Application to the Autorité des marchés financiers
for Exemption from Recognition as a Clearing House in the province of Québec

ICE Clear Credit LLC

May 13, 2025

Responses to Criteria for Recognition and Exemption from Recognition as a Clearing House

May 5, 2025
Autorité des marchés financiers
800, rue du Square-Victoria,
bureau 2200
Montréal (Québec) H3C 0B4

Dear Sir/Madam:

Re: ICE Clear Credit LLC-- Application for Exemption from Recognition as a clearing house in the province of Québec

ICE Clear Credit LLC ("ICC") submits this application to the Autorité des marchés financiers (the "Autorité") seeking an order pursuant to Section 86 of the *Derivatives Act* (Québec) (CQLR, c. I-14.01) (the "QDA") exempting ICC from recognition as a clearing house under section 12 of the QDA and seeking an order pursuant to Regulation 24-102 respecting Clearing Agency Requirements (V-1.1, r. 8.01) ("Regulation 24-102") exempting ICC from recognition as a clearing house. ICC is a global clearing house registered as a covered clearing agency with the U.S. Securities and Exchange Commission and as a Derivatives Clearing Organization with the U.S. Commodities Futures Trading Commission. ICC seeks to provide clearing services for credit default swaps on indices, single names and sovereigns to market participants headquartered in the province of Quebec. Accordingly, ICC seeks an exemption from recognition as a clearing house in Quebec in order to allow ICC to offer the benefits of clearing, including the risk control measures and layers of protection, to such market participants.

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Part I: Introduction

1.1 Key Terms & Abbreviations

Abbreviation or Term	Full Title
Board	ICE Clear Credit LLC Board of Managers
CEA	United States Commodity Exchange Act
CCA	Covered Clearing Agency
CCP	Central Counterparty
CDS	Credit Default Swaps
CFTC	United States Commodity Futures Trading Commission
Clearing Participant	Clearing participant of ICC
DCO	Derivatives Clearing Organization
FCM	Futures Commission Merchant
GF	ICC Guaranty Fund
ICC	ICE Clear Credit LLC
ICE	Intercontinental Exchange, Inc.
IM	Initial Margin
PFMI	Principles for Financial Market Infrastructures
Rules	ICC Rules
SEA	United States Securities Exchange Act of 1934
SEC	United States Securities and Exchange Commission
SCA	Securities Clearing Agency
SRO	Self-Regulatory Organization

1.2 Legal and Ownership Structure

ICC is a limited liability company organized under the laws of the state of Delaware in the United States. ICC is headquartered at 353 N. Clark Street, Suite 3100, Chicago, Illinois 60654, United States and its primary place of business is the United States.

ICC is a wholly-owned subsidiary of ICE U.S. Holding Company L.P. ("ICE Holding") which is owned by Intercontinental Exchange Holdings, Inc. and ultimately by ICE, a publicly traded company listed on the New York Stock Exchange. ICE operates eight derivatives exchanges and, in addition to ICC, ICE owns and operates five other clearing houses: ICE NGX, a recognized clearing house located in Calgary, Alberta; ICE Clear U.S., a CFTC-regulated DCO located in New York; ICE Clear Europe, a recognized clearing house located in London; ICE Clear Netherlands located in Amsterdam; and ICE Clear Singapore, regulated by the Monetary Authority of Singapore and located in Singapore.

1.3 Regulatory Status

ICC is registered as a DCO with the CFTC, and as a SCA with the SEC. Furthermore, ICC is regulated as a CCA by the SEC and is therefore subject to the enhanced requirements of the SEA which includes, without limitation, enhanced risk management, governance, and recovery planning.

ICC has been designated as a systemically important financial market utility by the U.S. Department of Treasury's Financial Stability Oversight Counsel ("FSOC") under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

While ICC is regulated by both the CFTC and the SEC in the United States, the CFTC serves as ICC's designated supervisory agency as determined by FSOC. Furthermore, ICC adheres to CFTC and SEC rules designed to meet the international standards set forth in the PFMIs. ICC also is compliant with regulatory requirements in other relevant jurisdictions. Specifically, ICC is recognized by the European Securities and Markets Authority as a Tier 1 third-country CCP under Article 25 of the European Market Infrastructure Regulation to provide its clearing services in the European Union. ICC is a Clearing Agency Exempt from Recognition in Ontario, Canada; a Recognized Clearing House in Singapore under the Securities and Futures Act; and a foreign CCP in Switzerland under the Financial Market Infrastructure Act. ICC also is a third-country CCP that is deemed recognized to provide clearing services in the United Kingdom by virtue of the United Kingdom's Temporary Recognition Regime.

1.4 ICC's Clearing Initiatives

ICC does not maintain offices or other physical installations in Québec or any other Canadian province or territory and does not intend to open an office or to establish any physical installations in Québec or elsewhere in Canada, at this time. As noted above, ICE operates ICE NGX, a wholly-owned subsidiary in Calgary, Alberta. ICE NGX is recognized as an exchange and a clearing agency by the Alberta Securities Commission pursuant to the Securities Act (Alberta). ICE NGX has received exemption orders in Québec. ICC is willing to extend Clearing Participant status to any Canadian firms as long as they satisfy the application requirements set forth in the Rules. At this time, ICC Clearing Participants include two Canadian banks, the Bank of Nova Scotia, headquartered in Toronto, Ontario; and the Royal Bank of Canada, headquartered in Toronto, Ontario with a head office in Montréal, Québec.

At the current time, ICC has no specific plans in relation to Canadian Dollar contracts or Canadian Government bonds (Federal or provincial).

Further information on ICC can be found at: ICE Clear Credit

1.5 Description of Products and Services ICC Intends to Offer in Québec

ICC intends to offer clearing services for CDS contracts, specifically CDS single name contracts and sovereigns, CDS indices and CDS index options, to market participants domiciled in Québec. A more detailed list of clearing eligible products can be found here: ICE Clear Credit Clearing Eligible Products.

1.6 Description of Insolvency and Resolution Plans

The ICC limited liability company operating agreement and the ICC Rules provide for recovery and wind-down following the insolvency or bankruptcy of ICC.

Pursuant to ICC Rule 805(a), in the event that ICC is (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) institutes a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presents a petition for its winding-up or liquidation; (c) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and, in each case, such proceeding or petition results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, i.e. ICC in default, all open positions with all Participants shall be terminated without further action of any Person and cash settled in accordance with Rule 810.

A resolution plan of ICC is prepared by the Federal Deposit Insurance Corporation ("FDIC"), which is the designated resolution authority of all U.S. systemically important derivatives clearing organizations ("SIDCO"), including ICC, pursuant to its authority under the Dodd-Frank Act. Under the Dodd-Frank Act, a resolution of a SIDCO under Title II can only occur if the SIDCO could not proceed under applicable state or federal law, including the U.S. Bankruptcy Code, without causing serious adverse effects on the financial stability of the United States. Pursuant to CFTC Regulation 39.39(c)(2), ICC is required to have procedures for providing the CFTC and the FDIC with information needed for the purposes of resolution planning. ICC's Recovery Plan and its Wind-Down Plan provide critical information that the FDIC may use in developing its resolution plan. Additionally, ICC makes quarterly resolution planning filings to the FDIC through the CFTC that consists of additional information that the FDIC may use in developing its resolution plan.

1.7 ICC's Clearing Rules

ICC's Clearing Rules can be found here: ICE Clear Credit Rulebook.

1.8 Description of Ownership, Corporate Structure and Governance Structure

ICC is a Delaware limited liability company. The ICC limited liability company operating agreement ("Operating Agreement") and the rules set forth ICC's governance structure and provide for the Board and governance committees. ICC is wholly owned by ICE US Holding Company L.P. which is owned by Intercontinental Exchange Holdings, Inc. and ultimately by ICE. ICE operates regulated exchanges, clearing houses and listed venues for financial and commodity markets in the United States, the United Kingdom, Continental Europe, Asia, Israel and Canada.

ICC's Officers, including the Chief Operating Officer, Chief Risk Officer, Chief Compliance Officer, and General Counsel and Corporate Secretary, report to the ICC President. The ICC Chief Compliance Officer has an additional reporting line to the Board. The ICC Chief Risk Officer has an additional reporting line to the Chairperson of the ICC Risk Committee (who also is a non-executive manager on the Board).

ICC has governance arrangements that are clear and transparent, promote its safety and efficiency and support the stability of the broader financial system, other relevant public interest considerations and the objectives of relevant stakeholders. The safety and efficiency of ICC are its highest priorities as communicated in ICC's Board-determined Mission Statement: Provide safe and sound central counterparty services to reduce systemic risk in an efficient and compliant manner while generating positive returns for shareholders.

ICC has a clearly documented, robust governance structure including the ICC Board, committees and management. The ICC Board has sole responsibility for the control and management of ICC's operations, subject only to prior consultation rights of the ICC Risk Committee as provided in Chapter 5 of the ICC Rules. The ICC Board may delegate authority to ICC management or to others to act on its behalf. Furthermore, if the ICC Board deems necessary to fulfill its duties, it may engage subject matter experts to provide pertinent information and advice.

Part II: Criteria for Exemption from Recognition as Clearing House

2.1 Application

ICC submits this application to the Autorité seeking an order pursuant to Section 86 of the QDA exempting ICC from recognition as a clearing house under section 12 of the QDA and Regulation 24-102.

2.2 ICC's Most Recent PFMI Disclosure Framework

Please see ICC's PFMI Disclosure Framework at the following link: ICEClearCredit_DisclosureFramework.pdf dated July 31, 2023. No disclosure is provided with respect to Principles 11 and 24 as they do not apply to CCPs. In accordance with CFTC Regulation 39.37(a) and SEC Rule 17Ad-22(e)(23), ICC maintains a comprehensive public Disclosure Framework that describes its material rules, policies, and procedures regarding its legal, governance, risk management, and operating framework. The ICC legal department maintains the Disclosure Framework and determines when changes are necessary. At a minimum the Disclosure Framework is updated every two years or more frequently following material changes to ICC's system or environment in which it operates pursuant to CFTC Regulation 39.37(b)(1) and SEC Rule 17Ad-22(e)(23)(v). A material change to ICC's system or environment in which it operates is a change that would significantly change the accuracy and usefulness of the existing responses (see CFTC Regulation 39.37(b)(1)). It is expected that major board decisions with a broad market impact would result in updates to the Disclosure Framework. Furthermore, updates required by CFTC Regulation 39.37(b)(1), including material changes to the Disclosure Framework, will be reported to the CFTC no later than ten business days after the changes are made in accordance with the requirements of CFTC Regulation 39.37(b)(2).

2.3 Sufficient Information to Demonstrate ICC is Subject to and in Compliance with the Regulatory Requirements of a Foreign Jurisdiction

Each applicable requirement set out in Regulation 24-102 is set out below in italics, followed by a description of how the requirement is met by CFTC and SEC regulations, as applicable, and ICC's compliance with CFTC and SEC regulations, as applicable (sections 2.3.1 C-M).

2.3.1 Comparability of Foreign Jurisdiction

A. Description of CFTC Regulatory Regime

The CFTC has been charged with administering and enforcing the CEA. Accordingly, the CFTC is the U.S. government agency that has direct regulatory and oversight responsibility for DCOs. As noted above, ICC has been designated by FSOC as a systemically important financial market utility and FSOC has designated the CFTC as ICC's primary regulator. As a systemically important DCO, ICC is subject to heightened regulatory standards set out in Subpart C of the CFTC DCO regulations (Part 39). The CFTC monitors clearing at ICC and receives from ICC routine reports on various different cycles and event specific reports related to, among other things, significant changes to the financial profiles of ICC and/or its Clearing Participants. The CFTC conducts periodic on-site examinations and holds regularly scheduled bimonthly meetings with ICC representatives.

The CFTC has seven major operating units. The CFTC's Division of Clearing and Risk, the main operating unit examining and overseeing ICC, interacts directly with ICC. The Division of Clearing and Risk oversees DCOs, the clearing of swaps, futures, and options on futures, and market participants that may pose risk to the clearing process. The oversight program is designed to assure that DCOs, DCO clearing participants, other market participants that may pose risk to the clearing process, and the clearing of swaps, futures, and options on futures are in compliance with the CEA and CFTC regulations. Division staff develop regulations, orders, and guidance on issues pertaining to DCOs; review DCO applications and rule submissions and make recommendations to the CFTC commissioners; make determinations and

recommendations to the CFTC commissioners as to which types of swaps should be cleared, as well as to the initial eligibility or continuing qualification of a DCO to clear swaps; assess compliance by DCOs with the CEA and CFTC regulations, including examining systemically important DCOs at least once a year; and conduct risk assessment and financial surveillance through the use of risk assessment tools, including automated systems to gather and analyze financial information, to identify, quantify, and monitor the risks posed by DCOs, clearing members, and market participants and its financial impact.

