash Claims amounts should be settled on their intended settlement date in accordance with the relevant settlement system rules and procedures. If the Seller receives the proceeds of a Cash Claim, the relevant amount shall be transferred by it to the Clearing House in accordance with the Finance Procedures. If the Clearing House receives the proceeds of a Cash Claim or an amount in respect thereof from a Seller, the relevant amount shall be transferred by it to the Buyer in accordance with the Finance Procedures.

Where Cash Claims are not settled in accordance with the procedures of the relevant settlement system, the Clearing House compensates Cash Claims on a net of tax basis, in accordance with Part 3 of the Rules and the Finance Procedures. The cash compensation is not itself a dividend payment and the Clearing House does not provide tax vouchers or certificates in respect of dividends. The Clearing House does not reclaim Tax on a Clearing Member's behalf. If a Clearing Member is entitled to receive Tax benefit, then it will need itself to deal directly with the relevant Tax authority.

If the Clearing House incurs any liability to pay any Tax (including but not limited to any stamp duty, income tax, withholding tax and corporation tax) in respect of the cash compensation then it will require reimbursement in respect of such Tax liability and any costs and other expenses incurred in relation thereto, from the Clearing Member who is or was party to the Contract concerned in accordance with Part 3 of the Rules. The Clearing House will debit such amounts from the relevant account of that Clearing Member.

2.4

~~1.4~~ Distributions

Subject to paragraphs 1.1 and 1.2, where a debt event giving rise to a Distribution occurs where the relevant record or reference date is after the expiry date of the relevant Contract, the Buyer shall be entitled, in addition to delivery of the Deliverable, to such Distribution and the Clearing House and (if applicable) the Seller shall be obliged to effect settlement of such Contract taking into account such Distribution (including, for the avoidance of doubt, any rights or warrants under a rights issue or any other rights in relation to the underlying bond except for Cash Claims or Transformations).

Subject to paragraphs 1.1 and 1.2, in the event of a failure of settlement, a Buyer's rights in respect of reimbursement or settlement shall be calculated to include such Distribution.

All such claims in respect of Distributions should be settled on their intended settlement date in accordance with the relevant settlement system rules and procedures. If the Seller receives the Distribution, it shall transfer such Distribution to the Clearing House as soon as reasonably practicable following receipt, through the same settlement system as that in which the relevant Deliverable and/or Investment is settled. If the Clearing House receives the Distribution from a Seller, it shall transfer such Distribution to the Buyer as soon as reasonably practicable following receipt, through the same settlement system as that in which the relevant Deliverable and/or Investment is settled.

Where Distributions are not settled in accordance with the procedures of the relevant settlement system, the Clearing House compensates Distributions on a net of tax basis, in accordance with Part 3 of the Rules. The cash compensation is not itself a dividend payment and the Clearing House does not provide tax vouchers or certificates in respect of dividends. The Clearing House does not reclaim Tax on a Clearing Member's behalf. If a Clearing Member is entitled to receive Tax benefit, then it will need itself to deal directly with the relevant Tax authority.

If the Clearing House incurs any liability to pay any Tax (including but not limited to any stamp duty, income tax, withholding tax and corporation tax) in respect of the cash compensation then it will require reimbursement in respect of such Tax liability and any costs and other expenses incurred in relation thereto, from the Clearing Member who is or was party to Contract concerned in accordance with Part 3 of the Rules. The Clearing House will debit such amounts from the relevant account of that Clearing Member.

2.5 ~~1.5~~ Transformations

Subject to paragraphs 1.1 and 1.2, where a debt event giving rise to a Transformation occurs where the relevant record or reference date is after the expiry date of the relevant Contract, the Buyer shall be entitled, in addition to the delivery of the relevant Deliverable (if applicable), to such Deliverable and/or Investment to which it would be entitled to pursuant to a Transformation if it were the owner of record of the relevant Deliverable at the relevant record or reference date, and the Clearing House and (if applicable) the Seller (subject to below) shall be obliged to effect settlement of such Contract upon the basis of such Transformation.

A Seller may only deliver the original underlying bond provided the delivery occurs prior to the Last Time for Delivery. The Last Time for Delivery is the close of delivery versus payment bond settlement in the relevant settlement system, one relevant settlement system business day prior to the call payment or registration date. Thereafter, such a Seller must deliver the new underlying bond. In the event that the original underlying bond continues to exist, a Seller delivers the original underlying bond and the Buyer declines to accept delivery of such original underlying bond, then the Clearing House will return the original underlying bond to the Seller and the Seller shall be obliged to deliver to the Clearing House the new underlying bond in accordance with such directions as may be given by the Clearing House.

