

ICE Futures U.S.[®], Inc.

TRADING RULES

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ICE FUTURES U.S.[®], INC.

TRADING RULES

GENERAL TRADING RULES

Rule 4.00. Compliance with Rules and Consent to Jurisdiction

Any Person initiating or executing a Transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

Adopted by the Board August 3, 2012; effective August 20, 2012.

Rule 4.01. Duty to Supervise

(a) Every Person shall diligently supervise the Exchange-related activities of such Person's employees and shall be responsible for the acts and omissions of such employees.

(b) Each Member and Member Firm which employs a Clerk must be present or have a Member who is either an associate of the Brokers Association or Member Firm that employs such Clerk present on the premises occupied by the Exchange at all times during which such Clerk is engaged in Exchange-related activities.

Adopted by the Board August 3, 2012; effective August 20, 2012.

Amended by the Board September 30, 2015; effective January 1, 2016 [¶¶ (a) and (b)].

Rule 4.02. Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to:

(a) Manipulate, or attempt to manipulate, the price of any Commodity traded on the Exchange;

(b) Corner, or attempt to corner, any Commodity traded on the Exchange;

(c) Execute a wash sale, accommodation Trade, fictitious sale or prearranged Trade;

(d) Commit or attempt to commit fraudulent action on the Exchange or use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;

(e) Withhold or withdraw from the market any order or any part of an order for the convenience of another Person;

(f) Prearrange the execution of transactions in Exchange products for the purpose of passing or transferring equity between accounts;

(g) Engage in cross trading other than in accordance with the following procedures:

(1) Independently initiated orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications as defined in sub-paragraph (k) of this Rule.

(2) Orders on opposite sides of the market that are simultaneously placed for different beneficial accounts by a Person with discretion over both accounts must be entered into ETS as Crossing Order (“CO”) which contains both the buy and sell orders.

(3) An order that allows for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order received by the same intermediary only as part of a CO which contains both the buy and sell orders.

(h) Engage in front running;

(i) Disclose or divulge the buy or sell order of another Person except (1) in furtherance of executing the order, (2) at the request of an authorized representative of the CFTC or (3) pursuant to sub-paragraph (k) of this Rule regarding certain pre-execution communications.

(j) knowingly enter, or cause to be entered, a Transaction in which the opposite side of a Customer order is executed for an account which is owned or controlled, or in which an ownership interest is held, by an intermediary handling the Customer order, or for the proprietary account of the employer of such an intermediary, without submitting to ETS a Crossing Order (“CO”) consisting of both the Customer order and the order for such other account, provided, however, that any Transaction that is consummated without the knowledge of the intermediary shall not be considered to have violated this Rule.

(k) Engage in pre-execution communications, except in accordance with the following procedures:

(1) For the purposes of this Chapter, pre-execution communications shall mean communications between two (2) market participants for the purpose of discerning interest in the execution of a Transaction prior to the terms of an order being entered on the ETS and visible to all market participants on the electronic trading screen.

(2) A market participant may engage in pre-execution communications with regard to Transactions executed on ETS where a market participant wishes to be assured that another market participant will take the opposite side of an order under the following circumstances:

(A) If a Customer order is involved, the Customer has previously consented to such communications being made on its behalf;

(B) A party to pre-execution communications shall not disclose the details of such communications to any Person who is not a party to the communications;

(C) A party to pre-execution communications shall not enter an order to take advantage of information conveyed during such communications, except in accordance with this Rule;

(D) Each order that results from pre-execution communications must be executed by entry into ETS of a CO consisting of both the buy and sell orders, and

(E) Once the terms of a CO have been agreed to, the parties may not delay entry of the CO and may not enter a Request for Quote (“RFQ”) until the CO is transacted.

(l) Engage in any other manipulative or disruptive trading practices prohibited by the Act or by the Commission pursuant to Commission regulation, including, but not limited to:

(1) Entering an order or market message, or cause an order or market message to be entered, with:

(A) The intent to cancel the order before execution, or modify the order to avoid execution;

(B) The intent to overload, delay, or disrupt the systems of the Exchange or other market participants;

(C) The intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants, or

(D) Reckless disregard for the adverse impact of the order or market message.

(2) Knowingly entering any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly entering, or causing to be entered, bids or offers other than in good faith for the purpose of executing *bona fide* Transactions.

Adopted by the Board August 3, 2012; effective August 20, 2012.

Amended by the Board September 20, 2012; effective October 17, 2012 [¶¶ (g) through (k)].

Amended by the Board October 22, 2014; effective January 14, 2015 [¶¶ (e) through (l)].

Amended by the Board October 28, 2016; effective November 14, 2016 [¶ (d)].

Rule 4.03. Dual Trading Violations

(a) Prohibited Purchases. It shall be a violation of the Rules for any Person to purchase, on the ETS market, any Exchange Futures Contract or any Exchange Call Option or sell any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the purchase of an Exchange Futures Contract or Exchange Call Option or sale of an Exchange Put Option, which is executable at the market price or at the price at which such purchase can be made for such Person’s own account or for the account in which he has an interest.

(b) Prohibited Sales. It shall be a violation of the Rules for any Person to sell, on the ETS market, any Exchange Futures Contract or any Exchange Call Option or buy any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the sale of an Exchange Futures Contract or Exchange Call Option or purchase of an Exchange Put Option, which is executable at the market price or at the price at which such sale can be made for such Person’s own account or for the account in which he has an interest.

Amended by the Board August 3, 2012; effective August 20, 2012 [¶¶ (a) and (b)].

Amended by the Board September 20, 2012; effective October 22, 2012 [¶¶ (a) and (b)].

Rule 4.04. Conduct Detrimental to the Exchange

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

Adopted by the Board August 3, 2012; effective August 20, 2012.

