

13.3 Clearing Agencies

13.3.1 OSC Notice and Request for Comment – ICE Clear Canada, Inc. and ICE Futures Canada, Inc. – Application for Exemption from Recognition as a Clearing Agency

OSC NOTICE AND REQUEST FOR COMMENT

ICE CLEAR CANADA, INC. AND ICE FUTURES CANADA, INC.

APPLICATION FOR EXEMPTION FROM RECOGNITION AS A CLEARING AGENCY

A. Background

On March 1, 2011, subsection 21.2(0.1) of the *Securities Act* (Ontario) (OSA) will come into force which will prohibit clearing agencies from carrying on business in Ontario unless they are recognized as a clearing agency or are exempt from the requirement to be recognized by order of the Ontario Securities Commission (Commission).

ICE Clear Canada, Inc. (ICE Clear Canada) and ICE Futures Canada, Inc. (ICE Futures Canada) have jointly applied (the Application) to the Commission for an exemption for ICE Clear Canada from the requirement to be recognized as a clearing agency pursuant to subsection 21.2(0.1) of the OSA on the basis that ICE Clear Canada is already subject to appropriate regulatory oversight by the Manitoba Securities Commission (MSC).

ICE Clear Canada is a wholly owned subsidiary of ICE Futures Canada which facilitates the trading in futures contracts and options on futures contracts in canola and western barley (collectively, ICE Futures Canada Contracts) on an electronic trading platform. All ICE Futures Canada Contracts are cleared and settled by ICE Clear Canada.

ICE Futures Canada is recognized as a self-regulatory organization and is registered as a commodity futures exchange and ICE Clear Canada is designated as a recognized clearing house by the MSC.

In assessing the Application, staff followed the process set out in OSC Staff Notice 24-702 - *Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies*.

B. Draft Order

In their Application, ICE Futures Canada and ICE Clear Canada have addressed each of the criteria for exemption from recognition. Subject to comments received, staff will recommend that the Commission grant an exemption order with terms and conditions to ICE Clear Canada based on the proposed draft order attached as Appendix A (Draft Order) to the Application.

The Draft Order requires ICE Clear Canada to comply with terms and conditions relating to:

1. Regulation of ICE Clear Canada
2. Governance
3. Submission to Jurisdiction
4. Filing Requirements
5. Information Sharing

ICE Futures Canada, the parent of ICE Clear Canada, is also required to comply with certain terms and conditions in relation to the exemption of ICE Clear Canada as it is responsible for performing key functions on behalf of ICE Clear Canada.

C. Comment Process

The Commission is publishing for public comment the Application and Draft Order. We are seeking comment on all aspects of the Application and Draft Order.

You are asked to provide your comments in writing and delivered on or before January 10, 2011, addressed to:

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

We request that you also submit an electronic copy of your submission. The confidentiality of submissions cannot be maintained as a summary of written comments received during the comment period will be published.

Questions may be referred to:

Leslie Pearson
Legal Counsel, Market Regulation
Tel.: 416-593-8297
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December 10, 2010

November 25, 2010

Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, ON M5H 3S8

Attention: Ms. Antoinette Leung, Manager, Market Regulation

Dear Madam:

Re: ICE Clear Canada, Inc. – Application for Exemption from Recognition as a clearing agency under subsection 21.2(0.1) of *The Securities Act (Ontario)*.

This application is filed with the Ontario Securities Commission (the “OSC”) by ICE Clear Canada, Inc. (the “Applicant” or “ICE Clear Canada”) and ICE Futures Canada, Inc. (the “Exchange” or “ICE Futures Canada”), seeking the following relief;

An order, pursuant to section 147 of *The Securities Act (Ontario)* (the “OSA”), exempting ICE Clear Canada from the requirement to be recognized by the OSC as a clearing agency pursuant to section 21.1(0.1) of the OSA.

The OSA, and all regulations, rules, policies and notices of the OSC made hereunder are collectively referred to as the “Legislation”.

Approval Criteria

OSC Staff has prescribed criteria that it will apply when considering applications for recognition or exemption from recognition by clearing agencies under section 21.1(0.1) of the OSA, which criteria is contained in OSC Staff Notice 24-702 “*Regulatory Approach to Recognition and Exemption from Recognition of Clearing Agencies*.” This application follows that criteria.