ICC is required to provide information about it and its activities to the CFTC pursuant to Section 5c(c) of the CEA and Parts 39 and 40 of the CFTC Regulations. Parts 39 and 40 of the CFTC Regulations require that any changes to ICC's rules, including interpretations or resolutions, must be either certified to the CFTC as being in compliance with the CEA and CFTC Regulations or submitted to the CFTC for approval. The CFTC may notify a DCO that the proposed change does not comply with the CEA or CFTC regulations and may require it to take action to comply with the law. Unless otherwise prohibited by CFTC Part 40, a clearing house can self-certify rule changes to the CFTC. ICC must certify that the rule change does not violate the CEA or CFTC Regulations. Self-certification allows ICC to put a rule into effect after a ten business day period. Other rule changes that a DCO wants to submit to the CFTC, or is required to submit to the CFTC, for approval must be done pursuant to Part 40 of the CFTC Regulations.

The CFTC may investigate any action of ICC, alter or supplement the Rules, suspend or revoke its registration, impose fines for violations of the CEA or CFTC Regulations and direct ICC to take whatever action the CFTC determines is necessary to maintain or restore orderly trading in the event of an emergency. In addition, any emergency action of ICC must be immediately reported to the CFTC.

As a registered DCO, ICC is required to comply with the DCO Core Principles set forth in Section 5b(c)(2) of the CEA as interpreted and implemented by the CFTC in CFTC Regulation Part 39.

The eighteen DCO Core Principles are as follows:

I. Core Principle A (Compliance): A DCO is required to comply with the DCO Core Principles and any requirement that the CFTC may impose by rule or regulation. A DCO shall have reasonable discretion in establishing the manner of such compliance. Additionally, each DCO is required to employ a Chief Compliance Officer whose duty it is to review of the DCO's compliance with the Core Principles, establish written policies and procedures designed to prevent violations of the CEA and prepare a written report for submission to the CFTC regarding the DCO's compliance with the Core Principles. CFTC Regulation 39.10 codifies these requirements and establishes minimum requirements that a DCO must meet in order to comply with DCO Core Principle A.

II. Core Principle B (Financial Resources): A DCO is required to have adequate financial, operational, and managerially resources, as determined by the CFTC, to discharge each responsibility of the DCO. CFTC Regulation 39.33 requires ICC to possess, at a minimum, financial resources that exceed the total amount that would enable ICC to meet its financial obligations to its clearing members notwithstanding a default by the two clearing members creating the largest financial exposure for ICC in extreme but plausible market conditions (i.e., "cover two"). Furthermore, ICC is required to have financial resources that, at a minimum, cover its operating costs for a period of one year, as calculated on a rolling basis.

III. Core Principle C (Participant and Product Eligibility): A DCO is required to establish appropriate admission and continuing eligibility standards for members of, and participants in, the DCO, including sufficient financial resources and operational capacity to meet the obligations arising from participation in the DCO. Core Principle C further requires that such participation and membership requirements be objective, be publicly disclosed, and permit fair and open access. Core Principle C also requires that each DCO establish and implement procedures to verify compliance with each participation and membership

requirement, on an ongoing basis. Core Principle C also requires that each DCO establish appropriate standards for determining the eligibility of agreements, contracts, or transactions submitted to the DCO for clearing. CFTC Regulation 39.12 codifies these requirements and establishes minimum requirements that a DCO must meet in order to comply with DCO Core Principle C.

IV. Core Principle D (Risk Management): A DCO is required to ensure that it possesses the ability to manage the risks associated with discharging the responsibilities of the DCO through the use of appropriate tools and procedures. It further requires each DCO to measure its credit exposures to each clearing member not less than once during each business day and to monitor each such exposure periodically during the business day. Core Principle D also requires each DCO to limit its exposure to potential losses from defaults by clearing members through margin requirements and other risk control mechanisms, to ensure that its operations would not be disrupted and that non-defaulting clearing members would not be exposed to losses that non-defaulting clearing members cannot anticipate or control. Finally, Core Principle D provides that a DCO must require margin from each clearing member sufficient to cover potential exposures in normal market conditions and that each model and parameter used in setting such margin requirements must be risk-based and reviewed on a regular basis. CFTC Regulations 39.13 and 39.36 establish the requirements that a DCO would have to meet in order to comply with DCO Core Principle D.

V. Core Principle E (Settlement Procedures): A DCO is required to (1) complete money settlements on a timely basis, but not less frequently than once each business day; (2) employ money settlement arrangements to eliminate or strictly limit its exposure to settlement bank risks (including credit and liquidity risks from the use of banks to effect money settlements); (3) ensure that money settlements are final when effected; (4) maintain an accurate record of the flow of funds associated with money settlements; (5) possess the ability to comply with the terms and conditions of any permitted netting or offset arrangement with another clearing organization; (6) establish rules that clearly state each obligation of the DCO with respect to physical deliveries; and (7) ensure that it identifies and manages each risk arising from any of its obligations with respect to physical deliveries. CFTC Regulation 39.14 establishes the requirements that a DCO would have to meet in order to comply with DCO Core Principle E.

VI. Core Principle F (Treatment of Funds): A DCO is required to (i) establish standards and procedures that are designed to protect and ensure the safety of its clearing members' funds and assets; (ii) hold such funds and assets in a manner by which to minimize the risk of loss or of delay in the DCO's access to the assets and funds; and (iii) only invest such funds and assets in instruments with minimal credit, market, and liquidity risks. CFTC Regulation 39.15 establishes the requirements that a DCO would have to meet in order to comply with DCO Core Principle F.

VII. Core Principle G (Default Rules and Procedures): A DCO is required to have rules and procedures designed to allow for the efficient, fair, and safe management of events during which clearing members become insolvent or otherwise default on their obligations to the DCO. In addition, DCO Core Principle G requires each DCO to clearly state its default procedures, make its default rules publicly available, and ensure that it may take timely action to contain losses and liquidity pressures and to continue meeting its obligations. CFTC Regulations 39.16 and 39.35 established requirements that a DCO would have to meet in order to comply with DCO Core Principle G.

VIII. Core Principle H (Rule Enforcement): A DCO is required to (1) maintain adequate arrangements and resources for the effective monitoring and enforcement of compliance with its rules and for the resolution of disputes; and (2) have the authority and ability to discipline, limit, suspend or terminate a member's or participant's activities for violations of its rules. CFTC Regulation 39.17 codifies the requirements of DCO Core Principle H and further requires a DCO to report the initiation of a rule enforcement action against a clearing member or the imposition of sanctions against a clearing member, no later than two business days after the DCO takes such action.

IX. Core Principle I (System Safeguards): DCO Core Principle I requires a DCO to establish and maintain a program of risk analysis and oversight that identifies and minimizes sources of operational risk through the development of appropriate controls and procedures, and automated systems that are reliable, secure and have adequate scalable capacity. DCO Core Principle I also requires that the emergency procedures, back-up facilities, and disaster recovery plans that a DCO is obligated to establish and maintain specifically allow for the timely recovery and resumption of the DCO's operations and the fulfillment of each obligation and responsibility of the DCO. Finally, DCO Core Principle I requires that a DCO periodically conduct tests to verify that the DCO's back-up resources are sufficient to ensure daily processing, clearing, and settlement. Among the system safeguard requirements codified in CFTC regulations, is that a systemically important DCO must have the physical, technological, and personnel resources sufficient to enable the DCO to recover its operations and resume daily processing, clearing, and settlement no later than two hours following the disruption, for any disruption including a wide-scale disruption. CFTC Regulations 39.18 and 39.34 codifies these requirements and delineates the minimum requirements a DCO would have to satisfy in order to comply with DCO Core Principle I.

X. Core Principle J (Reporting): A DCO is required to provide the CFTC with all information that the CFTC determines to be necessary to conduct oversight of the DCO including daily, quarterly and annual reporting. CFTC Regulation 39.19 establishes the requirements a DCO would have to meet in order to comply with DCO Core Principle J, namely periodic reporting to the CFTC.

XI. Core Principle K (Recordkeeping): A DCO is required to maintain records of all activities related to the business of the DCO, in a form and manner that is acceptable to the CFTC and for a period of not less than five years. CFTC Regulation 39.20 establishes the requirements a DCO would have to meet in order to comply with DCO Core Principle K.

XII. Core Principle L (Public Information): A DCO is required to provide market participants sufficient information to enable them to identify and evaluate accurately the risks and costs associated with using the DCO's services. Specifically, a DCO is required to make available to market participants: information concerning the rules, operating and default procedures governing its clearing and settlement systems; and also to disclose publicly and to the CFTC the terms and conditions of each contract, agreement, and transaction cleared and settled by the DCO; each clearing and other fee charged to members, the DCO's margin-setting methodology, daily settlement prices, and other matters relevant to participation in the DCO's clearing and settlement activities. CFTC Regulation 39.21 requires a DCO to provide market participants with sufficient information to enable the market participants to identify and evaluate accurately the risks and costs associated with using the services of the DCO.

XIII. Core Principle M (Information Sharing): A DCO is required to enter into and abide by the terms of each appropriate and applicable domestic and international information-sharing agreement that it enters into and to use relevant information obtained under such agreements in carrying out its risk management program. CFTC Regulation 39.22 codifies the requirements of DCO Core Principle M.

XIV. Core Principle N (Antitrust Considerations): Unless appropriate to achieve the purposes of the CEA, the DCO is required to avoid (1) adopting any rule or taking any action that results in any unreasonable restraint of trade; or (2) imposing any material anticompetitive burden on trading on the contract market. CFTC Regulation 39.23 codifies the requirements of DCO Core Principle N.

XV. Core Principle O (Governance Fitness Standards): A DCO must (1) establish governance arrangements that are transparent to fulfill public interest requirements and to permit the consideration of the views of owners and participants and (2) establish and enforce appropriate fitness standards for (A) directors, (B) members of any disciplinary committee, (C) members of the DCO, (D) any other individual

or entity with direct access to the settlement or clearing activities of the DCO, and (E) any party affiliated with any entity mentioned above. CFTC Regulation 39.24 codifies the requirements of DCO Core Principle O.

XVI. Core Principle P (Conflicts of Interest): A DCO is required to establish and enforce rules to minimize conflicts of interest in the decision-making process of the DCO and to establish a process for resolving such conflicts of interest. CFTC Regulation 39.25 codifies the requirements of DCO Core Principle P.

XVII. Core Principle Q (Composition of Governing Boards): A DCO is required to ensure that the composition of the governing board or committee of the DCO includes market participants. CFTC Regulation 39.26 codifies the requirements of DCO Core Principle Q.

XVIII. Core Principle R (Legal Risk): A DCO is required to have a well-founded, transparent, and enforceable legal framework for each aspect of the DCO's activities. CFTC Regulation 39.27 sets forth the required elements of such a legal framework.

B. Description of SEC Regulatory Regime

While the CFTC has been designated by FSOC as ICC's primary regulator, ICC is also registered with the SEC as a SCA and interacts directly with the SEC's Division of Trading and Markets. The Division of Trading and Markets establishes and maintains standards for fair, orderly, and efficient markets, and it regulates the major securities market participants, including broker-dealers, SROs (including stock exchanges and clearing agencies), and transfer agents. The SEC's regulation of clearing agencies is pursuant to Section 17A of the SEA and the requirements under SEC Rule 17Ad-22. As a systemically important clearing agency, ICC is subject to SEC's heightened regulatory requirements applicable to CCAs and covered in Rule17Ad-22(e). The SEC monitors clearing at ICC and receives from ICC routine reports on various different cycles. The SEC conducts periodic on-site examinations and holds regularly scheduled periodic meetings with ICC representatives.

I. Section 17A(b)(3)(A) of the SEA requires a clearing agency to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and derivatives contracts, safeguard securities and funds in its custody or control, and enforce compliance by its participants with the rules of the clearing.