Rule 4.05. Prohibition on Dissemination of False Information

It shall be a violation of the Rules for any Person to disseminate any false, misleading or knowingly inaccurate information, including reports concerning crop or market information or conditions that affect or tend to affect the price of any Commodity traded on the Exchange.

Adopted by the Board August 3, 2012; effective August 20, 2012.

Rule 4.06. Exchange for Related Position

(a) The following transactions shall be permitted by arrangement between the parties in accordance with the requirements of this Rule, each type of transaction being referred to as an Exchange for Related Position (“EFRP”):

(i) AA or EFP Transaction: A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding related cash position;

(ii) EFS or Exchange for Risk (“EFR”): A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding related OTC swap or other OTC instrument;

(iii) Exchange of Options for options (“EOO”): A privately negotiated and simultaneous exchange of an Exchange Option position for a corresponding related OTC option position or other OTC instrument with similar characteristics.

(b) EFRP Transaction Requirements

(i) An EFRP Transaction shall consist of two discrete but related simultaneous transactions in which one party must be the buyer of (or the holder of the long market exposure associated with) the related position and seller of the corresponding Exchange contract, and the other party to the EFRP Transaction must be the seller of (or the holder of the short market exposure associated with) the related position and the buyer of the corresponding Exchange contract. The related position must involve the commodity underlying the Exchange Futures Contract or Option (or any by-product or related product) in a quantity that is approximately equivalent to the quantity covered by the Exchange Futures Contract or Option. Exchange Traded Funds (“ETFs”) are an acceptable cash or physical component of an EFP.

(ii) Each EFRP requires a bona fide transfer of ownership of the Cash Commodity between the parties or a bona fide, legally binding contract between the parties consistent with relevant market conventions for the particular related product transaction.

(iii) The execution of an EFRP transaction may not be contingent upon the execution of another EFRP or related position transaction between the parties where the transactions result in the offset of the related position without the incurrence of market risk that is material in the context of the related position transactions.

(iv) The accounts involved in the execution of an EFRP Transaction must be (A) independently controlled with different beneficial ownership; or (B) independently controlled accounts of separate legal entities with the same beneficial ownership; or (C)

independently controlled accounts within the same legal entity, provided that the account controllers operate in separate business units.

(v) The parties to an EFRP Transaction shall maintain all documents relevant to the Exchange contract and the related position including all documents customarily generated in accordance with the relevant market practices, including, as applicable, copies of the documents evidencing title to, or the contract or contracts to buy or sell, the Cash Commodity (or the by-product or related product) involved in such Transaction, and master swap agreements and any supplements thereto. Any such documents and information shall be furnished to the Exchange upon request. The carrying Clearing Member shall be responsible to provide such requested documents and information on a timely basis.

(vi) EFRP Transactions executed on the Last Trading Day for any delivery month in any Sugar No. 11 or Sugar No. 16 Futures Contract must be executed and reported before the final five (5) minutes of trading.

(vii) EFPs which result in the parties immediately offsetting (i) a foreign currency cash transaction with the cash leg of a foreign currency EFP and (ii) an ICE Benchmark Administration (“IBA”) London Gold Auction (“Auction”) delivery obligation with the cash leg of a Gold Futures Daily Futures Contract EFP are permitted. Such transactions are not permitted for any other asset classes or Commodity Contracts.

(A) Foreign Currency EFP Transactions

The Exchange would expect to see confirmation statements issued by the bank/foreign exchange dealer party to the Transaction. These confirmation statements should be the type normally produced by the bank/foreign exchange dealer for confirmation of currency deals and must indicate, by name or account number, the identity of the counter party principal to the Transaction. However, in circumstances where the EFP Transaction is between a bank/foreign exchange dealer and a CTA, account controller, or other Person (“Account Controller”) facilitating, as principal, the cash/OTC component of the transaction, the confirmation statement issued by the bank/foreign exchange dealer or a written allocation instruction issued by the Account Controller as soon as practicable after the entire transaction is complete, must identify, at minimum, the name of the Account Controller, the name of the Carrying Clearing Member and the account number (or other account specific designation), but need not identify the customer of the Account Controller by name.

(B) Daily Gold EFP Transactions

The Exchange requires documentation to be furnished upon request evidencing the IBA matching of the parties in the Auction. Such documentation should indicate the date of the Auction, the date of delivery and amount of gold to be delivered. Documentation may be in the form of a standard confirmation statement issued by a party or may be furnished directly by IBA. A party should be able to demonstrate that it, or its Clearing Member, has the capability to settle transactions in the spot loco London gold market.

(viii) A Person providing inventory financing may enter into an AA/EFP Transaction in which there is a purchase of the storable agricultural, energy or metals commodity and the sale of an equivalent quantity of Exchange Futures Contracts and simultaneously grant to the same counterparty the nontransferable right, but not the obligation, to effectuate a

second AA/EFP Transaction during a specified time period in the future which will have the effect of reversing the original AA/EFP Transaction.

(c) Reporting Requirements

The parties to an EFRP Transaction shall cause the Transaction to be identified and reported to the Exchange in accordance with such procedures as are determined by the Exchange from time to time.

(d) All Commodity Contracts effected as part of EFRP Transactions shall be cleared in the usual manner. Clearing Members are responsible for exercising due diligence as to the bona fide nature of EFRPs submitted on behalf of their Customers.

Amended by the Board August 3, 2012; effective August 20, 2012 [¶¶ (a) through (d)].

Amended by the Board July 9, 2014 effective September 5, 2014 [¶¶ (a)(i) through (b)(ix)].

Amended by the Board February 4, 2014; effective March 24, 2015 [¶ (b)].

Amended by the Board December 2, 2016; effective January 30, 2017 [¶¶ (b)(vii)(A) and (B) commencing with the listing of Gold Daily Futures Contract].