Part I Background

Part II Application of Approval Criteria to the Exchange

1. Governance
2. Fees
3. Access
4. Rules and Rulemaking
5. Due Process
6. Risk Management
7. Systems and Technology
8. Financial Viability and Reporting
9. Operational Reliability
10. Protection of Assets
11. Outsourcing
12. Information Sharing and Regulatory Cooperation

Part III Submissions

Part IV Other Matters

Part I – Background

ICE Clear Canada, Inc. is the designated clearinghouse for ICE Futures Canada (formerly Winnipeg Commodity Exchange Inc.) It was designated as the Clearinghouse by board resolution in June, 1998. ICE Clear Canada was formed under *The Corporations Act (Manitoba)* on May 12, 1998 as WCE Clearing Corporation and subsequently changed its name on January 2, 2008 to ICE Clear Canada, Inc.

ICE Futures Canada is the only agricultural derivatives exchange in Canada. It has been in continuous operation since 1887. Its canola contract is the pre-eminent price discovery mechanism in the world for canola. During calendar year 2009, ICE Futures Canada facilitated trading in 3,594,775 contracts in canola with an aggregate notional underlying value of CDN \$29,527,911,392.

ICE Futures Canada and ICE Clear Canada maintain an office in Winnipeg, Manitoba.

Up until 2001 the Exchange operated as a not-for-profit, membership organization. In November 2001 the Exchange demutualized and each membership certificate was exchanged for 100 Class A Common shares of a new entity named WCE Holdings Inc. which was the parent for both the Exchange and the clearinghouse.

Subsequent to the demutualization, equity ownership and the rights to trade on the Exchange were divided and it was possible to register as a participant and utilize the facilities of the Exchange without owning any shares in WCE Holdings Inc. In order to register as a Clearing Participant of the designated clearinghouse, WCE Clearing Corporation, it was necessary to be registered as a participant with the Exchange.

On August 27, 2007, 5509794 Manitoba Inc. (5509794), an indirect, wholly-owned subsidiary of IntercontinentalExchange, Inc. ("ICE"), acquired all of the outstanding Class A Common Shares of WCE Holdings Inc. This acquisition was completed upon approval of the shareholders, the Manitoba Securities Commission and court approval by the Court of Queen's Bench, Manitoba. Effective January 1 and 2, 2008, the corporate structure of WCE was reorganized and the companies renamed ICE Futures Canada, Inc. and ICE Clear Canada, Inc.

ICE is a corporation subsisting under the laws of Delaware. ICE is authorized to issue two classes of common shares: common stock and Class A common stock, as well as preferred stock. The common stock of ICE trades on the New York Stock Exchange (the "NYSE") under the ticker symbol "ICE", and is widely held. ICE operates leading regulated exchanges, trading platforms, and clearinghouses, serving global markets for agricultural, credit, currency, emissions, energy and equity markets. ICE operates three futures exchanges, including London-based ICE Futures Europe, which facilitates trading in half of the world's crude and refined oil futures contracts traded each day. ICE Futures U.S. lists agricultural, currency, and Russell Index futures and options. ICE Futures Canada lists agricultural futures and options. ICE also provides trade execution, processing, and clearing services for the Over-The-Counter energy and credit derivatives markets. ICE is primarily subject to the jurisdiction of regulatory authorities in the United States and the United Kingdom.

Current Regulatory Status

Regulation by the Manitoba Securities Commission

The Manitoba Securities Commission ("MSC") is the primary regulator of ICE Futures Canada and ICE Clear Canada. The MSC is a provincial securities commission mandated by *The Securities Act (Manitoba)* and *The Commodity Futures Act (Manitoba)* (the "CFA MB"), among other statutes. The MSC is an independent agency of the Government of Manitoba that protects investors and promotes fair and efficient capital markets throughout the province.

ICE Futures Canada is recognized by the MSC as a self-regulatory organization and registered as a commodity futures exchange under Sections 14(1) and 15(1) of *The Commodity Futures Act (Manitoba)* pursuant to Order No. 5718.

ICE Clear Canada is recognized by the MSC as a clearinghouse under Section 16(1) of the CFA MB pursuant to Order No. 5719 of the MSC (the "Recognition Order").

