

**PART A1: ICE DELIVERABLE UK EMISSIONS CONTRACTS**

This Part A1 applies to all ICE Deliverable UK Emissions Contracts which go to physical delivery on the expiry date. Such Contracts are referred to in this part as “ICE Deliverable UK Emissions Contracts”. For the avoidance of doubt, all Contracts remain separate Contracts and the Transfer Request made to support the delivery of one of the Contracts needs to reference ICE Futures UKA Auction Contract, ICE Futures UKA Futures Contract, ICE Futures UKA Daily Contract only as specified under the definition of the relevant Contract.

**1. DEFINITIONS**

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

- (a) The term “**Allowance Type**” has the same meaning as that given to the term in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.
- (b) The term “**Auction**” has the same meaning as that given to the term in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.
- (c) The term “**Auctioneer Seller**” has the same meaning as that given to the term in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.
- (d) The term “**UK Carbon Emissions Allowance**” or “**UKA**” means an “allowance” as defined under Regulation 2(1), GG ETS Auctioning Regulations.
- (e) The term “**UK Carbon Emission Allowance Contract**” means a Contract for a UK Carbon Emissions Allowance.
- (f) The term “**UK Carbon Emissions Allowance Transfer Request**” means a request to effect a transfer of a UK Carbon Emissions Allowance submitted by the Seller to the Registry in the manner required by the Registry Regulations or relevant applicable law and otherwise in accordance with the Rules and ICE Futures Europe Rules.
- (g) The term “**Clearing House Directions**” means any instructions or requests that the Clearing House may issue to the Buyer or Seller from time to time in respect of the delivery of an UKA, under an Emission Contract.
- (h) The term “**Contract Date**” means for an ICE UKA Daily Futures Contract or an ICE UKA Auction Contract, an individual Business Day on which: (a) trading commences and (b) trading ceases.
- (i) The term “**Delivery Costs**” has the same meaning as that given to the term in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.
- (j) The term “**Emissions Alternative Delivery Procedure**” or “**EADP**” means the circumstances and means by which delivery may be effected in accordance with paragraph 6 of this Part A1.
- (k) The term “**EADP Agreement**” means an agreement to adopt an EADP.
- (l) The term “**Emission Contracts**” where used in this Part A1, shall mean ICE Futures UKA Future, ICE Futures UKA Daily Future or ICE Futures UKA Auction Contracts, as the case may be, to be delivered pursuant to and in accordance with this Part A1.
- (m) The Term “**GG ETS Regulator**” means the authority or authorities set out in Section 9(1) of the GG ETS Order as applicable.

- (n) The term “**Nominated Holding Account**” means an account maintained by the Registry pursuant to the Registry Regulations in order to record the holding and transfer of UK Carbon Emissions Allowances;
- (o) The term “**Non-Business Day**” means a Clearing Day that is a public holiday in England.
- (p) The term “**Registry**” means the single UK Emissions Trading Registry established pursuant to the GG ETS Auctioning Regulations in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation, and replacement of UK Carbon Emissions Allowances under the Scheme;
- (q) The Term “**Registry Account Details Form**” means the form provided by the Clearing House from time to time on which Clearing Members are required to provide their Nominated Holding Account Details, along with other information. This form is approved by the Clearing House (in its absolute discretion) when it has passed Clearing House due diligence. This due diligence may include (but is not limited to) confirming the form has been executed by signatories with the appropriate authority on behalf of the Clearing Member and AML/ KYC checks.
- (r) The term “**Registry Regulations**” means, in each case, as applicable and as amended from time to time: (1) the GG ETS Order, and (2) the GG ETS Auctioning Regulations;
- (s) The term “**Scheme**” means the scheme for transferring UK Carbon Emissions Allowances established pursuant to the GG ETS Order;
- (t) The term “**Transfer Request**” means an UK Carbon Allowance Transfer Request.
- (u) The term “**Transfer Request Delay**” shall have the same meaning as set out in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.
- (v) The term “**Transfer Request Failure**” shall have the same meaning as set out in the ICE Futures Europe Rules, as applicable to the relevant Contract Set.