Rule 4.07. Block Trading

(a) Privately negotiated Transactions may be entered into with respect to Commodity Contracts designated by the Exchange for such purpose (hereinafter referred to as "Block Trades"), provided that all of the following conditions are satisfied:

(i) Each party to a Block Trade must be an eligible contract participant as that term is defined in Section 1a(18) of the Act; provided that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act ("CTA"), including without limitation any investment advisor registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act or CFTC regulations ("Exempt Investment Adviser"), with total assets under management exceeding US \$25 million, or by (B) a foreign entity performing a similar role or function to a CTA or investment advisor that is subject to foreign regulation ("Foreign Adviser"), with total assets under management exceeding US \$50 million, the individual Customers need not so qualify.

(ii) Each buy or sell order underlying a Block Trade must:

(A) state explicitly that it is to be, or may be, executed by means of a Block Trade; and

(B) be for at least the applicable minimum threshold as specified by the Exchange; *provided that* only a CTA, including without limitation an Exempt Investment Adviser, with total assets under management exceeding US \$25 million or a Foreign Adviser with total assets under management exceeding US \$50 million, may satisfy this requirement by aggregating orders for different accounts.

(iii) The price at which a Block Trade is executed must be fair and reasonable in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract at the relevant time; and (C) the price and size of Trades in other relevant markets, at the relevant time.

(iv) Block Trades shall not set off conditional orders, including but not limited to, stop orders, limit orders or market-if-touched orders, or otherwise affect orders in the regular market.

(v) Block Trades executed on the Last Trading Day for any delivery month in Sugar No. 11 Futures Contract must be executed and reported before the final five (5) minutes of trading.

(b) Block Trades may be executed in Exchange Futures and Options Contracts as determined by the Board and must meet the applicable minimum thresholds for such contracts as determined by the Board from time to time.

(c) The parties to a Block Trade shall cause the Transaction to be reported to the Exchange in accordance with such procedure as are determined by the Exchange from time to time.

(d) A Clearing Member carrying an account for which a Block Trade is executed is responsible for exercising due diligence to determine that the requirements of paragraph (a)(i) of this rule are satisfied.

(e) Block Trades may not be used to establish positions upon which a cash and carry exemption request made in accordance with Rule 6.29 is based.

Amended by the Board August 10, 2007; effective August 17, 2007 [¶¶ (a)(iii) and (v), (b), (c) and (d)].

Amended by the Board December 14, 2007; effective December 17, 2007 [¶ (a)(iii)].

Amended by the Board April 15, 2009, effective April 17, 2009 [¶(e)].

Amended by the Board August 3, 2012; effective August 8, 2012 [¶¶ (a)(i) and (a)(ii)(B)].

Amended by the Board December 14, 2012; effective January 18, 2013 [¶ (e)].

Amended by the Board April 9, 2014; effective June 30, 2014 [¶¶ (d) and (e)].

Rule 4.08. Settlement Prices

(a) Settlement Prices for all Exchange Futures Contracts except for Cash-Settled US Agricultural Futures Contracts described in Chapter 14 of the Rules shall be determined in the manner specified in this Rule. All prices, bids and offers during the applicable closing period as defined in Rule 27.18(b) (the “close”) shall be used to determine the Settlement Price of a delivery or expiration month unless otherwise specified herein.

(b) Except as specified in paragraph (c) with respect to the Last Trading Day of certain Exchange Futures Contracts, the Settlement Price of each delivery or expiration month of an Exchange Futures Contract shall be determined as follows:

(i) For the delivery or expiration month with the highest open interest (the “Lead Month”), the Settlement Price shall be the weighted average of all prices for outright Trades traded during the close. When the average is a fraction, the weighted average shall be rounded to the nearest minimum permissible price fluctuation for all products other than the USDX, for which the weighted average shall be rounded to the nearest .001 of a USDX index point. For purposes of this Rule, weighted average shall mean the average by volume of all transactions executed in such month during the close.

(ii) The Settlement Price for all delivery or expiration months other than the Lead Month shall be either the weighted average or the prevailing differential depending on the nature of the trading volume in such delivery or expiration month during the close.

(iii) If no Trades have been executed during the close in a delivery or expiration month, the Settlement Price for such month shall be either the average of the bids and offers made during the close of each such month or the prevailing differential between such month and the nearest active delivery or expiration month during the trading day depending on the nature of the bids and offers and spread Trades involving such delivery or expiration month.

(iv) Notwithstanding subparagraphs (b)(i) through (iii) of this Rule, if the Exchange concludes that the Settlement Price determined in accordance with subparagraphs (c)(i) through (iii) of this Rule does not fairly represent the market value of the relevant delivery or expiration month relative to the Settlement Price of any other delivery or expiration month(s), or is inconsistent with market information known to the Exchange it may establish the Settlement Price of such delivery or expiration month at a level consistent with such other Settlement Price(s) or market information including the settlement prices for similar contracts trading on other markets, trading activity in the spot, OTC and swap markets, forward prices, pricing data obtained from OTC and swap market participants, and any other pricing data from sources deemed reliable by the Exchange.

(v) If, for any reason, the relevant index or other value on which final settlement of any Futures Contract is based is not published, or the Exchange believes there is an error in the calculation of the index or other value, or the Exchange is otherwise unable to issue a final Settlement Price on such day as specified in the Rules, then the Exchange may, in its discretion, either publish a final Settlement Price on such day using such pricing data as it deems reliable, or delay issuing a final Settlement Price and shall publish a final Settlement Price on the next Business Day or as soon thereafter as practicable using such pricing data as it deems reliable, unless otherwise specified in the Rules of the relevant Exchange Futures Contract.

(c) On the Last Trading Day the Settlement Price shall be determined as follows:

(i) in the expiring Cocoa delivery month, the Settlement Price shall be determined by the differential between the value of the expiring delivery month and the value of the next delivery month for the last minute of trading.