As a recognized clearinghouse, ICE Clear Canada is subject to direct supervisory oversight by the MSC and has reporting, recordkeeping and other regulatory obligations. The MSC is advised of, and kept updated on, all rule and risk initiatives. In addition, ICE Clear Canada is required to provide the MSC with information relating to its governance, personnel and business activities, and all amendments to its rules and operating procedures. The information that ICE Clear Canada provides to the MSC includes the following:

- a) its annual audited financial statements, and monthly unaudited statements;
- b) the institution of any legal proceeding against it;

- c) the presentation of a petition for winding up, the appointment of a receiver or the making of any voluntary arrangement with creditors;
- d) changes in its articles of incorporation, bylaws, rules, operations manual, participant application/agreements, fees and charges, key personnel, and clearing participant registrants;
- e) admissions or deletions from clearing participant status;
- f) any disciplinary action respecting a clearing participant;
- g) any third party service agreements that ICE Clear Canada enters into;
- h) evidence that any person or entity is carrying on any activities that would constitute a violation of the rules and operations manual of the clearinghouse or of the provisions of *The Commodity Futures Act (Manitoba)*.

Québec Autorité des marchés financiers

On February 23, 2010 the Québec Autorité des marchés financiers (AMF) issued Decision No. 2010-PDG-0035.

In Decision No. 2010-PDG-0035, the AMF granted ICE Clear Canada an exemption from the requirements in the *Derivatives Act (Quebec)* to be recognized as a clearinghouse and to be qualified to create or market a derivative, before that derivative can be offered to the public.

The Decision is subject to a number of conditions, all as set out in the document, including maintaining recognition with the MSC, providing all notices of proposed rule amendments, filing annual and monthly financial information, and promptly communicating with the AMF on all issues which the AMF may raise from time to time.

ICE Clear Canada confirms its understanding that staff of the OSC will contact staff at the MSC and AMF to discuss such matters it determines relevant to this application.

Part II Application of Approval Criteria to the Exchange

1. Governance

1.1 The governance structure and governance arrangements of the clearing agency ensures:

- (a) **effective oversight of the clearing agency;**
 - (b) **the clearing agency's activities are in keeping with its public interest mandate;**
 - (c) **fair, meaningful and diverse representation on the governing body (board) and any committees of the board, including a reasonable proportion of independent directors;**
 - (d) **a proper balance among the interests of the owners and the different entities seeking access (participants) to the clearing, settlement and depository services and facilities of the clearing agency;**
 - (e) **the clearing agency has policies and procedures to appropriately identify and manage conflicts of interest;**
 - (f) **each director or officer of the clearing agency, and each person or company that own or controls, directly or indirectly, more than 10 percent of the clearing agency is a fit and proper person; and**
 - (g) **there are appropriate qualification, limitation of liability and indemnity provisions for directors and officers of the clearing agency.**
- (a) **effective oversight of the clearing agency;**

It is the duty of the Board of Directors to serve as a prudent fiduciary and to oversee the management of ICE Clear Canada. The board is the ultimate decision making body of the company, except with respect to matters that are required, by law, to be reserved to the shareholders. In fulfilling its obligations, the board of ICE Clear Canada is responsible for reviewing and approving any long-range plans, approving significant transactions and any new material contracts or amendments to material contracts, reviewing the performance of management, setting fees, and ensuring that the operations of ICE Clear Canada meet the regulatory requirements set out in the Recognition Order.

The board of ICE Clear Canada is required to meet at least quarterly. There are detailed minutes maintained of each board meeting held. It may, and does, have additional meetings as appropriate. The board receives written materials in advance of each meeting, usually one week prior. This allows for the board to prepare and be ready to conduct a thorough discussion of the agenda items. Board members also receive monthly financial information, a detailed report on all of the operations of ICE Clear Canada, an update on regulatory and legislative initiatives, and other information designed to keep them well informed about the clearinghouse, industry news, and the status of regulatory initiatives in Canada as well as the United States. Each board member has been appointed on the basis of certain specific expertise and knowledge that they bring to a critical aspect of the operations of ICE Clear Canada. There is a further expectation that each board member will keep himself or herself updated on the business of the clearinghouse, the regulatory initiatives in the derivatives area, as well as understanding fully the legal requirements and risk management processes and procedures inherent in operating a clearinghouse. Board members are also expected to have an understanding of the regulatory requirements of all entities that have registered and obtained clearing participant status ("Clearing Participants") with ICE Clear Canada, in particular the registered Futures Commission Merchant community.

Board members are required to be fully committed to the work of the board of ICE Clear Canada and in that respect regular attendance at board meetings is required. Records of attendance are maintained and the nominating committee of the ICE board reviews these records, which among other factors, will be considered in selecting appropriate board members on an annual basis.

Board members are compensated at a fair and reasonable rate, commensurate with the custom of the business. ICE Clear Canada's board is covered by the ICE Directors & Officers insurance policy.