## 2. DELIVERY SPECIFICATION

### 2.1 Delivery

Deliveries under Emissions Contracts are effected upon:

- (a) in the case of the Seller effecting delivery, the completion of the transfer of the relevant UKAs from the relevant Nominated Holding Account of the Seller to the relevant Nominated Holding Account of the Clearing House; and
- (b) in the case of the Buyer taking delivery, the completion of the transfer of the relevant UKAs from the relevant Nominated Holding Account of the Clearing House to the relevant Nominated Holding Account of the Buyer.

This takes place during the Delivery Period for the relevant Emissions Contracts in accordance with ICE Futures Europe Rules. Neither delivery by the Buyer nor receipt of the delivery by the Seller requires performance by the other to occur simultaneously. Each of the Buyer and Seller should deal directly with the Clearing House.

### 2.2 UKAs

UKAs to be delivered shall conform to the specifications described in ICE Futures Europe Rules and the specifications of the Registry to and from which delivery may be made under the relevant Contract.

The price at which an ICE Deliverable UK Emissions Contract (other than an ICE UKA Auction Contract) is delivered is the EDSP (as defined and determined in accordance with the relevant ICE Futures Europe Rules) for the relevant contract month of the relevant ICE Deliverable UK Emissions Contract on the last day of trading or at the end of the trading period on the Contract Date, as applicable. The price at which an ICE UKA Auction Contract is delivered is the Auction Clearing Price as defined and determined in accordance with the relevant ICE Futures Europe Rules.

### 2.3 Days and Times

All “timings” or times of day are London times.

### 2.4 Cessation of Trading

(a) Trading for the ICE UKA Futures Contract contract month will normally cease on the last Monday of that month. Where this falls on a Non-Business Day for the relevant Emission Contract, or there is a Non-Business Day for the relevant Emission Contract in the four days immediately following the last Monday, the last trading day shall be the penultimate Monday of the delivery month. Where the penultimate Monday of the delivery month falls on a Non-Business Day for the relevant Emission Contract, or there is a Non-Business Day for the relevant Emission Contract in the four days immediately following the penultimate Monday, the last trading day shall be the antepenultimate Monday of the delivery month. A list of dates, subject to amendment, is available from ICE Futures Europe.

(b) For the avoidance of doubt paragraph (a) above does not apply to the ICE UKA Auction Contract.

(c) Trading for the ICE UKA Daily Futures Contracts shall normally cease at 17:00 hours on the relevant Contract Date.

### 2.5 Exchange for Physicals (EFPs) and Exchange for Swaps (EFSs)

(a) In accordance with ICE Futures Europe Rules, EFPs and EFSs in respect of the ICE UKA Futures Contracts may be posted up to 30 minutes following the cessation of trading.

(b) For the avoidance of doubt paragraph (a) above does not apply to the ICE UKA Auction Contract.

(c) In relation to the ICE UKA Daily Futures Contracts, EFPs and EFSs:

(i) can only be registered until 17:30 each Business Day;

(ii) which have been alleged but not accepted will be cleared from ICE Block overnight; and,

(iii) which are outstanding at the end of a Business Day must be re-submitted to the Exchange on the next Business Day.

## 3. LIABILITY

3.1 The provisions of this paragraph 3 are without prejudice to the generality, 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 The Clearing House shall have no liability in connection with an Emission Contract, its performance, non-performance or its termination whether based on breach of contract, warranty, negligence or tort or the performance or non-performance of any Auctioneer Seller. In particular, but without limitation, the Clearing House is not responsible for or shall have any liability whatsoever to any Buyer or Seller for:

- (i) the performance or non-performance by the Registry or UK Transaction Log of their respective obligations under the Registry Regulations or otherwise;
- (ii) the validity or non-validity of any UKA for the purposes of meeting the requirements of the Scheme;
- (iii) any act or omission of any operator of the Registry or UK Transaction Log a or any part thereof;
- (iv) any act or omission of an Authorised Representative of any other party;
- (v) the actions, omissions, performance or non-performance of any Auctioneer Seller, Auction Monitor, the Administrator, GG ETS Regulator or Governmental Authority, including the failure of any Auctioneer Seller to create any UKA or transfer or procure the transfer of the same to the Clearing House; or
- (vi) the Auctioneer Seller or the Auction Monitor being wound up, dissolved, liquidated, merged or otherwise ceasing to exist or ceasing to be the Auctioneer Seller or Auction Monitor pursuant to the GG ETS Auctioning Regulations, as applicable, for Auctions;

3.3 Neither the Buyer nor the Seller 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 the Registry, the UK Transaction Log, as the case may be except as otherwise expressly provided in the ICE Futures Europe Rules or the Rules.

#### 4. DELIVERY CONTRACT SECURITY

The Clearing House makes a report available on a daily basis to Clearing Members with delivery positions

##### (a) Delivery Margin

The delivery Margin is collected from the Buyer and Seller and is an amount calculated against the costs or charges arising from delivery failure. The Clearing House may alter the calculation of delivery Margin at any time or make adjustments in respect of a specific Seller.

#### 5. DELIVERY TIMETABLE FOR UK EMISSION CONTRACTS: ROUTINE

##### 5.1 ICE UKA Futures Contracts

Unless stated otherwise, the times apply to ICE UKA Futures Contracts (other than ICE UKA Auction Contract).

	<u>TIME</u>	<u>ACTION</u>
	<u>[10 working days] before last trading day (LTD)</u>	
<u>Submission of Approved Registry Account Details Form (as applicable)</u>	<u>By 12:00</u>	<u>Clearing Members must have submitted a Registry Account Details form that has been approved by the Clearing House.</u>
	<u>LTD</u>	
<u>Cessation of Trading</u>	<u>At 17:00</u>	<u>Trading ceases.</u>

	<u>TIME</u>	<u>ACTION</u>
<u>Submission of ICE Monthly Delivery Intentions</u>	<u>By 17:30</u>	<u>EFPs and EFSs may be posted up to 30 minutes following the cessation of trading.</u>
	<u>By 18:00</u>	<u>Clearing Members must ensure that all <a href="#">appropriate position maintenance</a> and transfers are performed via ECS.</u>
		<u>Clearing Members with Open Contract Positions at this time are obliged to make or take delivery.</u>
	<u>By 18.00</u>	<u>Buyer and Seller must submit delivery intentions via ECS in order to confirm their position and Registry Account details (as per their <a href="#">Approved Registry Account Details Form</a>).</u>
	<u>After 18:00</u>	<u>MPFE report available via ECS and MFT.</u>
<b><u>LTD + 1</u></b>		
<u>Payment of Delivery Margin</u>	<u>By 09:00</u>	<u>Buyer and Seller pays delivery Margin to the Clearing House.</u>
<u>Deadline for submission of Transfer Requests by Sellers</u>	<u>By 16:00</u>	<u>Seller must ensure that the necessary Transfer Requests have been submitted to the Registry to allow UKAs, to be transferred from the <a href="#">Nominated Holding Account of the Seller to the Nominated Holding Account of the Clearing House</a>.</u>
<b><u>LTD + 2</u></b>		
<u>Payment by Buyer</u>	<u>By 09:00</u>	<u>Buyer pays full contract value to the Clearing House</u>
	<u>By 09:00</u>	<u><a href="#">Buyer's Invoices</a> are available via MFT.</u>
<u>Payment for UKAs received by the Clearing House on LTD + 1</u>	<u>By 09:00</u>	<u>Sellers receive full contract value against UKAs received by the <a href="#">Clearing House on LTD +1</a>.</u>
	<u>By 09:00</u>	<u><a href="#">Account Sales</a> will be available via MFT.</u>
<u>Deadline for receipt of UKAs by the Clearing House</u>	<u>By 16:00</u>	<u>The Clearing House will have received UKAs into its <a href="#">Nominated Holding Account</a> from the Sellers.</u>
<u>Deadline for submission of Transfer Requests by the Clearing House</u>	<u>By 16:00</u>	<u>All Transfer Requests by the Clearing House will have been submitted to the Registry for UKAs to be transferred from the <a href="#">Nominated Holding Account of the Clearing House to the Nominated Holding Account of the Buyer</a>.</u>
<b><u>LTD + 3</u></b>		
<u>Payment for UKAs received by the Clearing House on LTD + 2</u>	<u>By 09:00</u>	<u>Seller receives full contract value against UKAs received by the <a href="#">Clearing House on LTD +2</a>. <a href="#">Account Sales</a> will be available via MFT.</u>