II. Section 17A(b)(3)(B) of the SEA describes the entities that may become participants of a clearing agency and Section 17A(b)(3)(C) of the SEA requires that the clearing agency provide fair representation to participants. A clearing agency may condition participation on standards of financial responsibility, operational capacity, experience, and competency under Section 17A(b)(3)(4)(B) of the SEA. Section 17A(b)(3)(D), and (E) of the SEA require that a clearing agency assure an equitable allocation of fees, and that a clearing agency does not impose fees for services rendered by participants.

III. Section 17A(b)(3)(F) of the SEA requires that the rules of the clearing agency are designed to (i) promote the prompt and accurate clearance and settlement of securities transactions and derivatives contracts, (ii) promote the safeguarding of securities and funds in its custody or control, and (iii) foster cooperation and coordination with persons engaged in the clearance and settlement of securities and derivatives transactions, and (iv) in general protect investors and the public interest.

IV. Section 17A(b)(3)(G) of the SEA requires that the rules of the clearing agency provide that its participants shall be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction. Further, pursuant to Section 17A(b)(3)(H) of the SEA, the rules of the clearing agency

must provide a fair procedure with respect to the disciplining of participants, the denial of participation, and the prohibition or limitation by the clearing agency of any person with respect to access to the services offered by the clearing agency.

V. Section 17A(b)(3)(I) of the SEA requires that the rules of the clearing agency do not impose any burden on competition not necessary or appropriate in the furtherance of the purpose of the SEA.

VI. Section 17A(b)(5)(A) of the SEA sets our further requirements with respect to disciplinary proceedings. In any proceeding by a registered clearing agency to determine whether a participant should be disciplined, the clearing agency must bring specific charges, provide notification of such charges to the participant, give the participant an opportunity to defend against such charges, and keep a record of the proceedings.

A. A determination to impose a disciplinary sanction must be supported by a statement setting forth:

1. Any act in which the participant was found to have engaged or which the participant was found to have omitted;
2. The specific provisions of the rules of the clearing agency that were deemed to be violated; and
3. The sanction imposed and the reasons for such sanctions.

B. Section 17A(b)(5)(B) of the SEA sets out certain requirements with respect to the denial of access to the clearing agency's services. In any proceeding by a registered clearing agency to determine whether a person shall be denied participation, prohibited or limited with respect to access to services offered by the clearing agency, the clearing agency must notify such person of, and give him an opportunity to be heard upon the specific grounds for denial or prohibition or limitation under consideration and keep a record. A determination by the clearing agency to deny participation or prohibit or limit a person with respect to access to services offered by the clearing agency must be supported by a statement setting forth the specific grounds on which the denial or prohibition or limitation is based.

VII. Section 19(b) of the SEA, corresponding SEC Rules 19b-4, 19b-5 and 19b-7 require that proposed changes to the rules of a clearing agency be submitted to the SEC for approval. Within 45 days of the date of publication of notice of the filing of a proposed rule change, or within such longer period as the SEC may designate up to 90 days of such date if it finds such longer period to be appropriate or as to which the clearing agency consents, the SEC must approve the proposed rule or institute proceedings to determine whether the proposed rule should be disapproved.

VIII. Pursuant to Section 19 of the SEA, the SEC or other appropriate regulator, may suspend or revoke the registration of a clearing agency, or impose other sanctions, including limiting its activities, subject to opportunity for notice and hearing, if the SEC or other appropriate regulator finds that the clearing agency has violated or is unable to comply with applicable provisions of the SEA and the rules thereunder.

The SEC's minimum standards for clearing agencies applicable to ICC are covered under Rules 17Ad-22(b), (c), and (e). The rules prescribe risk management standards and practices, such as measuring credit exposure to participants at least once per day, using margin requirements to limit credit exposure to participants, maintaining sufficient financial resources to withstand a default by the two participants with the largest exposures to the clearinghouse, and an annual independent validation of the risk models. In addition, ICC must fulfill the requirements under Rule 17Ad-22(c) by maintaining a record of financial resources to meet a default of the two largest clearing participants, and posting ICC's annual audited financial report.

The standards within Rule 17Ad-22(e) include requirements that ICC: (1) provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions; (2) have governance arrangements that are clear and transparent, clearly prioritize the safety and efficiency of the CCA, support public interest requirements, establish that the board of directors and senior management have appropriate experience and skills to discharge their responsibilities, specify clear and direct lines of responsibility, and consider the interests' of the CCA's customer, securities issuers and holders, and other relevant stakeholders; (3) maintain sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or borne by the CCA; (4) effectively identify, measure, monitor, and manage credit exposures to participants and those arising from its payment, clearing, and settlement processes; (5) limit the assets it accepts as collateral to those with low credit, liquidity, and market risks, and set and enforce appropriately conservative haircuts and concentration limits; (6) cover its credit exposures to its participants by establishing a risk-based margin system; (7) effectively measure, monitor, and manage the liquidity risk that arise in or is borne by the CCA; (8) define the point at which settlement is final to no later than the end of the day on which payment or obligation is due and, where necessary or appropriate, intraday or in real time; (9) conduct its money settlements in central bank money (where available); (10) establish and maintain transparent written standards that state the obligations with respect to the delivery of physical instruments; (11) eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other; (12) ensure that the CCA has the authority and operational capacity to take timely action to contain losses and liquidity demands and continue to meet its obligations by, at a minimum, requiring the CCA's participants and, where practicable, other stakeholders to participant in the testing and review of its default procedures; (13) enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCA with respect to those positions and related collateral from the default and insolvency of that participant; (14) identify, monitor, and manage a CCA's general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses; (16) safeguard the CCA's own and it participants' assets; (17) manage the CCA's operational risks; (18) establish objective, risk-based, and publicly disclosed criteria for participation; and (18) provide for the public disclosure of all rules and material procedures.

C. Board of Directors (section 4.1)

(1) A recognised clearing agency must have a board of directors.

(2) The board of directors must include appropriate representation by individuals who are
(a) independent of the clearing agency, and
(b) neither employees nor officers of a participant nor their immediate family members.

(3) For the purposes of paragraph (2) (a), an individual is independent of a clearing agency if he or she has no direct or indirect material relationship with the clearing agency.

(4) For the purposes of subsection (3), a "material relationship" is a relationship that could, in the view of the clearing agency's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

Comparable CFTC and SEC Requirements

The CFTC has comparable governance requirements in Core Principle O. CFTC Core Principle O provides that each DCO must (1) establish governance arrangements that are transparent to fulfill public interest requirements and to permit the consideration of the views of owners and participants and (2) establish and

enforce appropriate fitness standards for directors. In addition, CFTC Regulation 39.24 and CFTC Regulation 39.25 require a DCO to have governance arrangements that: support the stability of the broader financial system; describe procedures for managing conflicts of interest; and provide for a board that consists of suitable individuals having appropriate skills and incentives. Furthermore, CFTC Regulation 39.26 requires that a DCO board of directors include market participants and individuals who are not executives, officers or employees of the DCO or an affiliate thereof.

The SEC also has governance requirements applicable to ICC. Specifically, SEC Rule 17Ad-22(e)(2)(i-iii) requires that:

(e) Each covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable:

(2) Provide for governance arrangements that:

(i) Are clear and transparent;

(ii) Clearly prioritize the safety and efficiency of the covered clearing agency;

(iii) Support the public interest requirements in Section 17A of the Act (15 U.S.C. 78q-1) applicable to clearing agencies, and the objectives of owners and participants;

Additionally, SEC Rule § 240.17ad-25 addresses the governance of clearing agency boards and conflicts of interest and requires the establishment of a nominating committee that shall evaluate nominees for serving as directors and the independence of nominees and directors. SEC Rule § 240.17ad-25(b) provides that a majority of the members of the Board must be independent directors and SEC Rule § 240.17ad-25(f) provides detailed circumstances that could preclude a director from serving as an independent director.

Compliance by ICC with CFTC & SEC Requirements

Pursuant to ICC's Operating Agreement, ICC has a Board which has sole responsibility for the control and management of ICC's operations (subject only to the prior consultation rights of the ICC Risk Committee as described in Chapter 5 of the Rules). The Board consists of nine members (each a "Manager") comprised of the following:

- Three Independent Managers elected by ICE Holding
- Two Non-Independent Managers elected by ICE Holding
- Two Independent Managers nominated by the ICC Risk Committee and elected by ICE Holding
- Two Non-Independent Managers nominated by the ICC Risk Committee and elected by ICE Holding

Whether a Manager qualifies as independent is determined by applying the Independence Standards which are defined and described in detail below.

The identity of ICC's Board is publicly disclosed here:
https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Regulation_and_Governance.pdf

ICE Clear Credit Board Members:

- Terrence Martell (Chairperson) - Director of the Weissman Center for International Business at Baruch College/CUNY, director at VVC Exploration Corporation, and also serves on the board of several other ICE subsidiaries. (Independent, elected by the Parent)
- Amy Hong - Managing Director at Goldman Sachs. (Non-independent, nominated by the Risk Committee and elected by the Parent)
- Stan Ivanov - President of ICE Clear Credit. (Non-independent, elected by the Parent)

- Elizabeth King - Global Head of Clearing & Chief Regulatory Officer, ICE. (Non-independent, elected by the Parent)
- Sumit Roy - Former Senior Portfolio Manager at Magnetar Capital. (Independent, nominated by the Risk Committee and elected by the Parent)
- Ritesh Shah - Strategic initiatives at Jump Trading. (Independent, nominated by the Risk Committee and elected by the Parent)
- Judith Sprieser - Independent director of ICE. (Independent, elected by the Parent)
- Marti Tirinnanzi - Independent director of ICE. (Independent, elected by the Parent)
- Viktor Vadasz- Executive Director at Morgan Stanley. (Non-Independent, nominated by the Risk Committee and elected by Parent)

As noted above, and as required pursuant to ICC's Operating Agreement, five of the nine Managers are required to be independent in accordance with the New York Stock Exchange listing standards, the U.S. Securities Exchange Act of 1934 and the ICE Board of Director Governance Principles (collectively, the "Independence Standards"). The Independence Standards require that Board members will be deemed independent only if the Board determines that the member does not have any material relationships with ICC and its affiliates that could reasonably be expected to interfere with the exercise of a Manager's independent judgement. Pursuant to the ICE Clear Credit Governance Playbook, "material relationships" include, but are not limited to, certain relationships with "family members" and "immediate family members". The phrase "family member" with respect to any Manager has the meaning set forth in SEC Rule 17Ad-25(a). The phrase "immediate family member" with respect to any Manager has the meaning set forth in the NYSE Listed Company Manual (i.e., commentary to Section 303A.02(b) provides that an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such a person's home).The Board shall make an independence determination with respect to each Manager required to be independent upon the Manager's nomination or appointment to the Board and thereafter at such times as the Board considers advisable in light of the Manager's circumstances, but in no event less frequently than annually. It shall be the responsibility of each Manager to inform the Chairperson of the Board promptly of the existence of such relationships and interests which might reasonably be considered to bear on the Manager's independence. Pursuant to the ICC Code of Business Conduct and Ethics for Managers, Managers are required to disclose to the Chairman of the Board and the ICC Chief Compliance Officer any situation that may be, or appears to be, a conflict of interest. Potential conflict of interest situations conceived of at or near the time of a Committee Meeting must be disclosed to the responsible Committee Chairman. A Committee Chairman may not grant a waiver but may determine in his/her sole discretion whether a material conflict of interest exists or is likely to arise during the deliberation of the matter(s) at hand, or may refer the question of whether there is, or is likely to be, a conflict of interest to the Chief Compliance Officer. If it is decided that a material conflict of interest exists or is likely to arise, the subject Manager must recuse him or herself from deliberations and abstain from voting.

ICE Holding must ensure that the Board is composed of suitable members, and a suitable mix of members, to enable the Board to effectively discharge its duties, including the ability to provide a credible challenge to ICC management if and when necessary. Qualified Managers are those, who in the judgement of ICE Holding, possess an appropriate mix of skills (including strategic and relevant technical skills) and experience and knowledge of ICC (including an understanding of ICC's interconnectedness with other parts of the financial system). All Managers must, in the judgment of ICE Holding, possess strong personal attributes and relevant business experience to assure effective service on the Board including, without limitation, the ability to provide a credible challenge to ICC management if necessary. Personal attributes considered by ICE Holding (and ICC management in its consultation role) include leadership, integrity, high ethical standards, contributing nature, independence, sound judgment, interpersonal skills and effectiveness. Relevant experience considered by ICE Holding (and ICC in its consultation role) includes

risk management knowledge, financial acumen (including financial, accounting and auditing experience), general business experience, industry knowledge (including clearing house operations), diversity of viewpoints, special business experience, knowledge of business systems and information technology, and expertise in an area relevant to ICC (including CDS markets and products).