Subject to paragraphs 1.1 and 1.2, in the event of a failure of settlement, a Buyer's rights in respect of reimbursement or settlement shall be calculated upon the basis of such Transformation.

PART CC: PERMIAN WEST TEXAS INTERMEDIATE CRUDE OIL FUTURES1. APPLICABILITY AND DEFINITIONS

1.1 This Part CC applies to all physically deliverable ICE Futures Europe Permian West Texas Intermediate Crude Oil Futures Contracts for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. Such ICE Futures Europe Contracts are referred to in this part as “ICE Permian WTI Contracts”.

1.2 The following additional definitions apply to this part of the Delivery Procedures:

- (a) “Permian WTI” means West Texas Intermediate crude petroleum that originates either from Magellan’s Longhorn Crude System or from Bridgetex Pipeline Company, LLC’s Crude System (or their respective successors and reasonably foreseeable extensions thereof), and which satisfies all of the product specification and measurement requirements set forth in the Contract Terms.
- (b) “Magellan” means Magellan Crude Oil Pipeline Company, L.P., and its successors.
- (c) “MEH” means the Magellan East Houston terminal used for physical delivery of Permian WTI pursuant to an ICE Permian WTI Contract.
- (d) “CT” means the prevailing time in Houston, Texas.
- (e) “LPT” means the prevailing time in London, England.
- (f) “Tariffs” means Magellan Tariff R.C.T. 1.0.0, Magellan Tariff R.C.T. 5.0.0, BridgeTex Tariff F.E.R.C. 1.20, BridgeTex Tariff R.C.T. 1.2.0, or other such tariffs as may be specified from time to time, and all supplements to or revisions of any of the foregoing, as applicable.

2. DELIVERY SPECIFICATION2.1 Delivery

Deliveries pursuant to ICE Permian WTI Contracts are effected by Product Transfer Order for inter-facility transfer, in-line (or in-system) transfer or in-tank transfer of title of required Permian WTI from a Seller to a Buyer. Deliveries will therefore not be subject to any delivery tolerances. The tolerance of delivery into and out of MEH will be dealt with by Magellan in accordance with the Tariffs and, where applicable, industry practices.

Delivery shall be made at the MEH in accordance with the relevant Contract Terms and all Applicable Laws.

In order to make and take delivery, the Seller and Buyer respectively must be approved shippers and have executed a Systems Services Agreement or other documentation governing such delivery process with Magellan.

For the avoidance of doubt, MEH is a Delivery Facility for purposes of ICE Permian WTI Contracts.

2.2 Quality

Permian WTI shall be delivered free from all liens, encumbrances, unpaid taxes, fees, other charges and any other form of claim and shall conform to the specifications, as appropriate, described in ICE Futures Europe Rules.

2.3 Quantity

Quantities are as required under the relevant Contract Terms.

2.4 Price

The price at which the Permian WTI Contracts are delivered shall be based on the final settlement price, which shall be published on the Last Trading Day for the contract month.

2.5 Cessation of Trading

Contracts cease trading on the Last Trading Day, as defined in the Contract Terms.

2.6 Exchange for Physicals (EFPs)

EFPs may be made only in accordance with the ICE Futures Europe Rules, provided that EFPs executed on the Last Trading Day for any contract month may be reported up to one hour after the close of trading.

3. LIABILITY

3.1 The provisions of this paragraph 3 are without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

3.2 Neither the Clearing House nor ICE Futures Europe is responsible for, and neither of them shall have any liability whatsoever as a result of, the performance or non-performance of Magellan or any person who operates MEH. Neither the Buyer nor the Seller, nor their Clearing Members, shall have any claim against the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the performance or non-performance of Magellan or MEH. This provision is without prejudice to the Clearing House's liability under Contracts.

3.3 Neither the Clearing House nor ICE Futures Europe makes any representation regarding the authenticity, validity or accuracy of any delivery Tender notice, confirmation of transfer or any other notice, document, file, record or instrument used or delivered pursuant to the Rules and Procedures.

4. DELIVERY CONTRACT SECURITY AND CONTRACT VALUE

4.1 On the second Business Day following the Last Trading Day, the Clearing House will call for delivery Margin from the Seller and the Buyer Contract Security, such amount to be paid in accordance with the Finance Procedures. The Clearing House will retain the Seller's and Buyer's delivery Margin until such times as specified below.

4.2 At on the beginning of the Business Day prior to delivery day for the Contract, the Clearing House will call for the full delivery Margin as against the Contract value from the Buyer, such amount to be paid in accordance with the Finance Procedures.