	<u>TIME</u>	<u>ACTION</u>
<u>Deadline for receipt of UKAs by the Buyer</u>	<u>By 16:00</u>	<u>Buyer will have received UKAs into their Nominated Holding Account.</u>

## 5.2 ICE UKA Daily Futures Contracts

	<u>TIME</u>	<u>ACTION</u>
		<u>[10 working days] before Contract Date</u>
<u>Submission of Approved Registry Account Details Form (as applicable)</u>	<u>By 12:00</u>	<u>Clearing Members must have submitted a Registry Account Details form that has been approved by the Clearing House.</u>
		<u>Contract Date</u>
<u>Cessation of Trading</u>	<u>At 17:00</u>	<u>Trading ceases.</u>
		<u>All EFPs and EFSs which have been alleged but not accepted will be cleared from ICE Block.</u>
	<u>By 17:45</u>	<u>Clearing Members must ensure that all <a href="#">appropriate position maintenance</a> and transfers are performed via ECS.</u>
<u>Submission of ICE Daily Delivery Intentions</u>		<u>Clearing Members with Open Contract Positions at this time are obliged to make or take delivery.</u>
	<u>By 17:45</u>	<u><a href="#">Buyer and Seller must submit delivery intentions via ECS in order to confirm their position and Registry Account details (as per their Approved Registry Account Details Form).</a></u>
	<u>After 17:45</u>	<u>MPFE report available <a href="#">via ECS and MFT.</a></u>
		<u>Contract Date + 1</u>
<u>Payment by Buyer</u>	<u>By 09:00</u>	<u>Buyer pays full contract value to the Clearing House. Seller pays Delivery Margin to the Clearing House</u>
	<u>By 09:00</u>	<u><a href="#">Buyer's Invoices</a> are available <a href="#">via MFT.</a></u>
<u>Deadline for receipt of UKAs by the Clearing House</u>	<u>By 16:00</u>	<u>Seller must ensure that the necessary UKAs have been transferred from the Nominated Holding Account of the Seller to the Nominated Holding Account of the Clearing House.  <a href="#">On receipt from the Seller of UKAs into the appropriate Nominated Holding Account of the Clearing House, the Clearing House will randomly select the order in which it will make the Transfer Requests and make such Transfer Requests through the Registry for UKAs to be transferred from the appropriate Nominated Holding Account of</a></u>

	<u>TIME</u>	<u>ACTION</u>
		<p><u>the Clearing House to the appropriate Nominated Holding Account of the Buyer.</u></p> <p><u>This means that Buyers may receive UKAs, in their appropriate Nominated Holding Accounts on Contract Date + 1.</u></p>
	<b><u>Contract Date + 2</u></b>	
<b><u>Payment for UKAs received by the Clearing House on Contract Date + 1</u></b>	By 09:00	<p><u>Sellers receive full contract value against UKAs received by the Clearing House on Contract Date + 1.</u></p> <p><u>The Clearing House will release the <u>Delivery Margin</u> received on Contract Date +1 to the Seller.</u></p>
	By 09:00	<u>Account Sales will be available via MFT.</u>
<b><u>Deadline for receipt of UKAs by the Buyer</u></b>	By 16:00	<u>Buyer will have received UKAs into their Nominated Holding Account from the Clearing House.</u>