D. Risk Spill-overs (section 4.2)

(1) The board of directors and management of a recognized clearing agency must have documented procedures to manage possible risk spill over where the clearing agency provides services with a different risk profile than its depository, clearing and settlement services.

ICC Compliance

Providing central counterparty services is ICC's sole business line and ICC does not provide any other services with a different risk profile. As a result, this provision is not applicable to ICC.

E. Chief Risk Officer & Chief Compliance Officer (section 4.3)

(1) A recognized clearing agency must designate a chief risk officer and a chief compliance officer, who must report directly to the board of directors of the clearing agency.

(2) The chief risk officer must

(a) have responsibility and authority to maintain, implement and enforce the risk management framework established by the clearing agency,

(b) make recommendations to the clearing agency's board of directors regarding the clearing agency's risk management framework,

(c) monitor the effectiveness of the clearing agency's risk management framework, and

(d) report to the clearing agency's board of directors on a timely basis upon becoming aware of any significant deficiency with the risk management framework.

(3) The chief compliance officer must

(a) establish, implement, maintain and enforce written policies and procedures to identify and resolve conflicts of interest and ensure that the clearing agency complies with securities legislation,

(b) monitor compliance with the policies and procedures described in paragraph (a),

(c) report to the board of directors of the clearing agency as soon as practicable upon becoming aware of any circumstance indicating that the clearing agency, or any individual acting on its behalf, is not in compliance with securities legislation and one or more of the following apply:

(i) the non-compliance creates a risk of harm to a participant,

(ii) the non-compliance creates a risk of harm to the broader financial system,

(iii) the non-compliance is part of a pattern of non-compliance, or

(iv) the non-compliance may have an impact on the ability of the clearing agency to carry on business in compliance with securities legislation,

(d) prepare and certify an annual report assessing compliance by the clearing agency, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors,

(e) report to the clearing agency's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a participant or to the capital markets, and

(f) concurrently with submitting a report under paragraphs (c), (d) or (e), file a copy of such report with the securities regulatory authority.

Comparable CFTC and SEC Requirements

CFTC Regulation 39.13(c) requires that a DCO have a chief risk officer ("CRO") who shall be responsible for implementing the risk management framework, including the procedures, policies and controls, and for making appropriate recommendations to the DCO's risk management committee or board of directors, as applicable, regarding the DCO's risk management functions. CFTC Regulation 39.13(b) requires a DCO to have and implement written policies, procedures, and controls, approved by its board of directors, that establish an appropriate risk management framework that, at a minimum, clearly identifies and documents the range of risks to which the DCO is exposed, addresses the monitoring and management of the entirety of those risks, and provides a mechanism for internal audit. The risk management framework is required to be regularly reviewed and updated as necessary. Furthermore, pursuant to CFTC Regulation 39.24(b)(7), DCOs are required to have procedures pursuant to which the board of directors oversees the CRO, risk management committee, and material risk decisions.

CFTC Regulation 39.10(c)(1) requires that a DCO shall establish the position of chief compliance officer ("CCO"), designate an individual to serve as CCO, and provide the CCO with the full responsibility and authority to develop and enforce, in consultation with the DCO's board of directors or senior officer, appropriate compliance policies and procedures, to fulfill the duties set forth in the CEA and the CFTC's regulations. Pursuant to CFTC Regulation 39.10(c)(1)(ii) the CCO shall report to the DCO's board of directors or a senior officer of the DCO. CFTC Regulation 30.10(c)(1)(iii) requires that the CCO meet with the DCO's board of directors at least once per year.

Pursuant to CFTC Regulation 39.10(c)(2), a CCO's duties shall include, but are not limited to:

(i) Reviewing the DCO's compliance with the DCO core principles set forth in Section 5b of the CEA;

(ii) In consultation with the DCO's board of directors, resolving any conflicts of interest that may arise;

(iii)) Establishing and administering written policies and procedures reasonably designed to prevent violation of the CEA;

(iv) Taking reasonable steps to ensure compliance with the CEA and CFTC regulations relating to agreements, contracts, or transactions, and with CFTC regulations prescribed under Section 5b of the CEA;

(v) Establishing procedures for the remediation of noncompliance issues identified by the CCO through any compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint; and

(vi) Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues.

Additionally, in accordance with CFTC Regulation 39.10(c)(3), the CCO is required to prepare and sign an annual report that that covers the most recently completed fiscal year of the DCO. At a minimum, the annual report shall include the following:

(i) A description of the DCO's written policies and procedures, including the code of ethics and conflict of interest policies;

(ii) Review each CFTC DCO Core Principle and applicable CFTC regulation, and with respect to each:

(A). Identify the compliance policies and procedures that are designed to ensure compliance with each Core Principle;

(B). Provide an assessment as to the effectiveness of these policies and procedures;

(C). Discuss areas for improvement, and recommend potential or prospective changes or improvements to the DCO's compliance program and resources allocated to compliance;

(iii) List any material changes to compliance policies and procedures since the last annual report;

(iv) Describe the financial, managerial, and operational resources set aside for compliance with the CEA and CFTC regulations; and

(v) Describe any material compliance matters, including incidents of noncompliance, since the last annual report, and describe the corresponding action taken.

Pursuant to CFTC Regulation 39.10(4), the CCO must submit the annual report to the CFTC after presenting the annual report to the DCO's board of directors or senior officer.

Furthermore, CFTC regulation 39.25 requires that a DCO to (a) establish and enforce rules to minimize conflicts of interest in the decision-making process of the DCO; (b) establish a process for resolving such conflicts of interest; and (c) have procedures for identifying, addressing, and managing conflicts of interest involving members of the board of directors.

The SEC also has requirements regarding conflicts of interest. SEC Rule 17Ad-25(g) requires SEC registered clearing agencies ("SCA") to establish, implement, maintain, and enforce written policies and procedures reasonably designed to: (1) identify and document existing or potential conflicts of interest in the decision making process of the SCA, involving directors or senior managers of the SCA; and (2) mitigate or eliminate and document the mitigation or elimination of such conflicts of interest.

Compliance by ICC of CFTC and SEC Requirements

ICC's officers, which are designated by the Board, include both a CRO and a CCO. The Board's designation of officers follows their determination that the individuals possess the requisite experience and skills to discharge their respective responsibilities. The CRO and CCO roles are described in detail below.

The Chief Risk Officer

As set forth in ICC's Risk Management Framework, the ICC CRO is directly responsible for risk management and in this capacity, is directly accountable to the ICC President and has an additional reporting line to the Chairperson of the ICC Risk Committee, who is also a non-executive manager on the Board. This direct reporting line to the Board allows the CRO to bring any issues or concerns directly to the Board's attention without intermediation by other ICC personnel. The direct management of risk is balanced by a committee structure that provides (1) oversight and accountability, (2) advisory input and, when necessary, (3) specialized execution. These responsibilities are addressed across the committees that support and advise the Board with regards to its responsibilities for overseeing ICC's risk and risk management.

The ICC Risk Management Department is responsible to establish the practices and procedures to implement ICC risk management policies. The Risk Management Department is overseen by the CRO. The objective of the Risk Management Department is to ensure that the financial integrity of ICC is not compromised due to the financial condition of, or risks assumed by, Clearing Participants, their clients/customers or their methods of collateralizing risk. To accomplish this objective, the Risk Management Department is guided by the principles outlined in ICC's Risk Management Framework and is informed by the ICC Risk Working Group and overseen by the ICC Risk Committee. The CRO periodically reports to both the Risk Committee and the Board regarding risk management. Any proposed change to ICC's risk management policies and procedures will first be presented by the CRO to the Risk Committee for their review and recommendation to the Board. Thereafter, such proposed changes to ICC's risk management policies and procedures will be presented by the CRO to the Board for their review and approval.

Chief Compliance Officer

The CCO maintains the responsibility and authority to develop and enforce, in consultation with the Board and/or ICC Senior Management, appropriate compliance policies and procedures to fulfill ICC's statutory and regulatory obligations. As set forth in the ICC Compliance Policy, the CCO reports directly to the Board and has a dotted reporting line to the ICC President. The CCO attends all Board meetings (generally held at least quarterly) and reports to the Board as appropriate. The CCO also reports to the Audit Committee of the Board at its quarterly meetings on key compliance risks and performance metrics including, risk assessment status, status of regulatory examinations, and finding remediations.

The CCO oversees the ICC Compliance Department which is responsible for establishing and overseeing a firm-wide risk-based Compliance Risk Management Program which includes, amongst other objectives, the establishment and administration of written policies and procedures that are reasonably designed to prevent violations of all regulatory requirements under applicable regulations. All ICC employees must abide by the applicable policies and procedures which include policies and procedures at the parent, ICE, level (for example, the ICE Employee Handbook). For purposes of this application and ease of reference, all policies are referred to herein as "ICC" policies and procedures.

The Compliance Policy provides an overview of ICC Compliance's Risk Management Program and other roles/responsibilities which includes the Risk Assessment Methodology. Per the Risk Assessment Methodology, the Compliance Department assesses ICC's compliance with applicable regulations and the CCO reviews the final risk assessments as part of the validation process at least annually. In addition, the CCO produces the CFTC annual CCO report which outlines compliance with CFTC Core Principles for DCOs and the CFTC's underlying DCO regulations.

The ICC Regulatory Communications and Issue Management Framework governs the process by which the Compliance Department identifies, collects, tracks, reports and remediates self-reported issues and issues identified in regulatory exams, audits, and first- and second-line control monitoring.

The Compliance department prepares an annual CCO report based on review and analysis performed throughout the year including any significant compliance-related issues identified by internal audit, operational risk reviews, enterprise risk reviews, and regulatory examinations. The Compliance Department further assesses adherence to each CFTC DCO Core Principle by reviewing the current compliance environment, identifying potential improvements, collaborating with legal, senior management, and other ICC department heads as appropriate to agree on proposed solutions and confirm with the appropriate department managers that the overall assessment of compliance with each Core Principle is accurate. The CCO presents the annual CCO report to the ICC internal Compliance Committee and the Board for review. Thereafter, the annual CCO report is filed with the CFTC.

The management of any potential conflict of interest is governed by four policies: The Code of Business Conduct and Ethics for Managers, Code of Business Conduct and Ethics for Committee Members, ICE Global Code of Business Conduct and the ICE Global Reporting and Anti-Fraud Policy. Such policies cover the identification and mitigation of conflicts of interest and potential conflicts of interest of Managers, committee members and ICC employees including senior management. In accordance with such policies, decisions by the Board and ICC Committees, must be based on the best interests of ICC, and must not be motivated by personal considerations and relationships. Managers and ICC Committee members are required to disclose to the CCO any situation that may be, or appears to be, a conflict of interest. The CCO, in coordination with the Chairman of the Board for potential conflicts of interest of Managers, will determine whether a material conflict of interest exists or is likely to arise during the deliberation of the matter(s) at hand. If it is decided that a material conflict of interest exists or is likely to arise, the subject individual must recuse themselves from deliberations and abstain from voting. The minutes of the proceedings shall reflect the names of any individual(s) who does not participate in deliberations and voting due to voluntary or required recusal, including the reason for recusal. Likewise, ICC employees are required to disclose the existence of possible conflicts of interest and must complete a Conflict of Interests questionnaire upon hire and annually thereafter.

F. Board or Advisory Committees (section 4.4)

(1) The board of directors of a recognized clearing agency must, at a minimum, establish and maintain committees on risk management, finance and audit.

(2) If a committee is a board committee, it must be chaired by a sufficiently knowledgeable individual who is independent of the clearing agency.

(3) Subject to subsection (4), a committee must have an appropriate representation by individuals who are independent of the clearing agency.

(4) An audit or risk committee must have an appropriate representation by individuals who are:

(a) independent of the clearing agency, and
(b) neither employees nor officers of a participant or their immediate family members.