(b) clearing agency's activities are in keeping with its public interest mandate;

The primary purpose and mandate of a derivatives clearinghouse is to ensure the integrity of the marketplace and the contracts it clears. ICE Clear Canada maintains a set of rules and operates on a basis consistent with best practices of other derivative clearinghouses in North America. The activities of ICE Clear Canada are designed and focused on ensuring that it maintains best practices and fulfills its public interest mandate.

(c) fair, meaningful and diverse representation on the governing body (board) and any committees of the board, including a reasonable proportion of independent directors;

The board of directors is comprised of seven individuals, three of whom are independent from the ICE group of companies. These independent board members have expertise in the areas of finance and banking, legal and regulatory, and business operations. The Recognition Order requires that two (2) members of the board be independent.

ICE Clear Canada defines an independent director as an individual who is not an employee of a Clearing Participant and is not on the board of directors of a Clearing Participant. In addition, this individual may not be an employee of ICE or any of its subsidiaries.

The MSC has imposed the following requirement on ICE Futures Canada in Recognition Order No. 5718, Appendix "A" which reads:

3. b. the appointment of no less than two of its directors shall consist of individuals who are not associated with a participant...

There is no requirement in the Recognition Order for the clearinghouse, Order No. 5719, to have any of the board members be independent directors. However, as the Boards of ICE Futures Canada and ICE Clear Canada are the same, there are three independent board members on the clearinghouse board.

The board of directors is responsible, under the By-laws, for amending the Rules, subject to the requirements of the CFA MB and the processes on rule review and oversight agreed to with the MSC.

The board delegates certain of the operating requirements of the company to management, which is responsible for the day to day operations.

There is a Clearing Advisory Committee made up of senior executives employed by registered Clearing Participants. This committee participates in discussions on any new initiatives, including financial reporting requirements, and margining and settlement processes, and provides advice and feedback to the board.

The governance processes of ICE Clear Canada are readily available and transparent. ICE Clear Canada publishes its Rules and Operations Manual and Application/Agreement forms on its website. In addition, as a subsidiary of a publicly traded company (ICE), a significant amount of information on the governance practices and procedures of ICE Clear Canada are

available to the public. In this respect, the Code of Business Conduct and Ethics, which is binding upon all employees, officers and directors in the ICE group of companies, including the board of ICE Clear Canada, is available on the website. In addition to the very detailed requirements of the Code, the By-laws of ICE Clear Canada also have detailed conflict of interest provisions (Article 4).

(d) a proper balance among the interests of the owners and the different entities seeking access (participants) to the clearing, settlement and depository services and facilities of the clearing agency;

There is no conflict between the interests of the owners and the entities seeking to become Clearing Participants. Both the owner and entities seeking access have an interest in a clearinghouse that operates in a manner consistent with best practices of North American derivatives clearinghouses to preserve the integrity of the marketplace and contracts cleared. It is in the interest of both the owners and Clearing Participants to ensure stable, effective risk management processes.

ICE Clear Canada's board, made up of four ICE executive members and three independent board members, ensures that the interests of all participants are addressed. The board's focus is on operating a clearinghouse that conforms to best practices and ensures the security and protection of the market.

The board is not constituted from participant groups, as was the case in the previous, mutualized, membership-based clearinghouse that existed in the 1990s and prior. The board of ICE Clear Canada is a professional board that includes executive and independent members only. It ensures that both participant categories; Futures Commission Merchants and General, are treated fairly and consistently except in those rare instances where the issue is one that requires different treatment. There are very few instances of different treatment at ICE Clear Canada; one is the initial collection of a clearing fund deposit (at Operations Manual Section 9) and another is the criteria of minimum capital requirements (for FCMs, the IROC RAC is utilized while for General, the Exchange's adjusted net capital calculation is utilized). In all other respects all Clearing Participants are required to adhere to the same rules and obligations.

(e) the clearing agency has policies and procedures to appropriately identify and manage conflicts of interest;

Article 4.21 of the By-laws deals with Conflict of Interest situations. The provisions of Article 4.21 prohibit a Board member from participating in deliberations, or voting in any manner, in a matter in which they have a conflict of interest. The possibility of a significant and/or direct financial position in a matter constitutes a conflict of interest and where a conflict exists a board member must recuse himself and not be involved in the deliberation and/or voting on the issue. The minutes of all meetings must document the procedures followed to show compliance with these By-law provisions. The board of ICE Clear Canada is the same as the board of ICE Futures Canada, and is cognizant of, and ensures that, there are no conflicts between the operations of the Exchange that could impact negatively on the risk management processes of ICE Clear Canada.