(ii) in the expiring USDX contract month, the Settlement Price shall be determined as specified in Rule 15.06.

(iii) in any expiring Russell Complex Futures Contract, the Settlement Price shall be determined as specified in Rule 19.04, and

(iv) in any expiring cash settled Currency Futures Contract, the Settlement Price shall be determined as specified in Rule 26.04.

Amended by the Board January 24, 2007; effective February 2, 2007 [¶ (a)].

Amended by the Board July 11, 2007; effective July 16, 2007 [¶ (a)].

Amended by the Board September 11, 2007; effective September 28, 2007 [¶¶ (a), (c)(i) and (d)].

Amended by the Board September 20, 2007; effective September 28, 2007 [¶ (a)].

Amended by the Board February 13, 2008; effective April 1, 2008 [¶ (a)].

Amended by the Board October 1, 2008; effective October 6, 2008 [¶¶ (a) through (e)].

Amended by the Board March 17, 2010; effective March 22, 2010 [¶ (c)].

Amended by the Board December 9, 2010; effective December 13, 2010 [¶¶ (c)(i) through (c)(iv)].

Amended by the Board March 21, 2012; effective May 14, 2012 [¶ (a)].

Amended by the Board June 13, 2012; effective August 8, 2012 [¶¶ (a), and (c)(iv)].

Amended by the Board June 23, 2011; effective October 15, 2012 [¶¶ (c)(iv) and (c)(v)].

Amended by the Board February 28, 2013; effective March 18, 2013 [¶¶ (a) through (d)].

Amended by the Board September 10, 2014; effective September 30, 2014 [¶ (b)].

Amended by the Board March 24, 2016; effective April 13, 2016 [¶ (b)(v)].

Rule 4.09. Settlement Premiums

(a) Promptly after the close of trading in each Exchange Option Contract, except for Options on Cash-Settled US Agricultural Futures Contracts described in Chapter 14 of the Rules, the Exchange shall establish the Settlement Premium for each Striking Price of each Option Month of each Option listed for trading that has open interest. A Settlement Premium may be established for any Strike Price that has no open interest.

(b) Each such Settlement Premium shall be derived from available market information including, but not limited to, following:

(A) the weighted average price of all electronic Trades executed during the closing period which shall mean the average by volume of all electronic Trades executed during the closing period for all electronics Trades in a single Strike Price rounded to the nearest minimum permissible price fluctuation of such contract;

(B) bids and offers continuously made during the closing period on the ETS;

(C) the Option's intrinsic value;

(D) the implied volatility of the (1) corresponding Call or Put of the same Strike Price, (2) nearest active prices on the ETS of the particular contract, and (3) electronic Trades in that Strike Price executed during the day, including the volume of the electronic Trades, bids and offers used to calculate such implied volatility;

(E) the differential between the implied volatility of a Strike Price and the implied volatilities for Strike Prices of nearby contract months;

(F) the settlement price of the Underlying Futures Contract, and

(G) any other market information known to the Exchange.

(c) Notwithstanding the foregoing, if a Settlement Premium derived pursuant to the above methodology is inconsistent with trades, bids or offers in other Strike Prices during the closing period, or other relevant information, or if there is no relevant market activity, the Exchange may establish a Settlement Premium that best reflects market valuation at the time of the close.

Amended by the Board October 11, 2011; effective November 1, 2011 [¶¶ (A) through (F)].

Amended by the Board March 21, 2012; effective May 14, 2012.

Amended by the Board June 23, 2011; effective October 15, 2012 [¶¶ (a) through (d)].

Rule 4.10. Allocation of Trades

It shall be a violation of the Rules for any Person to allocate Trades among accounts except in the sequence in which the orders for such accounts have been received. The sequence of time stamping of orders when received by such Person shall be prima facie evidence of the sequence in which such orders were received. Trades executed for orders received at the same time shall be allocated on an equitable basis among the orders received; provided, however, that all orders received on the Trading Floor after the close on one (1) trading day and prior to the opening on the next trading day shall be considered as received at the same time.

Amended by the Board August 3, 2012; effective August 20, 2012.

Rule 4.11. Transfer Transactions Not Required to Be Made Competitively

- (a) The following transfer Transactions need not be made competitively:
 - (i) transfers of open contracts on the books of a Clearing Member or from one (1) Clearing Member to another Clearing Member:
 - (A) made at the request of a client where no change in beneficial ownership is involved;
 - (B) to correct errors made in the clearing of a trade(s) provided that the transfer occurs within three Business Days after the date on which the error occurred and
 - (ii) transfers of open contracts following the close of trading on the Last Trading Day of a particular delivery month, as provided in paragraph (e) of this Rule.

Transfers referred to in subparagraph (a)(i)(A), which offset existing Positions in the spot month, may not occur (1) on or after the first (1st) notice day of the delivery month. Concurrent long and short positions that are held by the same beneficial owner on or after the first (1st) notice day of the delivery month must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. The receiving Firm has the responsibility to assure compliance with this Rule.

(b) Transfers of Futures Contracts made pursuant to subparagraphs (a)(i)(A) may be effected at (i) the prior day's Settlement Price, (ii) the current day's Settlement Price, or (iii) at the original market price. Transfers of Options Contracts made pursuant to subparagraphs (a)(i)(A) may be effected at either the original market Premium or a Premium of zero. For all such transfers, the transferee must carry the transferred contracts on his or its books at either the original dates or the transfer date.