(5) For the purpose of this section, an individual is independent of a clearing agency if the individual has no relationship with the agency that could, in the reasonable opinion of the clearing agency's board of directors, be expected to interfere with the exercise of the individual's independent judgement.

Comparable CFTC and SEC Requirements

CFTC regulation 39.24(b)(11) requires DCOs to establish one or more risk management committees and requires the DCO's board of directors to consult with, and consider and respond to input from, the risk management committee(s) on all matters that could materially affect the risk profile of the DCO, including any material change to the DCOs margin model, default procedures, participation requirements, and risk monitoring practices, as well as the clearing of new products that could materially affect the risk profile of the DCO. In addition, CFTC Regulation 39.24(b)(8) requires DCOs to have governance arrangements that provide risk management and internal control personnel with sufficient independent authority, resources, and access to the board of directors so that the operations of the DCO are consistent with the risk management framework established by the board of directors. Furthermore, CFTC Regulation 39.26 requires that the DCO board of directors and board-level committees include individuals who are not executives, officers, or employees of the DCO or an affiliate thereof.

SEC Rule 17Ad-25(d) requires SCAs to establish a risk management committee (or committees) of the board to assist the board of directors in overseeing the risk management of the SCA. In addition, such Rule requires that the risk management committee, in the performance of its duties, must be able to provide a risk-based, independent, and informed opinion on all matters presented to the committee for consideration in a manner that supports the overall risk management and efficiency of the SCA. SEC regulations also require that CCAs have an independent audit committee. Specifically, SEC Rule 17Ad-22(e)(3)(v) requires a CCA to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the CCA, which (among other requirements) provides for an independent audit committee.

Compliance by ICC with CFTC & SEC Requirements

Pursuant to the ICC Operating Agreement, ICC is required to have a Risk Committee. Chapter 5 of the Rules sets forth the role and composition of the Risk Committee. Each member of the Risk Committee is required to have risk management experience and expertise and are subject to approval by the Board. The Risk Committee includes representatives of Clearing Participants, ICC's CRO and President, as well as three members that are independent from ICC in accordance with the Independence Requirements. The Risk Committee is chaired by an independent Manager of the Board.

Pursuant to Rule 502, ICC is not permitted to take certain Specified Actions without prior consultation with the Risk Committee. Such Specified Actions are defined in Rule 502, but in summary are actions with respect to: (i) changes to the contract specifications of cleared contracts, and the acceptance of new products for clearing; (ii) determination of the standards and requirements for initial and continuing Clearing Participant eligibility; (iii) approval or denial of Clearing Participant applications; (iv) modifications of provisions relating to margin; (v) modification of provisions related to the ICC guaranty fund; (vi) modification of processes in place in the event of default; (vii) modification of provisions that relate to open access; (viii) modification of provisions that relate to ICC consulting with or delegating responsibilities to third parties; and (ix) modifications of Chapter 5 of the Rules related to authorities of the Risk Committee.

The ICC Operating Agreement requires ICC to have a Board level Audit Committee. The Audit Committee has three members, all of which are independent Managers of the Board. The Audit Committee is responsible for oversight of: (i) the performance of the internal controls, internal audit function, external

auditors and annual financial reporting; (ii) the integrity of ICC's financial statements; (iii) ICC's compliance with legal and regulatory requirements; (iv) the external auditors' qualifications and independence; and (v) such other matters related to ICC's financial statements or accounting policies and any legal matter that could have a significant impact on ICC's financial statements and compliance programs and procedures which are delegated by the Board to the Audit Committee from time to time.

G. Use of Own Capital (Section 4.5)

(1) A recognized clearing agency that operates as a central counterparty must dedicate and use a reasonable portion of its own capital to cover losses resulting from one or more participant defaults.

Comparable CFTC and SEC Requirements

ICC is not aware of either CFTC or SEC requirements requiring the use of a central counterparty's own capital analogous to section 4.5 of Regulation 24-102, however Principle 4 of the Principles for Financial Market Infrastructures calls for central counterparties with a more-complex risk profile or that are systemically important in multiple jurisdictions to maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the clearing agency in extreme but plausible market conditions, *which may include a central counterparty's own capital*. Additionally, Key Consideration 1 of Principle 13 calls for a central counterparty to have default rules and procedures that enable the Financial Market Infrastructure to continue to meet its obligations in the event of a participant default and that address the replenishment of resources following a default, *which may include using a central counterparty's own capital*.

ICC Compliance

While not required by ICC's local regulatory regime, ICC Rule 801(b) requires ICC to contribute and maintain deposits of capital in the ICC Guaranty Fund (i.e. skin-in-the-game). Pursuant to such Rules, ICC's aggregate capital contribution to the Guaranty Fund is $50 million. ICC's participation represents ICC's commitment to ensure that ICC's economic interest is aligned with the Clearing Participants.

In addition, ICC has obtained Clearing Participant Default Insurance that will potentially cover up to $75 million in losses from a Clearing Participant default to the extent that the defaulting Clearing Participant's obligations to ICC exceed the sum of: (1) the defaulting Clearing Participant's available margin and Guaranty Fund contributions; and (2) ICC's $50 million contribution to the Guaranty Fund. This supplements, and does not result in a reduction or otherwise replace, the other resources available to ICC in the event of a Clearing Participant default.

H. Systems Requirements (section 4.6)

(1) For each system operated by or on behalf of a recognized clearing agency that supports the clearing agency's clearing, settlement and depository functions, the clearing agency must

(a) develop and maintain

(i) an adequate system of internal controls over that system, and

(ii) adequate cyber resilience and information technology general controls, including, without limitation, controls relating to information systems operations, information security, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of that system to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the regulator or, in Québec, the securities regulatory authority of systems failure, malfunction, delay or security incident that is material, and provide timely updates to the regulator, or in Québec, the securities regulatory regarding the following:

(i) any change in the status of the failure, malfunction, delay or security incident;

(ii) the resumption of service, if applicable;

(iii) the results of any internal review, by the clearing agency, of the failure, malfunction, delay or security incident; and

(d) keep a record of any systems failure, malfunction, delay or security incident and whether or not it is material.

Comparable CFTC and SEC Requirements

The CFTC has comparable system safeguard requirements in Core Principle I. Core Principle I provides that each DCO shall (i) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk through the development of appropriate controls and procedures, and automated systems, that are reliable, secure, and have adequate scalable capacity; (ii) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allows for (I) the timely recovery and resumption of operations of the DCO; and (II) the fulfillment of each obligation and responsibility of the DCO; and (iii) periodically conduct tests to verify that the backup resources of the DCO are sufficient to ensure daily processing, clearing, and settlement. In addition, CFTC Regulation 39.18(b) requires a DCO to establish and maintain a program of risk analysis and oversight with respect to its operations and automated systems to identify and minimize sources of operational risk through:
(i) The development of appropriate controls and procedures; and (ii) The development of automated systems that are reliable, secure, and have adequate scalable capacity.

Pursuant to CFTC Regulation 39.18(b)(2), the DCO's program of risk analysis and oversight with respect to its operations and automated systems must include the following elements: (i) Information security, (ii) Business continuity and disaster recovery planning and resources; (iii) Capacity and performance planning, including, but not limited to, controls for monitoring the DCO's systems to ensure adequate scalable capacity (including, testing, monitoring, and analysis of current and projected future capacity and performance, and of possible capacity degradation due to planned automated system changes); and any other elements of capacity and performance planning included in generally accepted best practices; (iv) Systems operations, including, but not limited to, system maintenance; (v) Systems development and quality assurance; and (vi) Physical security and environmental controls. CFTC Regulation 39.18(b)(3) further provides that in addressing the foregoing elements, a DCO shall follow generally accepted standards and industry best practices with respect to the development, operation, reliability, security, and capacity of automated systems.

With respect to regulatory notification requirements, CFTC Regulation 39.18(g) provides a DCO shall notify CFTC staff promptly of: (1) any hardware or software malfunction, security incident, or targeted threat that materially impairs, or creates a significant likelihood of material impairment, of automated system operation, reliability, security, or capacity; or (2) any activation of the DCO's business continuity and disaster recovery plan.

The SEC also has comparable systems requirements referred to as Systems Compliance and Integrity ("SCI"). For purposes of SEC regulations, ICC is a "SCI entity". SEC Rule 242.1001 requires ICC to establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems and, for purposes of security standards, indirect SCI systems, have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity's operational capability and promote the maintenance of fair and orderly markets. Pursuant to SEC Rule 242.1001(1)(2) such policies and procedures must include:

(i) the establishment of reasonable current and future technological infrastructure capacity planning estimates;
(ii) periodic capacity stress tests of such systems to determine their ability to process transactions in an accurate, timely, and efficient manner;
(iii) a program to review and keep current systems development and testing methodology for such systems;
(iv) regular reviews and testing, as applicable, of such systems, including backup systems, to identify vulnerabilities pertaining to internal and external threats, physical hazards, and natural or manmade disasters;
(v) business continuity and disaster recovery plans that include maintaining backup and recovery capabilities sufficiently resilient and geographically diverse and that are reasonably designed to achieve next business day resumption of trading and two-hour resumption of critical SCI systems following a wide-scale disruption;
(vi) standards that result in such systems being designed, developed, tested, maintained, operated, and surveilled in a manner that facilitates the successful collection, processing, and dissemination of market data; and
(vii) monitoring of such systems to identify potential SCI events.

In SEC Rule 242.1000, the SEC defines "SCI systems" to mean all computer, network, electronic, technical, automated, or similar systems of, or operated by or on behalf of, an SCI entity that, with respect to securities, directly support trading, clearance and settlement, order routing, market data, market regulation, or market surveillance.

With respect to regulatory incident notification requirements, SEC Rule 242.1002 requires ICC to notify the Commission immediately of any SCI events. SCI events are defined as a systems disruption; a systems compliance issue; or a systems intrusion. After providing such immediate notice, ICC must submit within 24 hours a written notification pertaining to such SCI event to the SEC, which shall include:

(i) A description of the SCI event, including the system(s) affected; and
(ii) To the extent available as of the time of the notification: The SCI entity's current assessment of the types and number of market participants potentially affected by the SCI event; the potential impact of the SCI event on the market; a description of the steps the SCI entity has taken, is taking, or plans to take, with respect to the SCI event; the time the SCI event was resolved or timeframe within which the SCI event is expected to be resolved; and any other pertinent information known by the SCI entity about the SCI event;

(3) Until such time as the SCI event is resolved and the SCI entity's investigation of the SCI event is closed, provide updates pertaining to such SCI event to the SEC on a regular basis, or at such frequency as reasonably requested by a representative of the SEC, to correct any materially incorrect information previously provided, or when new material information is discovered. Further, if an SCI event is resolved and the SCI entity's investigation of the SCI event is closed within 30 calendar days of the occurrence of the SCI event, then within five business days after the resolution of the SCI event and closure of the investigation regarding the SCI event, ICC must submit a final written notification pertaining to such SCI event to the SEC.

If an SCI event is not resolved or the SCI entity's investigation of the SCI event is not closed within 30 calendar days of the occurrence of the SCI event, then ICC must submit interim written notifications pertaining to such SCI event to the SEC and must submit a final written notification to the SEC within five business days after resolution of the SCI event and closure of the investigation regarding such SCI event.

Compliance by ICC with CFTC & SEC Requirements

Pursuant to the Technology Planning and Governance Policy, ICC maintains certain Key Policies as well as underlying procedures to support ICC's clearing systems platform. In particular, the Key Policies include the following: Capacity Planning Policy; Change Management Policy; Corporate Business Continuity Policy; Corporate Information Security Policy; Corporate Information Technology Policy; Corporate Physical Security Policy; Disaster Recovery Policy; Enterprise Risk Management Policy; Incident Management Policy; Information Technology Asset Management Policy; Infrastructure Observability Policy; Software Development Lifecycle Policy; and Third Party Risk Management Policy. The purpose of the Capacity Planning Policy is to develop, execute, and maintain an effective capacity planning program to ensure consistent system uptime and proactively address potential issues.

In addition, ICC maintains CFTC System Safeguards and SEC Reg SCI procedures which establish the framework for the communication and reporting of systems incidents, systems changes, system safeguards testing and assessment results, and annual compliance reporting, in line with ICC's regulatory requirements.

Last, ICC's Record Retention Policy sets forth recordkeeping responsibilities and procedures to be followed which include compliance with all applicable regulatory recordkeeping requirements.