### 5.3 ICE UKA Auction Contracts

	<u>TIME</u>	<u>ACTION</u>
	<b><u>[10 working days] before Day of Auction (A)</u></b>	
<b><u>Submission of Approved Registry Account Details Form (as applicable)</u></b>	By 12:00	<u>Clearing Members must have submitted a Registry Account Details form that has been approved by the Clearing House.</u>
	<b><u>A</u></b>	
<b><u>Deadline for Auctioneer Seller to withdraw Auction</u></b>	<u>Prior to opening of Bidding Window (as defined in the ICE Futures Europe Rules).</u>	<u>UKAs will be delivered to the Clearing House by the Auctioneer Seller prior to the opening of the Bidding Window.</u>
<b><u>Deadline for submission of bids</u></b>	<u>As specified in relevant Auction Specification (“Closing Time”)</u>	<u>Bids may be submitted during the Bidding Window (as defined in the ICE Futures Europe Rules).</u>
	<u>Closing Time +15 minutes</u>	<u>Successful Buyers will have been notified of UKAs obtained in the relevant Auction and all applicable payment obligations.</u>
<b><u>Submission of ICE Auction Delivery Intentions</u></b>	By 17:45	<u>Successful Buyers must submit delivery intentions via ECS in order to confirm their position and Registry Account details (as per their Approved Registry Account Details Form).</u>

	<u>TIME</u>	<u>ACTION</u>
	<u>After 17:45</u>	<u>MPFE report available via ECS and MFT.</u>
	<u>A + 1</u>	
<u>Payments arising from Auction</u>	<u>By 09:00</u>	<u>Buyer pays full contract value to the Clearing House. Auctioneer Seller receives full contract value against UKAs received by the Clearing House prior to the relevant Auction.</u>
	<u>By 09:00</u>	<u>Invoices and Account Sales are available via MFT.</u>
<u>Deadline for submission of Transfer Requests by the Clearing House</u>	<u>By 16:00</u>	<u>The Clearing House will randomly select the order in which it will make Transfer Requests and make such Transfer Requests through the Registry for UKAs to be transferred from the appropriate Nominated Holding Account of the Clearing House to the appropriate Nominated Holding Account of the Buyer.</u> <u>Buyer will have received UKAs into relevant Nominated Holding Account.</u>

## 6. DELIVERY TIMETABLE FOR EMISSION CONTRACTS: LATE AND FAILED DELIVERY

### 6.1 ICE UKA Futures Contracts

Unless stated otherwise, the times apply to ICE UKA Futures Contracts.

<u>TIME</u>	<u>ACTION</u>
<u>LTD + 1</u>	
<u>Between 16:00 and 16:00 on LTD+2</u>	<u>Where a Transfer Request has been submitted by the Seller after 16:00 hours on the first Business Day following the last day of trading, but before 16:00 hours on the second Business Day after the last day of trading, in compliance with a Clearing House Direction or otherwise, the Seller shall advise the Clearing House immediately of such submission. The Clearing House may, in its discretion, declare and notify to the Seller and the Exchange that the Clearing Member is subject to a Transfer Request Delay.</u>
<u>LTD + 2</u>	
<u>At 16:00</u>	<u>Where a Transfer Request has not been submitted by the Seller, or has been submitted but such Transfer Request has not been accepted by the Registry by 16:00 hours on the second Business Day after the last day of trading, the Seller shall advise the Clearing House immediately of such non-submission, or non-acceptance. The Clearing House may, in its discretion, declare that the Clearing House or the Seller, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u>
<u>LTD + 3</u>	
<u>At 16:00</u>	<u>Where a Transfer Request has not been submitted by the Clearing House or has been submitted but not accepted or actioned by the Registry by 16:00 hours on the third Business Day after the last day of trading, the Clearing House shall advise the Buyer immediately of such non-submission, non-acceptance or non-action. The</u>