(c) Notwithstanding the requirements of subparagraph (a)(i)(A), the Vice President of Market Regulation or his designee may approve a transfer that results in a change of beneficial ownership in the following circumstances:

- (i) transfers made for the purpose of facilitating a restructuring or consolidation of a partnership, investment fund or commodity pool—so long as the managing partner or pool operator remains the same, the transfers do not result in the liquidation of any open Positions, and the pro rata allocation of positions in the new account do not result in more than a de minimis change in the value of the interest of any participant; and
- (ii) transfers made as a result of, a merger, asset purchase, consolidation or similar non-recurring corporate transaction between two (2) or more entities.

For purposes of this Rule, a change in beneficial ownership shall not be deemed to have occurred with respect to (A) transfers between Firms which are 100% owned by the same Person and (B) transfers between any Person and any entity owned 100% by such Person.

(d) Notwithstanding any other provision of this Rule, the President or his designee may, with the consent of the Clearing Member(s), authorize the transfer of existing Positions between accounts or between Clearing Members when the circumstances so require and such transfer is deemed: (i) to be in the best interests of the marketplace; or (ii) to be the most appropriate means to remedy an error that results from the good faith acts or omissions of any party.

(e) After the close of trading on the Last Trading Day of any delivery month in any Cocoa, Coffee "C", Cotton No. 2, Financial, FCOJ, Sugar No. 11, Sugar No. 16, Gold Daily Contract and Precious Metal Contracts (but not later than 10:30 a.m. of the Last Trading Day for the Gold

Daily Contract; and not later than 5:00 p.m. of the Last Trading Day for the Financial Contracts, Precious Metals Contracts, Cocoa, Coffee “C”, Cotton No. 2 and FCOJ; and not later than 10:00 a.m. for Sugar No. 11 and Sugar No. 16 on the following Business Day), a Clearing Member carrying one (1) or more open contracts for that delivery month for its own account or the account of any other Person as the result of an error may transfer any or all of such contracts to any other account carried by such Clearing Member or to any other Clearing Member (together with any delivery documents evidencing an intention to deliver or receive with respect to such contracts); provided that:

(i) for any delivery month in Cocoa, Coffee “C” and Sugar No. 16, no Clearing Member may so transfer for its own account and/or the account of any other Person, in the aggregate, more than ten (10) contracts in such delivery month;

(ii) for any contract date in Gold Daily Contracts, and any delivery month in Cotton No. 2, a Financial Contract, Precious Metals, and FCOJ, no Clearing Member may so transfer for its own account or the account of any other Person, in the aggregate, more than twenty (20) contracts in such delivery month;

(iii) for any delivery month in Sugar No. 11, no Clearing Member may so transfer for its own account and/or the account of another Person, in the aggregate, more than eighty (80) contracts in such delivery month; and

(iv) If a Clearing Member transferring purchase contracts pursuant to this paragraph (e) shall have received a Multiple Delivery Notice with respect to such contracts and:

(A) if the transfer is made to one (1) or more of the Deliverers identified in such Multiple Delivery Notice, then, after the transfer has been effected, such Multiple Delivery Notice shall be deemed amended to reflect the deletion of the contracts so transferred; or

(B) if the transfer is to any other Person, then all of the rights and obligations of the transferor under the Multiple Delivery Notice with respect to the contracts transferred will become the rights and obligations of the transferee, and the transferee will immediately notify the Deliverer of the transfer, specifying the name and address of the transferee and identifying the contracts transferred.

Amended by the Board September 11, 2007; effective September 28, 2007 [¶¶ (c) and (e)(i)].

Amended by the Board April 9, 2008; effective April 14, 2008 [¶¶ (d)(i) – (v) and (e)(i) – (v)].

Amended by the Board September 15, 2008; effective September 17, 2008 [¶ (b)].

Amended by the Board April 9, 2008; effective September 26, 2008 [¶¶ (c) and (e)].

Amended by the Board August 31, 2011; effective September 26, 2011 [¶ (b)].

Amended by the Board August 3, 2012; effective August 20, 2012 [(a)].

Amended by the Board June 23, 2011; effective October 15, 2012 [(a)].

Amended by the Board April 9, 2014; effective June 30, 2014 [¶¶ (e), (e)(ii) and (e)(iv)].

Amended by the Board September 10, 2014; effective October 2, 2014 [¶¶ (a) through (f)].

Amended by the Board April 8, 2015 effective April 27, 2015 [¶¶ (c) through (e)].

Amended by the Board December 2, 2016; effective January 30, 2017 [(e) and (e)(ii) commencing with the listing of the Gold Daily Futures Contract].

Rule 4.12. Duty to Furnish Information

It shall be a violation of the Rules for any Person to furnish false information, or fail to furnish information when requested, to the Board or to any committee, subcommittee, officer or employee of the Exchange in the course of its, their, or his duties;

Adopted by the Board August 3, 2012; effective August 20, 2012.

Rule 4.13. Compliance with Terms of Exchange Decisions and Orders

It shall be a violation of the Rules for any Person to violate, or fail to comply with, the terms of any agreement with the Exchange or any order or decision of, or any suspension imposed by, the Exchange, the Board or any committee or subcommittee of the Exchange, including, without limitation, any Hearing, Arbitration or Appeals Panel;

Adopted by the Board August 3, 2012; effective August 20, 2012.

TRADING FLOOR RULES

Rule 4.14. Discretionary Account

(a) No Floor Broker shall execute any Transaction for any account over which the Floor Broker has discretionary trading authority to originate orders or execute Transactions. For the purposes of this Rule, discretion only as to time and price of a Transaction shall not be deemed to constitute a discretionary trading authority.

(b) The foregoing requirement shall not apply with respect to orders originated by a Floor Broker on behalf of any one (1) or all of the following:

- (i) members of the Floor Broker's immediate family;
- (ii) the proprietary accounts of Members.

provided that Customers' orders, including orders granting the Floor Broker discretion as to the price, time and contract month, are executed before the orders referred to in paragraphs (a) and (b).

(c) Orders referred to in paragraphs (a) and (b) may be placed with another Floor Broker for execution.