(f) each director or officer of the clearing agency, and each person or company that own or controls, direct or indirectly, more than 10 percent of the clearing agency is a fit and proper person, and

(g) there are appropriate qualification, limitation of liability and indemnity provisions for directors and officers of the clearing agency.

ICE Clear Canada is ultimately a wholly owned subsidiary of ICE. At the time of the acquisition of the Exchange in August 2007, the MSC was required to review and approve the acquisition transaction, which included a review of ICE, its board members, officers and employees, and its ability to operate a regulated exchange and clearinghouse. The MSC also reviewed the board members of ICE Clear Canada. The board members of ICE Futures Canada and ICE Clear Canada have been the same since August 2007. Three members of the seven person board of ICE Clear Canada are senior ICE executives, including the Chairman, Chief Financial Officer ("CFO"), and Senior Vice President Business Development. These individuals all have extensive expertise in the business of exchange and clearinghouse operations.

The three independent board members are Canadian residents with expertise in the areas of banking and finance, law and regulation, and business and corporate governance, respectively. The seventh board member is the President, on an ex officio basis.

The process of nominating new board members would be subject to the review and vetting process performed by the Nominating Committee of ICE. This committee is comprised of independent board members. ICE, as a publicly-traded company subject to U.S. Securities & Exchange Commission (SEC) oversight and regulation, has a Nominating and Corporate Governance Committee. That committee is responsible for the review of any proposed new director for any of the ICE subsidiary companies, including ICE Clear Canada. The ICE Nominating and Corporate Governance Committee has ratified a policy regarding the qualification and nomination of a director candidate (the "Policy"). The Committee would utilize the principles of the Policy in reviewing any new proposed board members.

The Policy includes direction on;

- The necessary qualifications of board candidates, which includes: persons who possess personal attributes of leadership, an ethical nature, a contributing nature, independence, interpersonal skills, and effectiveness. In addition, the experience attributes include financial acumen, general business experience, industry knowledge, diversity of views and special or unique business expertise. With respect to independent directors, the committee seeks to ensure a cross section of candidates with unique expertise in areas that the relevant board requires strength in, examples include legal & regulatory, financial & accounting expertise, business development and similar.
- The process to be utilized by the Committee in identifying and evaluating director candidates, which process includes input from committee members, other directors of the Company, management of the company and shareholders of the company. Where appropriate, outside consultants and search firms are utilized. Once identified, the candidates are interviewed by the Chairman of the board, the Chief Executive Officer ("CEO") and one committee member. The full board is advised and kept updated.
- The evaluation of existing directors, which is performed by the committee on an annual basis.

The remuneration of the directors and the senior officer (President) of ICE Clear Canada is reviewed on an annual basis by the Compensation Committee of ICE which committee is comprised entirely of directors that are independent of ICE and of ICE Clear Canada.

The officers of ICE Clear Canada have been the same since the date that ICE acquired the clearinghouse, with the exception of the President who was appointed in April 30, 2008. The review and appointment of the President was conducted by senior management of ICE, including the CEO, the Chief Operating Officer ("COO"), and the CFO after an initial review and assistance from an external head hunting firm. Were the current officers to resign or be removed, their replacement would be retained after a similar review, although likely by the President and with the input of the senior employee of ICE in the department at issue (i.e. legal counsel to have the input of the ICE General Counsel, the Vice President Information Technology position would have input from the senior IT officer at ICE, etc.) The Board of ICE Clear Canada is required to review and approve, by resolution, the appointment of any new officer of ICE Clear Canada.

The ICE Group's global insurance program provides professional indemnity and directors and officers coverage to all directors and executive officers of ICE Clear Canada.

2. Fees

2.1 All fees imposed by the clearing agency are equitably allocated. The fees do not have the effect of creating unreasonable barriers to access.

2.2 The process for setting fees is fair and appropriate, and the fee model is transparent.

All fees are established by the Board. There are essentially three types of fees charged by ICE Clear Canada:

- 1) Clearing transactions fees which are charged on each contract cleared and which are ultimately borne by the beneficial owner of the contract. (They are collected by the Clearing Participant). Transaction fees are applied equally by category of participant registration with the Exchange.
- 2) The annual Clearing Participant fee which is only charged to registered Clearing Participants. This charge is fair and reasonable, and at Cdn \$5,000 per annum does not have the effect of creating any barriers to access.
- 3) Assorted clerical and administrative fees charged to clearing participants for such things as banking charges, stamp fees, etc. Which fees are very nominal.