	<p><u>Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, is subject to a Transfer Request Delay and may:</u></p> <p><u>(a) take, or require the Buyer to take, such steps as appropriate to rectify the situation in compliance with any Clearing House Directions which allow for UKAs to be delivered by such time (which shall not be a time after 16:00 hours on the fourth Business Day after the last day of trading in relation to the relevant Transfer). In the event that the Buyer's Nominated Holding Account has not been credited by 16:00 hours on the fourth Business Day after the last day of trading in relation to the relevant Transfer, the Clearing House shall declare that there is a Transfer Request Failure; or</u></p> <p><u>(b) declare that the Clearing House or the Buyer or Seller, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u></p>
<b><u>LTD + 4</u></b>	
<u>At 16:00</u>	<p><u>Where the Buyer's Nominated Holding Account has not been credited by 16:00 hours on the fourth Business Day after the last day of trading, the Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u></p>

## 6.2 ICE UKA Daily Futures Contracts

<b><u>TIME</u></b>	<b><u>ACTION</u></b>
<b><u>Contract Date + 1</u></b>	
<u>At 16:00</u>	<p><u>Where the Nominated Holding Account of the Clearing House has not been credited by 16:00 hours on the first Business Day after the Contract Date, the Clearing House shall declare and notify to the Seller and the Exchange that the Member is subject to a Transfer Request Delay.</u></p>
<b><u>Contract Date + 2</u></b>	
<u>At 16:00</u>	<p><u>Where the Nominated Holding Account of the Clearing House has not been credited by 16:00 hours on the second Business Day after the Contract Date, the Clearing House shall declare that the Clearing House or the Seller, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u></p>
<u>At 16:00</u>	<p><u>Where a Transfer Request has not been submitted by the Clearing House or has been submitted but not accepted or actioned by the Registry by 16:00 hours on the second Business Day after the Contract Date, the Clearing House shall advise the Buyer immediately of such non-submission, non-acceptance or non-action. The Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, is subject to a Transfer Request Delay and may:</u></p> <p><u>(a) take, or require the Buyer to take, such steps as appropriate to rectify the situation in compliance with any Clearing House Directions which allow for Allowances to be delivered by such time (which shall not be a time after 16:00 hours on the third Business Day after the Contract Date in relation to the relevant Transfer). In the event that the Buyer's Nominated Holding Account has not been credited by 16:00 hours on the third Business Day after the Contract Date in relation to the relevant Transfer, the Clearing House shall declare that there is a Transfer Request Failure; or</u></p> <p><u>(b) declare that the Clearing House or the Buyer or Seller, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u></p>

<u>Contract Date + 3</u>	
<u>At 16:00</u>	<u>Where the Buyer’s Nominated Holding Account has not been credited by 16:00 hours on the third Business Day after the Contract Date, the Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u>

### 6.3 ICE UKA Auction Contracts

<u>TIME</u>	<u>ACTION</u>
<u>A + 1</u>	
<u>At 16:00</u>	<p><u>Where a Transfer Request has not been submitted by the Clearing House or has been submitted but not accepted or actioned by the Registry by 16:00 hours on the first Business Day after the Contract Date, the Clearing House shall advise the Buyer immediately of such non-submission, non-acceptance or non-action. The Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, is subject to a Transfer Request Delay and may:</u></p> <p><u>(a) take, or require the Buyer to take, such steps as appropriate to rectify the situation in compliance with any Clearing House Directions which allow for UKAs to be delivered by such time (which shall not be a time after 16:00 hours on the third Business Day after the Contract Date in relation to the relevant Transfer). In the event that the Buyer’s Nominated Holding Account has not been credited by 16:00 hours on the third Business Day after the Contract Date in relation to the relevant Transfer, the Clearing House shall declare that there is a Transfer Request Failure; or</u></p> <p><u>(b) declare that the Clearing House or the Buyer, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u></p>
<u>A + 3</u>	
<u>At 16:00</u>	<u>Where the Buyer’s Nominated Holding Account has not been credited by 16:00 hours on the third Business Day after the Contract Date, the Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, has failed to meet its delivery obligations and that there is a Transfer Request Failure.</u>