Rule 4.15. Hours Exchange and Trading Floor is Open

Unless otherwise provided in the Rules or by the Board, the Trading Floor shall be open for business daily, except on Saturdays, Sundays and Exchange Holidays, during such hours as the Board shall direct from time to time.

Amended by the Board September 20, 2012; effective October 22, 2012.

Rule 4.16. Trading Floor Access; Trading Restrictions; and Authorized Representation

(a) Access: Unless otherwise provided under the Rules, only the following individuals shall have access to the Trading Floor:

- (i) A Member who has been granted floor trading privileges and wears his assigned Floor Broker identification badge in a prominent position at all times;
- (ii) An employee of a Member who has been granted floor trading privileges duly registered as a Clerk by such Member, in accordance with procedures established by the

Board, and wearing an authorized Exchange identification badge in a prominent position at all times while on the Trading Floor;

(iii) A guest of a Member who has been granted floor trading privileges wearing an authorized visitor's pass in a prominent position at all times while on the Trading Floor; provided, however, that such guest shall not be permitted to make any Transaction, enter any order or execute any Trade during the course of any visit to the Exchange or its premises; provided, however, that, if any Senior Vice President of the Exchange determines that the presence of such guest on the Trading Floor is not in the best interests of the Exchange, such Senior Vice President may deny access to such guest.

(iv) An Exchange employee wearing an authorized Exchange identification badge in a prominent position at all times while on the Trading Floor; and

(v) CFTC officials and staff upon request wearing an authorized CFTC or Exchange identification badge in a prominent position at all times;

(b) Trading Restrictions: No one shall execute or attempt to execute any Transaction on the Floor of this Exchange except a Floor Broker of the Exchange who has been granted floor trading privileges pursuant to the Rules.

(c) Member Responsibility: A Member shall be subject to disciplinary action for any violation of the Rules committed by such Member's employees or guests.

Amended by the Board June 13, 2012; effective August 8, 2012 [¶¶ (a)(ii) through (B)(vi)].

Amended by the Board September 20, 2012; effective October 18, 2012 [¶¶ (a)(ii) through (a)(v), (b) and (c)].

Rule 4.17. Clerk Qualification Requirements, Registration Procedures, and Trading Prohibitions

The following Clerk qualification, registration procedures and trading prohibitions apply to all clerical staff of Members or Member Firms trading in Commodity Contracts on the Trading Floor of the Exchange:

(a)(i) Qualification Requirements: Unless otherwise provided under the Rules, clerical staff shall:

(A) include every Person a Member or Member Firm employs or wishes to employ on the Trading Floor of the Exchange, whether on a temporary or permanent basis, and regardless of whether such Person is a Member of another exchange;

(B) on an annual basis or as otherwise required by the Exchange, provide proof of employment by a Member or Member Firm for the previous year in a form acceptable to the Exchange;

(C) attend a Sexual Harassment Awareness Course sponsored by or acceptable to the Exchange as may be determined by the President, in his sole discretion; and

(D) not consist of any other Member whose rights and privileges of Membership are suspended or any individual who has been expelled from Membership, where such employment or registration is in contravention of any term or condition of such suspension or expulsion which the Exchange, the Board or any Committee may impose or to which the suspended Member or expelled Person may have agreed.

(ii) Additional Requirements for trade data entry Clerks: A Clerk who enters trade data shall:

(A) be registered with the Exchange by and for the Floor Broker for whom the Clerk enters the greatest number of transactions; provided, however, if a Clerk enters the greatest

number of transactions for Floor Brokers associated with a Member Firm or Broker Association, the Clerk shall be registered by and for a Floor Broker associated with such Member Firm or Broker Association;

(B) only enter trade data for Members or Member Firms involving Exchange Transactions; and

(C) enter trade data for no more than fifteen (15) Floor Brokers on any Business Day.

(b) Registration Procedure: All clerical staff must file with the Exchange an application for Clerk registration in the form supplied by the Exchange and consent to such background investigation as may be required from time to time. All applicants must be approved by the Exchange before they will be permitted on the Trading Floor. Each applicant shall furnish such additional information as the Exchange may request regarding any matter revealed in the background investigation or the application for registration as a Clerk. Applicants shall also be required to disclose, among other things, whether the applicant:

(i) has ever been or is suspended or expelled from any commodity or securities exchange, clearing organization, registered futures association, the National Association of Securities Dealers, Inc., or any other self-regulatory organization or other business or professional association for violation of any rule of such organization; or

(ii) has been convicted of any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, commodity contract, security or option, or is or has been permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction or the CFTC from engaging in or continuing any conduct or practice in connection with the purchase or sale of commodities or securities or is or has been subject to an order of the CFTC denying trading privileges on any contract market to such Person, or suspending or expelling such Person from membership on any contract market, or has been convicted of any felony involving or arising from fraud or moral turpitude; or

(iii) has a disciplinary record at any exchange; or

(iv) has any unsatisfied debts to Members; or

(v) had his Membership terminated pursuant to the sale of Membership provisions of Rule 21.36.

Every Clerk registered with the Exchange shall provide prompt written notice to the Managing Director or an officer of the Membership Department, if any of the events specified in paragraphs (b)(i) through (v) above occurs.

An application for registration as a Clerk, shall be presented to a subcommittee of the Business Conduct Committee if the application or background investigation discloses that any of the events contained in subparagraphs (b)(i) through (b)(v) of this Rule has occurred or otherwise discloses any information which the Exchange believes warrants further review. The subcommittee of the Business Conduct Committee shall determine whether to permit registration of the applicant, in accordance with the procedures specified in paragraph (d)(iv) of this Rule.

Members and Member Firms are required to advise the Exchange of any changes in status of registered clerical staff, including additions and deletions of clerical staff.