All clearing fee charges are set out on the website and are located in the Operations Manual.

With respect to the process involved in setting and amending fees, only the board has the jurisdiction to set or amend clearing fees. Proposed fee changes for ICE Clear Canada are brought to the Board by management for review and resolution. If approved by the Board, fee amendments are provided to the MSC for non-disapproval. Once non-disapproval has been granted, a notice would be sent to participants of the clearinghouse to inform them of the change. Fees would never be charged retroactively and would rarely be charged without some advance notice.

All clearing fees, including annual Clearing Participant fees, clearing transaction fees, and administrative fees, are set out in the Operations Manual which is available on the website and is fully transparent. Fees must be approved and set by the Board of

Directors, and do not discriminate. The fees are not uncompetitive and are reasonable in terms of fees at other North American clearing agencies.

3. Access

3.1 The clearing agency has appropriate written standards for access to its services.

3.2 The access standards and the process for obtaining, limited and denying access are fair and transparent. The clearing agency keeps records of

- (a) each grant of access including, for each participant, the reasons for granting such access, and**
- (b) each denial or limitation of access, including the reasons for denying or limited access to an applicant.**

The admission criteria for Clearing Participant status is transparent and provides for fair and equitable access.

Clearing Participant status in ICE Clear Canada is open to any registered Direct Access Trading Participant of ICE Futures Canada which meets the criteria. The criteria, which is applicable to all Clearing Participants is set out in the Rules and in Form 3-C2010 Clearing Participant application/agreement. The criteria is designed to ensure that Clearing Participants are sophisticated, well financed companies with the ability to meet and maintain the financial and operational requirements necessary to support the obligations of Clearing Participant status. ICE Clear Canada reviews the admission requirements from time to time and may, if appropriate, modify them or adopt additional or alternative requirements with board approval.

Any applicant whose request for Clearing Participant status is denied is entitled to an explanation and reasons for the decision, the opportunity to make representations and be heard, and the right to appeal the decision to the Board of ICE Clear Canada. ICE Clear Canada maintains records of its Clearing Participant application reviews and any resulting hearings or appeals. Complete records are maintained for each Clearing Participant. From the time that ICE Clear Canada was incorporated and designated as the clearinghouse for ICE Futures Canada in 1998, no entity which has properly completed the application/agreement forms and submitted same has been granted conditional access or has been denied Clearing Participant status.

There are two categories of Clearing Participants; Futures Commission Merchants and General. All applicants for Clearing Participant status complete the same form of application/agreement. Clearing Participants registered in the category of Futures Commission Merchant must be a member of an organization which is a member of the Canadian Investor Protection Fund (CIPF), such as the Investment Industry Regulatory Organization of Canada (IIROC).

All Clearing Participants must meet financial and operational standards and must file annual audited financial statements and monthly unaudited financial statements.

4. Rules and Rulemaking

4.1 The clearing agency's rules are designed to govern all aspects of the settlement services offered by the clearing agency, and

- (a) are not inconsistent with securities/derivatives legislation,**
- (b) do not permit unreasonable discrimination among participants, and**
- (c) do not impose any burden on competition that is not necessary or appropriate.**

ICE Clear Canada maintains a set of written Rules and an Operations Manual. The Rules, and the processes and procedures contained in the Operations Manual are designed to fulfill all of the requirements of Recognition Order 5719 and to provide for the integrity of the market. All of the documentation, including the form of Participant Application/Agreement, is available on an unrestricted basis to the public, on the website of the clearinghouse, www.theice.com

The Rules and Operations Manual were reviewed and received non-disapproval from the MSC at the time that the Recognition Order was received. Since that date, all amendments to the Rules and to the Operations Manual are submitted to the MSC for receipt of non-disapproval prior to the implementation of same. The Rules are not inconsistent with applicable derivatives legislation.

ICE Clear Canada Rules apply equally to all registered Clearing Participants. The Rules do not unreasonably discriminate against any category of Clearing Participant and do not impose unnecessary or inappropriate burdens on competition.

4.2 The clearing agency's rules and the process for adopting new rules or amending existing rules should be transparent to participants and the general public.

ICE Clear Canada's rules are transparent and available to the public. They are maintained on the website, as are the Operations Manual and the General By-laws of ICE Clear Canada. It is noted on the website that all amendments to the By-laws, Rules, and Operations Manual are submitted to the MSC.