## 7. EMISSIONS ALTERNATIVE DELIVERY PROCEDURE (“EADP”)

- 7.1 In the event of a Transfer Request Failure relating to ICE Deliverable UK Emissions Contracts other than the ICE UKA Auction Contract, the relevant Clearing Member may seek agreement of the Clearing House to make or take delivery beyond the point of failure (see prescribed “Emissions: Late & Failed Deliveries Timetable” in ICE User Guide and above) in a manner and on terms other than those required pursuant to the ICE Futures Europe Rules. The purpose of the EADP is to afford flexibility to Clearing Members in circumstances where it is envisaged that delivery will be possible but not within the prescribed timetable. Failure to deliver in accordance with ICE Futures Europe Rules and this Part A1 may nonetheless attract disciplinary action or a fine by ICE Futures Europe and/or the Clearing House notwithstanding any subsequent delivery in accordance with an EADP Agreement.
- 7.2 Each Clearing Member that enters into an EADP Agreement shall, pursuant to these Delivery Procedures, and without need for any further action on the part of the relevant Clearing Member or the Clearing House, be deemed to have agreed to indemnify the Clearing House in respect of all and any of the Clearing House’s costs, losses, charges and expenses incurred by the Clearing House in connection with the EADP, including, without limitation, any costs, losses, charges and expenses incurred as a result of

a failure on the part of the Clearing Member to meet its obligations under an EADP Agreement and the Clearing House's staff, operational and legal costs associated with the EADP.

7.3 In the event that a Clearing Member and the Clearing House enter into an EADP Agreement, the existing Contract will be dealt with in the manner specified in the EADP. If the existing Contract is to be liquidated under the EADP Agreement, this will be done on the basis of the Exchange Delivery Settlement Price. Delivery under an EADP Agreement will be subject to the requirements (including the indemnity) set out in this paragraph 7, the same Contract Terms as the Contract(s) replaced as a result of the EADP Agreement (subject to such new terms as are agreed in relation to any matter, which may (without limitation) include new terms in respect of price, delivery times or Deliverable), any directions the Clearing House may in its discretion issue and the terms of the EADP Agreement. A new Contract or Contracts shall arise pursuant to Part 4 of the Rules as a result of EADP being agreed.

7.4 Where EADP is agreed, as from the time that the Clearing Members' accounts are amended, as described in the EADP in the books and records of the Clearing House, the affected Clearing Members and the Clearing House shall all automatically and immediately be released from all their rights, liabilities and obligations in respect of the Contract or Contracts that gave rise to the EADP and such rights, liabilities and obligations shall be substituted for such amended obligations as are detailed in the EADP Agreement.

In the event that the Clearing Member and Clearing House are unable to enter into an EADP Agreement or effect delivery under EADP within a reasonable period of time after the Failed Delivery, the Clearing House will refer the matter to ICE Futures Europe and will consider in its absolute discretion what reasonable next steps it should take (if any). For example, and without limitation, the Clearing House may decide to Invoice back the affected Contracts, begin disciplinary proceedings, levy a fine, call additional Margin and/ or declare an Event of Default.

## 8. INVOICE CALCULATION

The Invoice and Account Sale will give details of all deliveries and amounts due to Sellers and payable by the Buyers in respect of deliveries of UKAs.

The value of confirmed deliveries of UKAs will be calculated as follows:

<u>UKAs</u>	<u>x</u>	<u>Exchange Delivery Settlement Price (EDSP) on last day of trading for the relevant Contract month or the at the end of the trading period on the Contract Date of the relevant Contract, as applicable or Auction Clearing Price, where applicable</u>
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## 9. DELIVERY DOCUMENTS SUMMARY

### 9.1 All ICE Deliverable UK Emissions Contracts

<u>Submission of Approved Registry Account Details Form (as applicable)</u>	<u>Clearing Members must have submitted a Registry Account Details form that has been approved by the Clearing House.</u>
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