It shall be the responsibility of each Member and Member Firm employing clerical staff to assure that identification badges issued to clerical staff are withdrawn promptly upon termination of employment.

(c) Access Restrictions, Suspension and Termination of Registration: The President or any Vice President of the Exchange may restrict a Clerks' access to the Exchange's premises for a

specified period of time, and suspend and/or terminate the registration of any Clerk if it determines, in its sole discretion, after notice and an opportunity to be heard, that the registration of such applicant or the continued registration of such Clerk is contrary to the best interests of the Exchange.

(d) Denial, Access Restriction, Suspension and Termination Procedures:

(i) Any action taken pursuant to paragraph (c) of this Rule shall be taken after notice to the applicant or Clerk against whom the action is taken and to the Member or Member Firm who or which seeks to register the applicant or has registered such Clerk on the Exchange and an opportunity for such applicant or Clerk to be heard.

(ii) The notice given to an applicant or Clerk shall state (A) the situation which it is believed may give rise to the need for action; and (B) the date, time and place of the hearing to be held before a subcommittee of the Business Conduct Committee.

(iii) A hearing conducted under this Rule shall be before a subcommittee of the Business Conduct Committee appointed in accordance with Rule 21.04(b). The subcommittee of the Business Conduct Committee shall determine the procedures to be followed, except that the following shall apply in every case: (A) the case in support of the action or proposed action against the applicant or Clerk shall be presented by the Compliance staff; (B) the applicant or Clerk shall be allowed to be represented by legal counsel or any other representative of his choosing and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses; (C) no formal rules of evidence shall apply, and the subcommittee of the Business Conduct Committee shall be free to accept or reject any and all evidence it considers proper; (D) a substantially verbatim record capable of being accurately transcribed shall be made of the hearing, provided, however that such record need not be transcribed unless the decision is appealed by the applicant or registrant to the CFTC; and (E) the notice of the hearing, any stenographic transcript of the hearing, the documentary evidence and any other material presented by either party with notice to the other shall constitute the record of the hearing.

(iv) Promptly following any hearing, the subcommittee of the Business Conduct Committee shall render a written decision based on the weight of the evidence contained in the record of the hearing and shall provide a copy of the decision to the applicant or Clerk and the Member who or which sought to register or has registered such Person with the Exchange. The decision shall include: (A) a brief summary of the evidence produced at the hearing; (B) the findings and conclusions of the hearing body; and (C) a declaration of any action to be taken pursuant to the determination referred to in clause (B), hereof, the effective date and duration of such action and the date upon which such decision becomes final.

(v) Any action taken by the subcommittee of the Business Conduct Committee pursuant to paragraph (c) shall become effective and final fifteen (15) days after notice of the action taken is given to the applicant or Clerk. The decision of the subcommittee of the Business Conduct Committee shall constitute the final action of the Exchange.

(e) Trading Prohibitions: Unless otherwise provided under the Rules:

(i) The clerical staff of a Member may not trade in any Commodity Contract either in his own name or in any account in which he has a direct or indirect interest.

(ii) No Member shall execute an order for, accept for clearance, or maintain a Position in any Commodity Contract if such Member knows, or with the exercise of reasonable care should know, that such order, clearance, or Position is for the direct or indirect benefit of any clerical staff registered hereunder.

(iii) The foregoing trading prohibitions shall not apply to individual Members in good standing of this Exchange.

Amended by the Board April 15, 2009; effective July 27, 2009 [¶¶ (a)(iii)].

Amended by the Board May 19, 2011; effective June 15, 2011 [¶¶ (a)(i)(A) through (a)(ii)(C)].

Amended by the Board September 20, 2012; effective October 22, 2012 [¶¶ (C) and (D)].

Amended by the Board March 25, 2013; effective April 16, 2013 [¶¶ (b), (c), (d)(ii) through (v)].

Rule 4.18. Electronic Devices

(a) For purposes of this Rule, the following definitions shall apply:

(i) "Electronic Device" shall mean any type of voice or data communications interface, including but not limited to a computer, headset, hand-held device, microphone, telephone or two-way radio.

(ii) "Electronic Information" shall mean the data made available to each Member or Member Firm by virtue of such Member's or Member Firm's access to any Electronic Device, including, without limitation, (A) the identity of other Persons transacting business on, with or through the Exchange and the price and quantity of pending or filled orders and (B) any database, software, programs, protocols, displays and manuals relating thereto, including the selection, arrangement and sequencing of the contents thereof.

(b) No Electronic Device may be used on the Trading Floor unless such device and/or use has been authorized by the Exchange and does not interfere with any Exchange system. The Exchange may, in its sole discretion, impose restrictions on the use of any authorized Electronic Device by a Member or Member Firm, and may limit, suspend or terminate any Person's right to use an authorized Electronic Device at any time, without prior notice and without any liability therefore. The Exchange shall have the right, at any time, to audit the use of any authorized Electronic Device by a Member or Member Firm.

(c) Cell phones, personal digital assistants and other similar devices with instant message ("IM") capabilities may be used only for non-business purposes and/or the placement of orders for the Member's own account, from areas outside of the trading ring.

(d) An order transmitted through IM may not be bid, offered or executed until a separate, written order ticket is prepared in accordance with Rule 6.08 and all such orders shall be subject to all applicable audit trail requirements. All IMs relating to any Transaction or order must be retained for a minimum of (5) years in accordance with Commission Regulations and are subject to review by the Market Regulation Department.

(e) No Electronic Device may be used by any Person except in accordance with this Rule and such terms and conditions of use as may be established from time by the Board, any committee appointed by the Board or Exchange staff empowered to establish and review terms and conditions of use. Each Member and Member Firm shall pay any fees and/or other charges assessed by the Exchange for the use of an Electronic Device.