Auxiliary Systems (section 4.6.1)

(1) In this section, "auxiliary system" means a system, other than a system referred to in section 4.6, operated by or on behalf of a recognized clearing agency that, if breached, poses a security threat to another system operated by or on behalf of the recognized clearing agency that supports the recognized clearing agency's clearing, settlement or depository functions.

(2) For each auxiliary system, a recognized clearing agency must

(a) develop and maintain adequate information security controls that address the security threats posed by the auxiliary system to the system that supports the clearing, settlement or depository functions,

(b) promptly notify the regulator or, in Québec, the securities regulatory authority of any security incident that is material and provide timely updates to the regulator or, in Québec, the securities regulatory authority on

(i) any change in the status of the incident,

(ii) the resumption of service, if applicable, and
(iii) the results of any internal review, by the clearing agency, of the security incident, and

(c) keep a record of any security incident and whether or not it is material.

Comparable CFTC and SEC Requirements

The CFTC has comparable system safeguard requirements in Core Principle I. Core Principle I provides that each DCO shall (i) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk through the development of appropriate controls and procedures, and automated systems, that are reliable, secure, and have adequate scalable capacity; (ii) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allows for (I) the timely recovery and resumption of operations of the DCO; and (II) the fulfillment of each obligation and responsibility of the DCO; and (iii) periodically conduct tests to verify that the backup resources of the DCO are sufficient to ensure daily processing, clearing, and settlement. In addition, CFTC Regulation 39.18(b) requires a DCO to establish and maintain a program of risk analysis and oversight with respect to its operations and automated systems to identify and minimize sources of operational risk through:

(i) The development of appropriate controls and procedures; and
(ii) The development of automated systems that are reliable, secure, and have adequate scalable capacity.

Pursuant to CFTC Regulation 39.18(b)(2), the DCO's program of risk analysis and oversight with respect to its operations and automated systems must include information security elements, including, but not limited to, controls relating to: Access to systems and data (including, least privilege, separation of duties, account monitoring and control); user and device identification and authentication; security awareness training; audit log maintenance, monitoring, and analysis; media protection; personnel security and screening; automated system and communications protection (including, network port control, boundary defenses, encryption); system and information integrity (including, malware defenses, software integrity monitoring); vulnerability management; penetration testing; security incident response and management; and any other elements of information security included in generally accepted best practices.

With respect to regulatory notification requirements, CFTC Regulation 39.18(g) provides a DCO shall notify CFTC staff promptly of: (1) Any hardware or software malfunction, security incident, or targeted threat that materially impairs, or creates a significant likelihood of material impairment, of automated system operation, reliability, security, or capacity; or (2) any activation of the DCO's business continuity and disaster recovery plan.

CFTC Core Principle K provides that a DCO shall maintain records of all activities related to the business of the DCO as a DCO (i) in a form and manner that is acceptable to the CFTC; and (ii) for a period of not less than 5 years. CFTC Regulation 39.20 establishes the requirements for a DCO to meet in order to comply with Core Principle K. In addition, CFTC Regulation 39.18(f) provides a DCO shall maintain and provide to the CFTC promptly upon request, pursuant to CFTC Regulation 1.31,
(1) Current copies of the DCO's business continuity and disaster recovery plan and other emergency procedures. Such plan and procedures shall be updated at a frequency determined by an appropriate risk analysis, but no less frequently than annually; (2) All assessments of the DCO's operational risks or system safeguards-related controls; (3) All reports concerning testing and assessment, whether conducted by independent contractors or by employees of the DCO; and (4) All other documents requested by staff of the CFTC in connection with CFTC oversight of system safeguards.

The SEC also has comparable systems requirements. SEC Rule 242.1001 requires ICC to establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems and, *for purposes of security standards, indirect SCI systems*, have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity's operational capability and promote the maintenance of fair and orderly markets (emphasis added). In SEC Rule 242.1000, the SEC defines "Indirect SCI systems" to mean any systems of, or operated by or on behalf of, an SCI entity that, if breached, would be reasonably likely to pose a security threat to SCI systems.

Pursuant to SEC Rule 242.1001(1)(2) such policies and procedures must include:

(i) the establishment of reasonable current and future technological infrastructure capacity planning estimates;
(ii) periodic capacity stress tests of such systems to determine their ability to process transactions in an accurate, timely, and efficient manner;
(iii) a program to review and keep current systems development and testing methodology for such systems;
(iv) regular reviews and testing, as applicable, of such systems, including backup systems, to identify vulnerabilities pertaining to internal and external threats, physical hazards, and natural or manmade disasters;
(v) business continuity and disaster recovery plans that include maintaining backup and recovery capabilities sufficiently resilient and geographically diverse and that are reasonably designed to achieve next business day resumption of trading and two-hour resumption of critical SCI systems following a wide-scale disruption;
(vi) standards that result in such systems being designed, developed, tested, maintained, operated, and surveilled in a manner that facilitates the successful collection, processing, and dissemination of market data; and
(vii) monitoring of such systems to identify potential SCI events.

With respect to regulatory incident notification requirements, SEC Rule 242.1002 requires ICC to notify the Commission immediately of any SCI events.. SCI events are defined as a systems disruption; a systems compliance issue; or a systems intrusion. See ICC response to Section 4.6 of R24-102 above for more details around regulatory notice requirements.

Last SEC Rule 242.1005 requires ICC to make, keep, and preserve all documents relating to its compliance with Regulation SCI for a period of 5 years.

Compliance by ICC with CFTC & SEC Requirements

See ICC's responses above to 4.6 section. In addition, ICC has a robust information security program and maintains effective and current policies and procedures to ensure employee compliance. ICC's information security program includes: asset management; physical and environmental security; authorization, authentication and access control management; internet, e-mail and data policy management, record retention management; and accountability, compliance and auditability. ICC performs network scans and penetration tests regularly to ensure the information security systems are performing as designed.

Last, ICC's Record Retention Policy sets forth recordkeeping responsibilities and procedures to be followed which include compliance with all applicable regulatory recordkeeping requirements.

I. Systems Reviews (section 4.7)

(1) A recognized clearing agency must

(a) on a reasonably frequent basis and, in any event, at least annually, engage a qualified external auditor to conduct an independent systems review and prepare a report, in accordance with established audit standards and best industry practices, that assesses the clearing agency's compliance with paragraphs 4.6(a) and 4.6.1(2)(a) and section 4.9, and

(b) on a reasonably frequent basis and, in any event, at least annually, engage a qualified party to perform assessments and testing to identify any security vulnerability and measure the effectiveness of information security controls that assess the clearing agency's compliance with paragraphs 4.6(a) and 4.6.1(2)(a).

(2) The clearing agency must provide the report resulting from the review conducted under paragraph (1)(a) to

(a) its board of directors, or audit committee, promptly upon the report's completion, and

(b) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30th day after providing the report to its board of directors or the audit committee or the 60th day after the calendar year end.

Comparable CFTC and SEC Requirements

CFTC Regulation 39.18(e) requires a DCO to conduct regular, periodic, and objective testing and review its automated systems to ensure that they are reliable, secure, and have adequate scalable capacity. In particular, CFTC Regulation 39.18(e)(2) requires vulnerability testing at a frequency determined by an appropriate risk analysis, but no less frequently than quarterly. In addition, such testing must include automated vulnerability scanning, which shall follow generally accepted best practices. Further, the DCO must conduct the vulnerability testing by engaging independent contractors or by using employees of the DCO who are not responsible for development or operation of the systems or capabilities being tested.

CFTC Regulation 39.18(e)(3) requires a DCO to conduct external penetration testing at a frequency determined by an appropriate risk analysis, but no less frequently than annually. The DCO must engage independent contractors to conduct the required annual external penetration test. A DCO may conduct other external penetration testing by using employees of the DCO who are not responsible for development or operation of the systems or capabilities being tested.

CFTC Regulation 39.18(e)(4) requires a DCO to conduct internal penetration testing at a frequency determined by an appropriate risk analysis, but no less frequently than annually. The DCO must conduct internal penetration testing by engaging independent contractors, or by using employees of the DCO who are not responsible for development or operation of the systems or capabilities being tested.

CFTC Regulation 39.18(e)(5) requires a DCO to conduct controls testing, which includes testing of each control included in its program of risk analysis and oversight, at a frequency determined by an appropriate risk analysis, but shall test and assess key controls no less frequently than every three years. A DCO may conduct such testing on a rolling basis over the course of the required period. The DCO must engage independent contractors to test and assess the key controls included in the DCO's program of risk analysis and oversight no less frequently than every three years. A DCO may conduct any other controls testing required by this section by using independent contractors or employees of the DCO who are not responsible for development or operation of the systems or capabilities being tested.

CFTC Regulation 39.18(e)(6) requires a DCO to conduct security incident response plan testing at a frequency determined by an appropriate risk analysis, but no less frequently than annually. The DCO's

security incident response plan shall include, without limitation, the DCO's definition and classification of security incidents, its policies and procedures for reporting security incidents and for internal and external communication and information sharing regarding security incidents, and the hand-off and escalation points in its security incident response process. The DCO may conduct security incident response plan testing by engaging independent contractors or by using employees of the DCO.

CFTC Regulation 39.18(e)(7) requires a DCO to conduct an enterprise technology risk assessment at a frequency determined by an appropriate risk analysis, but no less frequently than annually. The DCO may conduct enterprise technology risk assessments by using independent contractors or employees of the DCO who are not responsible for development or operation of the systems or capabilities being assessed.

Pursuant to CFTC Regulation 39.18(e)(8) the scope of the foregoing testing must be broad enough to include the testing of automated systems and controls that a DCO's required program of risk analysis and oversight and its current cybersecurity threat analysis indicate is necessary to identify risks and vulnerabilities that could enable an intruder or unauthorized user or insider to:

(i) Interfere with the DCO's operations or with fulfillment of its statutory and regulatory responsibilities;

(ii) Impair or degrade the reliability, security, or capacity of the DCO's automated systems;

(iii) Add to, delete, modify, exfiltrate, or compromise the integrity of any data related to the DCO's regulated activities; or

(iv) Undertake any other unauthorized action affecting the DCO's regulated activities or the hardware or software used in connection with those activities.

CFTC Regulation 39.18(e)(9) provides that both the senior management and the board of directors of the DCO shall receive and review reports setting forth the results of the foregoing testing and assessments. The DCO shall establish and follow appropriate procedures for the remediation of issues identified through such review and for evaluation of the effectiveness of testing and assessment protocols.

SEC Rule 242.1003(b)(1) requires ICC to conduct an annual review, following established procedures and standards, that is performed by objective personnel having appropriate experience to conduct reviews of SCI systems and indirect SCI systems, and which review contains: (1) A risk assessment with respect to such systems of an SCI entity; and (2) An assessment of internal control design and effectiveness of its SCI systems and indirect SCI systems to include logical and physical security controls, development processes, and information technology governance, consistent with industry standards. In addition, SEC Rule 242.1003(b)(1) provides that penetration test reviews of the network, firewalls, and production systems shall be conducted at a frequency of not less than once every three years.

SEC Rule 242.1003(b)(2) and (3) requires that the foregoing SCI reviews are submitted to ICC senior management within 30 calendar days after the completion of the SCI review. Further, such SCI reviews must be submitted to the SEC and the ICC Board within 60 calendar days after its submission to senior management.

Compliance by ICC with CFTC & SEC Requirements

ICC maintains CFTC System Safeguards and SEC Reg SCI procedures which establish the framework for the communication and reporting of system safeguards testing and assessment results including the required annual report. The frequency of testing and assessment is determined by the Enterprise Risk Management

("ERM") Department's risk analysis program but is performed no less frequently than as required by the regulations. The results of such ongoing testing and assessments are provided on a quarterly basis to ICC's Board of Managers. On an annual basis, the ICE Inc. Internal Audit Department conducts a review of ICC's compliance with system safeguards/Reg SCI by evaluating ICC's effectiveness of logical and physical security controls, development processes and information technology governance. The Internal Audit department is responsible for submitting the annual report to ICC senior management within 30 calendar days after the completion of the SCI review. The Compliance Department is responsible for submitting the annual report to ICC's Board and to the SEC within 60 calendar days after its submission to senior management.