5. DELIVERY TIMETABLE AND OBLIGATIONS

Delivery under an ICE Permian WTI Contract is based on open contract positions at close of trading on the Last Trading Day for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. A delivery schedule shall be agreed between Magellan and the Buyer and Seller. Delivery shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month.. Seller shall ensure that its crude oil receipts are available to

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begin flowing ratably by the first calendar day in the delivery month in MEH, in accordance with the Tariffs.

<u>Last Trading Day</u>	<u>Three Business Days prior to the 25th calendar day of the month</u>	
	<u>13:30 CT / 19:30 LPT</u>	<u>Trading in ICE Permian WTI Contracts ceases.</u>
	<u>14:30 CT / 20:30 LPT</u>	<u>EFPs may be posted up to one hour following the cessation of trading.</u>
<u>Notice Day</u>	<u>Last Trading Day + 1 Business Day</u>	
	<u>By 10:00 CT / 16:00 LPT</u>	<u>Clearing Members must confirm the positions they intend to deliver or receive and their underlying client(s) by submitting a "Delivery Confirmation Form" to the Clearing House.</u>
	<u>Thereafter</u>	<u>Following receipt of such required forms from Clearing Members, the Clearing House will verify the relevant data, including against a valid shipper list provided by Magellan and, the Clearing House will make appropriate delivery Tenders, matching the clients of Clearing Members that are Buyers with the clients of Clearing Members that are Sellers for the purposes of them making delivery to one another.</u> <u>To allow Clearing Members, where applicable, to inform their clients who they have been matched with, Clearing Members will receive email confirmation of all relevant Tenders by means of automated email via the Clearing House's systems and MFT (or any successor system).</u>
<u>Nomination Day</u>	<u>Last Trading Day + 2 Business Days</u>	
	<u>By 03:00 CT / 09:00 LPT</u>	<u>Buyer's delivery Margin and Seller's delivery Margin shall be debited from Clearing Members that are Buyers and Clearing Members that are Sellers, respectively, for their deliverable positions.</u> <u>Delivery Margin will be calculated by the Clearing House's systems as undelivered volume (lots x 1,000) x an appropriate scanning range (as determined by the Clearing House).</u> <u>The Clearing House will collect contingent variation margin from both the Buyer and Seller.</u>
	<u>By 17:00 CT / 23:00 LPT</u>	<u>Nominations to be submitted by Buyer and Seller or, where applicable, their Transferors or Transferees, respectively, as per individual Tenders, to Magellan via Magellan's COBALT system.</u>
<u>Completion of settlement instructions</u>	<u>One Business Day prior to the first calendar day of the delivery month</u>	
	<u>By 03:00 CT /</u>	<u>Delivery Margin increases to full contract value for the Buyer; the Clearing House will debit the Buyer's account accordingly.</u>

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	<u>09:00 LPT</u>	<u>Contingent variation margin requirements end for the Buyer.</u>
	<u>By 17:00 CT / 23:00 LPT</u>	<u>As soon as possible after receipt of the nominations and no later than 17:00 CT / 23:00 LPT, Magellan will provide scheduling instructions to the Buyer and Seller.</u>
<u>Delivery Day</u>	<u>Delivery Day</u>	
		<u>By no later than the last calendar day in the delivery month, delivery is to be made at MEH, in accordance with the Contract Rules, Applicable Laws and the scheduling instructions given by Magellan.</u>
<u>Following Delivery</u>	<u>Delivery Day + 10 Business Day</u>	
	<u>By COB</u>	<u>By close of business, Magellan will provide the Clearing House with delivery confirmation confirming delivery of the Product to the Buyer. Deliveries are not valid until confirmed by Magellan to the Clearing House. In the event of discrepancy between the parties, Magellan's confirmations shall override those of the Buyer and Seller.</u>
	<u>Thereafter</u>	<u>After receipt by the Clearing House of delivery confirmation from Magellan, the Clearing House will generate the Buyer's invoice.</u> <u>Note that deliveries may not be reflected in the Clearing House's systems until the next Business Day.</u>
<u>Buyer's Invoice</u>	<u>3 Business Days prior to the Seller's Invoice</u>	
	<u>The Buyer's invoice is issued. Clearing House returns Buyer's delivery Margin.</u>	
<u>Seller's Invoice</u>	<u>20th calendar day of the month following the delivery month</u>	
	<u>The Seller's invoice is issued. Clearing House will release Seller's delivery and contingent variation Margin.</u>	