(f) In addition to the specific terms and conditions of use established for an Electronic Device pursuant to paragraph (e) above, the use of an Electronic Device that has been supplied by the Exchange to a Member or Member Firm for use on the Trading Floor shall be subject to the following terms and conditions:

(i) The Member or Member Firm shall properly secure and safeguard the Electronic Device so as to prevent damage, loss or theft, and shall be liable for any damage beyond normal wear and tear, until it is returned to the Exchange.

(ii) The Member or Member Firm shall implement appropriate procedures to ensure the only Persons authorized by the Member or Member Firm have access to and/or use of the Electronic Device.

(iii) Upon termination for any reason of a Member's or Member Firm's right to use an Electronic Device, it shall be returned to the Exchange in working condition. The Member or Member Firm shall pay to the Exchange the replacement cost for any Electronic Device that is lost, stolen, damaged or destroyed while in the Member's or Member Firm's possession or while it is otherwise responsible for the Electronic Device.

(iv) The Board and/or the relevant committee or Exchange staff responsible therefor may impose restrictions on the use of any Electronic Device by a Member or Member Firm without prior notice and without liability to any Person.

(v) Electronic Information that is disclosed to, or otherwise obtained by a Member or Member Firm while accessing an Electronic Device, shall be deemed to constitute a trade secret of the Exchange (or its licensors), as to which copyright and patent rights of the Exchange may also exist. The Member or Member Firm shall keep all such Electronic Information confidential, and shall utilize such Electronic Information solely for such Member's or Member Firm's own trading activities and the trading activities of Persons for whom the Member or Member Firm is authorized to act. All copies and expressions of such trade secrets, works, processes, and methods are the exclusive property of the Exchange, and shall be returned to the Exchange upon termination of such Member's or Member Firm's right to use the Electronic Device for any reason whatsoever. Each Member or Member Firm shall take all reasonable precautions to maintain the secrecy and confidentiality of such Electronic Information. Except as otherwise permitted elsewhere in the Rules, the Member or Member Firm shall not disclose and shall use reasonable efforts not to permit the disclosure of, any part of such Electronic Information to any other Person.

(vi) Except as authorized by the Board and/or the applicable committee or Exchange staff responsible for establishing the terms and conditions of use of any Electronic Device, a Member or Member Firm shall not make, and shall not permit others to make any alterations, additions, subtractions, upgrades or improvements to, or affix or attach any foreign object to, in or on, any Electronic Device.

(g) The Exchange accepts no responsibility for loss, theft or damage to any equipment or device authorized for use on Exchange premises.

Amended by the Board June 11, 2008, effective June 16, 2008 [¶(d)].

Amended by the Board December 10, 2008; effective January 5, 2009 [¶¶ (a)(i), (b) - (g)].

Amended by the Board August 31, 2011; effective October 3, 2011 [¶¶ (c) and (d)].

Amended by the Board September 25, 2013; effective December 21, 2013 [¶¶ (c) and (d)].

INSTANT MESSAGE (IM) POLICY

In conjunction with ICE Futures U.S., Inc. (“Exchange”) Rule 4.18 – Electronic Devices, the following policy shall govern the use of Instant Message (“IM”) on Electronic Devices on the Trading Floor by Members and their employees to communicate with other Exchange Members, clerks, Exchange employees or parties outside of the Exchange, including customers:

- The use of wireless communication devices is permitted on the Exchange’s Trading Floor as long as the Member has received authorization from the Exchange’s Department of Technology (“Department”). The Department will only approve those devices that receive live data feeds, enable two-way communication and have audit trail capability. Once authorization is received from the Department, the Member, when requested, must allow the Department and/or the Market Regulation Department to examine the wireless device to determine that it is being used appropriately.
- MEMBERS HAVE A DUTY TO SUPERVISE THEIR EMPLOYEES’ IM USE AND ARE RESPONSIBLE FOR ENSURING THAT THEIR EMPLOYEES COMPLY WITH THE TERMS AND CONDITIONS OF THIS POLICY.
- **Each order transmitted by IM to the Trading Floor must have a separate order ticket prepared in accordance with Exchange Rule 6.08 before the order is bid, offered or executed. IMs are subject to all applicable audit trail requirements. AS SET FORTH BELOW, NEITHER THE EXCHANGE NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE TO ANY PARTY FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES IN ANY WAY RELATING TO THE USE OF IM TO TRANSMIT ORDERS.**
- All IMs relating to any Transaction or order must be retained by the Member for a minimum of five (5) years in accordance with Commission Regulations and are subject to review by the Market Regulation Department or other authorized Exchange personnel.
- Material that is fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful may not be sent through IM.
- Disclosure of any Exchange confidential data or information to other parties via IM is strictly prohibited.
- Disclosure of any confidential or non-public information relating to customer orders is strictly prohibited as provided in Exchange Rule 4.02(k).
- The Member is fully responsible for his or her trading activity and communications, including but not limited to, compliance with all applicable laws, rules and regulations in addition to Exchange requirements. All violators of Exchange Rules and procedures will be subject to disciplinary action.
- **THE USE OF IM INVOLVES CERTAIN RISKS. BY USING IM TO COMMUNICATE THE USER IS AGREEING TO ASSUME ALL SUCH RISKS, AND ACKNOWLEDGES THAT THE EXCHANGE IS NOT ENDORSING OR RECOMMENDING THE USE OF IM. THE USER AGREES THAT NEITHER THE EXCHANGE NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES**

OR AGENTS SHALL BE LIABLE TO ANY PARTY FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES IN ANY WAY RELATING TO THE USE OF IM, REGARDLESS OF THE CAUSE OF ANY SUCH LOSS, DAMAGE, COST OR EXPENSE.

Adopted by the Board December 10, 2008; effective January 5, 2009.

Amended by the Board September 20, 2012; effective October 22, 2012.