J. Clearing Agency Technology Requirements and Testing Facilities (section 4.8)

(1) A recognized clearing agency must make available to participants, in their final form, all technology requirements regarding interfacing with or accessing the clearing agency

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(2) After complying with subsection (1), the clearing agency must make available testing facilities for interfacing with or accessing the clearing agency

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(3) The clearing agency must not begin operations before

(a) it has complied with paragraphs (1)(a) and (2)(a), and

(b) the chief information officer of the clearing agency, or an individual performing a similar function, has certified in writing to the regulator or, in Québec, the securities regulatory authority, that all information technology systems used by the clearing agency have been tested according to prudent business practices and are operating as designed.

(4) The clearing agency must not implement a material change to the systems referred to in section 4.6 before

(a) it has complied with paragraphs (1)(b) and (2)(b), and

(b) the chief information officer of the clearing agency, or an individual performing a similar function, has certified in writing to the regulator or, in Québec, the securities regulatory authority, that the change has been tested according to prudent business practices and is operating as designed.

(5) Subsection (4) does not apply to the clearing agency if the change must be made immediately to address a failure, malfunction or material delay of its systems or equipment and if

(a) the clearing agency immediately notifies the regulator or, in Québec, the securities regulatory authority, of its intention to make the change, and

(b) the clearing agency discloses to its participants the changed technology requirements as soon as practicable.

Comparable CFTC and SEC Requirements

CFTC Regulation 39.38 provides as a general matter that, "*[i]n order to meet the needs of clearing members* and markets, [ICC] should efficiently and effectively design its (1) Clearing and settlement arrangements; (2) Operating structure and procedures; (3) Scope of products cleared; and (4) *Use of technology*." Emphasis added.

CFTC Regulation 39.18(h) requires ICC to provide to the CFTC timely advance notice of all material planned changes to the DCO's automated systems that may impact the reliability, security, or capacity of such systems.

SEC Rule 242.1003 requires ICC to within 30 calendar days after the end of each calendar quarter, submit to the SEC a report describing completed, ongoing, and planned material changes to its SCI systems and the security of indirect SCI systems, during the prior, current, and subsequent calendar quarters, including the dates or the expected dates of commencement and completion.

Compliance by ICC with CFTC & SEC Requirements

ICC has well established processes in place to communicate with clearing participants upcoming systems changes, testing and implementation schedules and to provide for the efficient and effective use of its technology. Before launching ICC in March 2009, all clearing participants had been provided with required specifications and access to test systems so that clearing participants could verify that their systems worked properly with those of ICC. In addition, ICC maintains new clearing participant onboarding procedures which set forth detailed testing and production readiness requirements. Clearing participant applicants are required to engage in operational testing, which includes trade flow testing, price submission testing and testing of bank authorizations/payments. In order to become and remain a clearing participant, clearing participants must demonstrate their operational capacity as set forth in ICC Rule 201(b)(vi).

Further, with respect to systems development and changes, ICC follows its Software Development Lifecycle Policy (SDLC). Pursuant to the SDLC, development work is done in the non-production instance, reviewed and tested. Upon successful testing and acceptance, development work is promoted to the production environment following ICC's standard change management processes. Changes are performed in a production change maintenance window which includes ICC's external UAT (User Acceptance Testing) environment. Change testing is performed with clearing participants in this environment when applicable.

Last, ICC's CFTC System Safeguards and Reg SCI procedures provide that ICC will file with the CFTC and SEC notice of planned material systems changes. With respect to the CFTC submissions, this notice is filed in advance of implementation and includes a brief high-level description of the functionality and configuration of the affected system and its relationship to other systems, a description of ICC's systems development process, the schedule for implementing the system change, any capacity effects of the change,

an outline and description of test plans (includes testing with clearing participants as applicable) and results, contingency (fallback) protocols, vulnerability assessments and security measures.

K. Testing of Business Continuity Plans (section 4.9)

(1) A recognized clearing agency must

(a) develop and maintain reasonable business continuity plans, including disaster recovery plans, and

(b) test its business continuity plans, including its disaster recovery plans, according to prudent business practices and on a reasonably frequent basis and, in any event, at least annually.

Comparable CFTC and SEC Requirements

CFTC Regulation 39.18(b)(2)(ii) requires that a DCO's program of risk analysis and oversight with respect to its operations and automated systems includes business continuity and disaster recovery planning and resources, including, but not limited to the controls and capabilities described in CFTC Regulation 39.18(c); and any other elements of business continuity and disaster recovery planning and resources included in generally accepted best practices.

CFTC Regulation 39.18(c)(1) requires a DCO to establish and maintain a business continuity and disaster recovery plan, emergency procedures, and physical, technological, and personnel resources sufficient to enable the timely recovery and resumption of operations and the fulfillment of each obligation and responsibility of the DCO, including, but not limited to, the daily processing, clearing, and settlement of transactions, following any disruption of its operations.

CFTC Regulation 39.34(a) and (b) requires that ICC's business continuity and disaster recovery plans shall have the objective of enabling, and the physical, technological, and personnel resources sufficient to enable ICC to recover its operations and resume daily processing, clearing, and settlement no later than two hours following the disruption, for any disruption including a wide-scale disruption.

CFTC Regulation 39.34(c) requires ICC to conduct regular, periodic tests of its business continuity and disaster recovery plans and resources and its capacity to achieve the required recovery time objective in the event of a wide-scale disruption.

CFTC Regulation 39.18(c)(3) requires ICC, to the extent practicable, to (i) coordinate its business continuity and disaster recovery plan with those of its clearing members, in a manner adequate to enable effective resumption of daily processing, clearing, and settlement of transactions following a disruption; (ii) initiate and coordinate periodic, synchronized testing of its business continuity and disaster recovery plan with those of its clearing members; and (iii) ensure that its business continuity and disaster recovery plan takes into account the plans of its providers of essential services, including telecommunications, power, and water.

CFTC Regulation 39.18(e) requires a DCO to conduct regular, periodic, and objective testing and review of its business continuity and disaster recovery capabilities, using testing protocols adequate to ensure that the DCO's backup resources are sufficient to meet the foregoing requirements. In addition, this regulation requires both the senior management and the board of directors of the DCO to receive and review reports setting forth the results of this testing.

SEC Rule 242.1001(a)(2)(iv) and (v) requires ICC to establish, maintain, and enforce written policies and procedures that include, (iv) regular reviews and testing, as applicable, of systems, including backup

systems, to identify vulnerabilities pertaining to internal and external threats, physical hazards, and natural or manmade disasters; and (v) business continuity and disaster recovery plans that include maintaining backup and recovery capabilities sufficiently resilient and geographically diverse and that are reasonably designed to achieve next business day resumption of trading and two-hour resumption of critical SCI systems following a wide-scale disruption.

SEC Rule 242.1004 requires that with respect to ICC's business continuity and disaster recovery plans, including its backup systems, ICC shall (a) establish standards for the designation of those members or participants that ICC reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans; (b) designate members or participants pursuant to such standards and require participation by such designated members or participants in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by ICC, provided that such frequency shall not be less than once every 12 months; and (c) coordinate the testing of such plans on an industry- or sector-wide basis with other SCI entities.

Compliance by ICC with CFTC &SEC Requirements

ICC maintains detailed Business Continuity and Disaster Recovery Plans as required by the CFTC and SEC regulations. ICC also maintains a Business Continuity and Disaster Recovery Testing and Reporting Framework that sets forth an annual testing plan that is designed to meet the requirements of the foregoing regulations. ICC prepares quarterly reports of its Business Continuity and Disaster Recovery testing and results that go to its senior management and Board of managers.

L. Outsourcing (section 4.10 of Regulation 24-102)

(1) If a recognized clearing agency outsources a critical service or system to a service provider, including to an affiliated entity of the clearing agency, the clearing agency must do all of the following:

(a) establish, implement, maintain and enforce written policies and procedures to conduct suitable due diligence for selecting service providers to which a critical service and system may be outsourced and for the evaluation and approval of those outsourcing arrangements;

(b) identify any conflicts of interest between the clearing agency and the service provider to which a critical service and system is outsourced, and establish, implement, maintain and enforce written policies and procedures to mitigate and manage those conflicts of interest;

(c) enter into a written contract with the service provider to which a critical service or system is outsourced that

(i) is appropriate for the materiality and nature of the outsourced activities,

(ii) includes service level provisions, and

(iii) provides for adequate termination procedures;

(d) maintain access to the books and records of the service provider relating to the outsourced activities;

(e) ensure that the securities regulatory authority has the same access to all data, information and systems maintained by the service provider on behalf of the clearing agency that it would have absent the outsourcing arrangements;

(f) ensure that all persons conducting audits or independent reviews of the clearing agency under this Regulation have appropriate access to all data, information and systems maintained by the service provider on behalf of the clearing agency that such persons would have absent the outsourcing arrangements;

(g) take appropriate measures to determine that the service provider to which a critical service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan;

(h) take appropriate measures to ensure that the service provider protects the clearing agency's proprietary information and participants' confidential information, including taking measures to protect information from loss, thefts, vulnerabilities, threats, unauthorized access, copying, use and modification, and discloses it only in circumstances where legislation or an order of a court or tribunal of competent jurisdiction requires the disclosure of such information;

(i) establish, implement, maintain and enforce written policies and procedures to monitor the ongoing performance of the service provider's contractual obligations under the outsourcing arrangements.

Comparable CFTC and SEC Requirements

Pursuant to CFTC Regulation 39.18(b)(4) and (c)(1) a DCO must maintain resources that allow for the fulfillment of each obligation and responsibility of the DCO, including the daily processing, clearing, and settlement of transactions, in light of any risk to its operations and automated systems, as well as resources to support its Business Continuity and Disaster Recovery plans. Further, the DCO must periodically verify the adequacy of such resources.

CFTC Regulation 39.18(d) allows the DCO to fulfill its resources requirement through written contractual arrangements with another DCO or other service provider provided that the DCO that enters into a contractual outsourcing arrangement must retain complete responsibility for any failure to meet requirements and must employ personnel with the expertise necessary to enable it to supervise the service provider's delivery of the services. CFTC Regulation 39.18(d)(3) further provides that if a DCO uses outsourced resources for any of the testing requirements in CFTC Regulation 39.18(e), then the DCO must verify that all such resources (whether outsourced or internal) will work together effectively. Where testing is required to be conducted by an independent contractor, the DCO must engage a contractor that is independent from both the DCO and any outside service provider used to design, develop, or maintain the resources being tested.

SEC Rule 240.17Ad-25(i)[1] provides that ICC must establish, implement, maintain, and enforce written policies and procedures reasonably designed to:

(1) Require senior management to evaluate and document the risks related to an agreement with a service provider for core services, including under changes to circumstances and potential disruptions, and whether the risks can be managed in a manner consistent with the clearing agency's risk management framework;

[1] Note SEC Rule 240.17Ad-25(i) is a new rule that is applicable to ICC effective December 5, 2024.

(2) Require senior management to submit to the board of directors for review and approval any agreement that would establish a relationship with a service provider for core services, along with the risk evaluation required in (1) above;

(3) Require senior management to be responsible for establishing the policies and procedures that govern relationships and manage risks related to such agreements with service providers for core services and require the board of directors to be responsible for reviewing and approving such policies and procedures; and

(4) Require senior management to perform ongoing monitoring of the relationship, and report to the board of directors for its evaluation of any action taken by senior management to remedy significant deterioration in performance or address changing risks or material issues identified through such monitoring; or if the risks or issues cannot be remedied, require senior management to assess and document weaknesses or deficiencies in the relationship with the service provider for submission to the board of directors.

Compliance by ICC with CFTC & SEC Requirements

ICC does not outsource the operation of its clearing systems to any external service providers. ICC does use the services of its parent, ICE, pursuant to a Clearing Settlement and Services Agreement. This agreement allows ICC to ensure that appropriate resources are available for the fulfillment of each obligation and responsibility of ICC, including the daily processing, clearing, and settlement of transactions, in light of any risk to its operations and automated systems, as well as resources to support its Business Continuity and Disaster Recovery plans. Further, ICC's Operational Risk Management Framework ("ORMF") is being amended to provide that the following requirements apply to ICC:

(1) Senior management is required to evaluate and document the risks related to an agreement with a service provider for core services, including under changes to circumstances and potential disruptions, and whether the risks can be managed in a manner consistent with this ORMF;

(2) Senior management is required to submit to the Board for review and approval any agreement that would establish a relationship with a service provider for core services, along with the risk evaluation required in Section II.B.(1) above of this ORMF;

(3) Senior management is required to be responsible for establishing the policies and procedures that govern relationships and manage risks related to such agreements with service providers for core services and require the Board to be responsible for reviewing and approving such policies and procedures; and

(4) Senior management is required to perform ongoing monitoring of the relationship, and report to the Board for its evaluation of any action taken by senior management to remedy significant deterioration in performance or address changing risks or material issues identified through such monitoring; or if the risks or issues cannot be remedied, require senior management to assess and document weaknesses or deficiencies in the relationship with the service provider for submission to the Board.