Rule amendments follow a process that includes Staff review and analysis, work by ad hoc or mandated committees, and recommendations to the Board by resolution or at meetings. Legal counsel must review all proposed rule amendments to ensure they are consistent with relevant legislation, prior to the rule amendments going to the Board. Subsequent to Board approval, rule amendments are submitted to the MSC for receipt of non-disapproval.

4.3 The clearing agency monitors participant activities to ensure compliance with the rules.

ICE Clear Canada has a number of processes to ensure that Clearing Participants meet their ongoing obligations. As detailed in the ICE Clear Canada Operations Manual (previously provided), there are deadlines applicable to many aspects of ICE Clear Canada operations. Daily deadlines can be found in Section 2 of the Operations Manual, as well as other sections that pertain to specific processes. ICE Clear Canada monitors these deadlines closely, as part of their daily procedures. As certain deadlines approach, staff are in contact with Clearing Participant firms that are at risk of not meeting the required timeframe. Furthermore, system-based checks exist for many processes and to alert staff of potential issues. Finally, the Rules and Operations Manual of ICE Clear Canada give the clearinghouse the ability to impose disciplinary sanctions on Clearing Participants for failure to comply with their obligations.

4.4 The rules set out appropriate sanctions in the event of non-compliance by participants.

The Rules provide the board with a broad range of options in the event of non-compliance with the Rules. The sanctions available are designed first and foremost to protect the integrity of the marketplace and deal with risk, rather than discipline or otherwise deal with the Clearing Participant at issue. However, in the event of a matter necessitating discipline for non-compliance, Rule A-5 sets out the processes and procedures. Rule A-3, deals with the procedures and sanctions relative to not maintaining minimum capital requirements and Rule A-4 deals with various matters pertaining to the Supervision of a Clearing Participant and the options available to the Board.

5. Due Process

5.1 For any decision made by the clearing agency that affects an applicant or a participant, including a decision in relation to access, the clearing agency ensures that:

- (a) an applicant or a participant is given an opportunity to be heard or make representations; and
- (b) the clearing agency keeps a record of, gives reasons for, and provides for appeals or review of, its decisions.

ICE Clear Canada's Rule A-5 provides for disciplinary processes. Due process and an opportunity to be heard, make representations and be assisted by counsel, is accorded in all situations other than emergency actions that the board may be required to take as a result of a default. As noted previously, the first and most important focus of the board is on the protection of the marketplace. In a default scenario, it may not be appropriate or prudent to provide a defaulting Clearing Participant with the opportunity to be heard and make representations.

Any disciplinary sanctions would be determined after a hearing and after the Clearing Participant had the right to be heard and make representations, including by counsel if the Clearing Participant chooses, all as set out in Rule A-5.

Clearing Participants have a right to appeal a decision of ICE Clear Canada to the Manitoba Securities Commission under the provisions of section 21 of *The Commodity Futures Act (Manitoba)* and Part IV of *The Securities Act (Manitoba)*. This right of appeal includes a further appeal from a decision of the MSC to the Manitoba Court of Appeal all pursuant to the specific requirements set out in Part IV.

6. Risk Management

6.1 The clearing agency's settlement services are designed to minimize systemic risk.

ICE Clear Canada marks all futures positions to market, and collects original, variation, and options premium margin from each Clearing Participant on a daily basis. During periods of increased market volatility, ICE Clear Canada has the ability to make Intra-Day Margin calls. Intra-Day Margin payments must be made within one (1) hour from the time that ICE Clear Canada sent

notice of an Intra-Day Margin call. For Clearing Participants with additional risk in their capital to position risk, additional Position Risk Margin is called. These payment requests are made each morning, where applicable, and must be paid by 12:00 noon (CT). All margin deposits must be made in secure, liquid deposits as set out in the Operations Manual, which provide the clearinghouse with the ability to rapidly convert the deposits to cash in the event of a default.

In combination with the monies collected and held in the Clearing Fund, these measures ensure that systemic risk is minimized.