ICC identifies and manages its core service providers using a two-pronged assessment approach broken down between internal and external service providers. With respect to external service providers, ICC utilizes ICE's Third Party Risk Management ("TPRM") program as well as a supplemental risk assessment and rating program specific to ICC. The TPRM establishes a comprehensive and structured approach for assessing, managing, monitoring and governance of third-party risks at ICE and its subsidiaries including ICC. The TPRM requires completion of initial on-boarding assessments and monitoring of the associated risks on an ongoing basis. In particular, the TPRM program requires an assessment of operations and

resiliency. Further, TPRM will conduct an initial review and assessment of the third party's viability and capability to meet expected deliverables, business objectives as well as comply with contractual obligations.

M. Access Requirements and Due Process (section 4.11)

(1) A recognized clearing agency must not

(a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the clearing agency,

(b) unreasonably discriminate among its participants or indirect participants,

(c) impose any burden on competition that is not reasonably necessary and appropriate,

(d) unreasonably require the use or purchase of another service for a person or company to utilize the clearing agency's services offered by it, and

(e) impose fees or other material costs on its participants that are unfairly or inequitably allocated among the participants.

(2) For any decision made by the clearing agency that terminates, suspends or restricts a participant's membership in the clearing agency or that declines entry to membership to an applicant that applies to become a participant, the clearing agency must ensure that

(a) the participant or applicant is given an opportunity to be heard or make representations, and

(b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting access or for denying or limiting access to the applicant, as the case may be.

(3) Nothing in subsection (2) limits or prevents the clearing agency from taking timely action in accordance with its rules and procedures to manage the default of one or more participants or in connection with the clearing agency's recovery or orderly wind-down, whether or not such action adversely affects a participant.

Comparable CFTC and SEC Requirements

The CFTC requirements that are comparable to the Section 4.11 of Regulation 24-102 requirements relate to Core Principle C which provides guidelines for participant and product eligibility and CFTC regulations that describe criteria for fair and open access for participants. Core Principle C provides that each DCO shall (1) establish appropriate admission and continuing eligibility standards for participants, including sufficient financial resources and operational capacity to meet the obligations arising from participation, and standards that are objective and permit fair & open access, (2) establish appropriate standards for determining the eligibility of agreements, contracts, or transactions submitted to the DCO for clearing and (3) establish and implement procedures to verify, on an ongoing basis, the compliance of each participants and membership requirement of the DCO.

In addition, CFTC Regulation 39.12 further details the requirements for participant eligibility such as requiring fair and open access for participation, requiring clearing members to have access to sufficient financial resources to meet their obligations and requiring clearing members to have adequate operational capacity. The regulation also requires the DCO to have rules requiring clearing members to provide the

DCO information that may materially affect the clearing members' ability to comply with participation requirements, to have procedures to monitor, on an ongoing basis, the compliance of each clearing member with each participation requirement, have the ability to enforce compliance with its participation requirements and shall have procedures for the suspension and orderly removal of clearing members that no longer meet the requirements.

Further, CFTC regulations prohibit the excluding or limiting clearing membership of certain types of market participants unless the DCO can demonstrate that the restriction is necessary to address credit risk or deficiencies in the participants' operational capabilities that would prevent them from fulfilling their obligations as clearing members.

SEC Rule 17Ad-22(b)(6) requires SCAs to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide membership standards that do not require that participants maintain a portfolio of any minimum size or that participants maintain a minimum transaction volume. Furthermore, SEC Rule 17Ad-22(e)(18) requires CCAs to establish, risk-based, and publicly disclosed criteria for participation, which:

(i) Permit fair and open access by direct and, where relevant, indirect participants and other financial market utilities;
(ii) Require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency; and
(iii) Monitor compliance with such participation requirements on an ongoing basis

Compliance by ICC with CFTC & SEC Requirements

ICC Rules provide for fair and open access participation. ICC Rulebook Chapter 2 outlines membership qualifications and Clearing Participant rules. ICC doesn't require that Clearing Participants are swap dealers or maintain a swap portfolio of a particular size or volume. Rule 201(c) specifies a few categories of registrants that are allowed to be members in compliance with regulatory guidelines. However, the categories do not limit the general membership requirements within Rule 201(b). ICC does not require any of the prohibited items outlined within the CFTC regulations. See Rule 201(b)(v) requiring Clearing Participants to show sufficient financial ability to make anticipated General Guaranty Fund contributions and provide Margin as required by the ICC Rules. See also Rule 209, Risk-based capital requirements. Rule 201 includes various specific requirements that cover CFTC Rule 39.12(a)(3). The requirements include satisfying the stringent credit criteria, sufficient financial ability to make anticipated GF contributions/margin, operational capacity, risk management competence, a relationship with an approved settlement bank, a relationship with a swaps data repository, timely reports regarding the Clearing Participant and its parent entity if there is a parent guaranty in place, proper insolvency laws and no statutory disqualifications under the SEA or CEA. ICC monitors Clearing Participant compliance with the member eligibility requirements in accordance with its Clearing Counterparty Monitoring Procedures, the intraday risk monitoring procedures, and the Applicant Review & Monitoring Procedures. ICC Rule 206 states that Clearing Participants are required to notify ICC of any material adverse change in the Clearing Participant's financial condition, material reduction in operating capital, sanction/disciplinary action by regulatory organizations, or business restrictions by clearing organizations/exchanges. Any determinations to suspend or revoke clearing privileges, as provided under Rules 203(a), 207(a) or 609(a), requires the consent of the Board pursuant to Rule 615. ICC Compliance issues a Compliance Alert at least once year to Clearing Participant's reminding them of their operational and notice obligations to ICC.

Though not required by the CFTC or SEC, pursuant to Rule 615, prior to suspension, revocation or termination of a Clearing Participant, the subject Clearing Participant shall, except where such suspension, revocation or termination was recommended by a Hearing Panel or where such termination was based on such Clearing Participant being in default, have the right to deliver notice to ICE Clear Credit contesting such suspension, revocation or termination, in which case such suspension, revocation or termination shall not become effective and the matter shall be deemed to have been referred to a Hearing Panel, whereupon the Hearing Panel shall adjudicate the matter and impose sanctions as provided in Chapter 7 of ICC's Rules. ICE Clear Credit shall provide notice to all Clearing Participants as much in advance as reasonably practicable (but in any event at least two hours) prior to any suspension or revocation of clearing privileges or termination of Clearing Participant status becoming effective, whether by the Board or a Hearing Panel pursuant to Rule 710.

2.4 Additional Information Regarding the Public Interest for AMF Granting the Requested Exemption

ICC is committed to operating a clearing house in accordance with industry best practices and in accordance with public interest. ICC strives to ensure the integrity of its business and protect the stability of the broader financial system. ICC's rules, policies, procedures and activities are designed to and provide a reliable clearing framework for market participants.

ICC submits that it would be appropriate and would not be contrary or prejudicial to the public interest for the AMF to exempt ICC from recognition as a clearing agency due to the fact that it is already subject to appropriate direct regulatory oversight by the CFTC and SEC as described above, namely CFTC Regulation 39.24, which provides that each DCO must establish governance arrangements that explicitly support the stability of the broader financial system and other relevant public interest considerations of clearing members, customers of clearing members, and other relevant stakeholders, and Section 17A(b)(3)(F) of SEA, which requires that rules of the clearing agency are designed to, in general, protect the public interest.

Clearing plays an essential risk management role in the financial system and, as a result, is central to financial stability. The risk reducing benefits of central clearing have long been recognized and were the foundation of the financial reforms put forward over the past decade for OTC derivatives. Clearing, when provided by a well-run and a well-supervised clearing house, has historically proven to be a fundamentally safe and sound process for reducing systemic risk. Importantly, ICC has never suffered a loss to its capital (a/k/a Skin-In-The-Game) or the mutualized guaranty fund resources of the clearing members as a result of a clearing member default. Nor has ICC experienced a material non-default loss (NDL).

ICC is highly transparent and inclusive with respect to all of its operations. ICC is subject to extensive regulatory oversight (by multiple regulators around the world) and strong corporate governance requirements, exercised largely through risk and advisory committees and independent boards. Risk committees include representatives from ICC clearing member firms and end clients. ICC regularly conducts margin back-testing, default fund stress testing, and liquidity stress testing, the results of which are reviewed by clearing members and regulators and are publicly available as part of the Public Quantitative Disclosures. In addition, ICC's counterparty credit, collateral assets, financial resources and liquidity methodologies are independently validated on a routine basis.

ICC's rules, practices and procedures are fully transparent and are publicly disclosed in a consistent manner, as set out within the CPMI-IOSCO Principles for Financial Market Infrastructures (PFMIs) and various regulatory requirements. Any material changes to ICC's clearing processes are subject to risk committee review and board approval as well as applicable regulatory review and approval.

2.5 Certification Regarding Access to Books and Records & Onsite Inspections

Provided that the AMF grants exemption from recognition as a clearing agency to ICC, ICC will provide certification that ICC will assist the AMF in accessing ICC's books, records and other documents and in undertaking an onsite inspection and examination at the ICC's premises.

2.6 Certification Regarding Providing Legal Opinion (if requested)

Provided that the AMF grants exemption from recognition as a clearing agency to ICC, ICC will provide certification that ICC will provide the AMF, if requested by the AMF, with an opinion of legal counsel that ICC has, as a matter of law, the power and authority to (i) provide the AMF with prompt access to ICC's books, records and other documents, and (ii) submit to onsite inspection and examination by the AMF.

2.7 Form 24-102A1

ICC submits a draft Form 24-102A1 as a part of this application for exemption. Provided that the AMF grants exemption from recognition as a clearing agency to ICC, ICC will file a fully executed Form 24-102A1.

2.8 Material Change to Information Provided in this Application for Exemption

Pursuant to subsection 2.1(4) of Regulation 24-102, ICC will inform the AMF in writing of any change to the information provided in this application for exemption that is material, or if any of the information in this application for exemption becomes materially inaccurate for any reason as soon as the change occurs, or ICC becomes aware of any inaccuracy. Further, pursuant to subsection 2.2(5) of Regulation 24-102, ICC will notify the AMF in writing of any material change to the information provided in ICC's PFMI Disclosure Framework Document and related application materials, or if the any of the information becomes materially inaccurate for any reason as soon as the change occurs, or ICC becomes aware of any inaccuracy.

2.9 Ceasing to Carry on Business Notification

Pursuant to subsections 2.3(1) and 2.3(2) of Regulation 24-102, ICC will file a report on Form 24 102A2 with the AMF if ICC intends to cease carrying out business, or involuntarily ceases to carry out business, in its local jurisdiction.

2.10 Audited Financial Statements

ICC will file annual audited financial statements that comply with the requirements set out in subsections 2.4(2) and 2.4(3) of Regulation 24-102 within the timeframe specified in subsection 2.5(1) of Regulation 24-102 and ICC will file interim financial statements that comply with the requirements set out in subsections 2.4(2)(a) and 2.4(2)(b) of Regulation 24-102 within the timeframe specified in subsection 2.5(2) of NI 24-102. Pursuant to subsection 2.4(1) of Regulation24-102, ICC's audited financial statements for the most recently completed financial year can be found here: ICE Clear Credit Financial Statements 2022-2023.

2.10 Legal Entity Identifier (LEI)

Pursuant to subsection 5.2 of Regulation 24-102, the LEI of ICC is T33OE4AS4QXXS2TT7X50.
Pursuant to subsection 5.2 of Regulation 24-102, ICC will identify itself using its LEI for the purposes of any recordkeeping and reporting requirements and will maintain and renew such LEI.

Yours Sincerely,

Eric Nield
General Counsel
ICE Clear Credit LLC