6.2 The clearing agency has appropriate risk management policies and procedures and internal controls in place.

The primary role of a derivatives clearinghouse is to ensure the protection and integrity of the marketplace and the contracts it clears. ICE Clear Canada acts as the central counterparty to all trades cleared. The counter party financial guarantee provided by ICE Clear Canada is fundamental to the proper functioning of the ICE Futures Canada marketplace. ICE Clear Canada has set up multi-layered processes and sound internal management practices to ensure the proper operation of the clearinghouse and its ability to meet its central counterparty obligations, which processes include appropriate risk management processes, margining and financial protections, sound information systems, comprehensive internal controls, ongoing monitoring, and appropriate oversight by the Board of Directors. ICE Clear Canada has implemented processes aimed at ensuring that Clearing Participants do not default in their obligations. These processes consist of multiple lines of defense, including the following:

- Clearing Participants are required to maintain well-defined capital adequacy standards as a requirement of continued membership.
- ICE Clear Canada settles all trades and marks all futures positions to market on a daily basis.
- ICE Clear Canada processes all cash settlements through an irrevocable electronic payment processing system.
- ICE Clear Canada requires Clearing Participants to deposit margin to cover the projected risks associated with their derivative positions. This margin is designed to provide the Corporation with sufficient resources, based on industry-accepted margin methodologies, to ensure an orderly liquidation of each Clearing Participant's positions in the event that a default should occur and a liquidation becomes necessary.
- ICE Clear Canada monitors intra-day positions for trading activity exceeding certain thresholds, and when appropriate, requires Clearing Participants to post additional margin, known as "intra-day margin" during periods of increased market volatility.
- ICE Clear Canada stipulates the acceptable forms of deposits for margin and clearing fund purposes.
- ICE Clear Canada requires each Clearing Participant to contribute to a Clearing Fund. This fund is a shared obligation of all Clearing Participants, providing coverage for residual risks. This includes the risk that in certain situations market conditions may prevent an orderly liquidation of a defaulting Clearing Participant's positions within the time frame contemplated in the calculation of margin requirements.
- ICE Clear Canada defines default procedures to ensure that a Clearing Participant's obligations are satisfied in the unlikely event of a Clearing Participant default.

ICE Clear Canada has ensured that its service providers have hot computer backup sites to ensure continued operations in the event that the primary sites become unavailable.

6.3 Without limiting the generality of the foregoing, the clearing agency's services or functions are designed to achieve the following objectives:

- 1. Where the clearing agency acts as a central counterparty, it rigorously controls the risks it assumes.**
- 2. The clearing agency minimizes principal risk by linking securities transfers to funds transfers in a way that achieves delivery versus payment.**
- 3. Final settlement occurs no later than the end of the settlement day. Intraday or real-time finality is provided where necessary to reduce risks.**
- 4. Where the clearing agency extends intraday credit to participants, including a clearing agency that operates net settlement systems, it institutes risk controls that, at a minimum, ensure timely settlement in the event that the participant with the largest payment obligation is unable to settle.**

Objective 4 does not apply to ICE Clear Canada, as intra-day credit is not extended to Clearing Participants.

5. **Assets used to settle the ultimate payment obligations arising from securities transactions carry little or no credit or liquidity risk. If central bank money is not used, steps are to be taken to protect participants in settlement services from potential losses and liquidity pressures arising from the failure of the cash settlement agent whose assets are used for that purpose.**
6. **If the clearing agency establishes links to settle cross-border trades, it designs and operates such links to reduce effectively the risks associated with cross-border settlement.**

Objective 6 does not apply to ICE Clear Canada, as ICE Clear Canada does not settle cross-border trades.

ICE Clear Canada manages risk through multi-layered risk management processes as set out above.

Margin

Clearing Participants are required to make margin deposits in accordance with the requirements set out in the Rules and the Operations Manual. The margin methodology utilized by ICE Clear Canada is consistent with that of other North American clearinghouses.

Daily margin requirements are comprised of three components. First, premium margin represents the cost of liquidating all options contracts at their current market prices. Second, additional margin represents the difference between the current market value of all options contracts and their projected market value. Third, margin is calculated for futures positions, based upon the expected price movement of each contract month, and between contract months for spread positions.

ICE Clear Canada's daily margin system analyzes all positions (futures, and options on futures) held in each account of every Clearing Participant. It then projects a liquidating value for each account, based on multiple projected market moves. Using this projection, ICE Clear Canada collects daily margin to cover potential losses in the event that such a liquidation became necessary.

In order to calculate projected liquidating values of a portfolio of options, ICE Clear Canada establishes a theoretical value for each option, based on the option's implied volatility and several projected underlying prices. The maximum change in the underlying price is the margin rate. The calculation of theoretical projected option values is based upon an accepted pricing model.

Margin rates are calculated separately for each commodity. Generally, the margin rate for each commodity is established by a historical analysis of daily futures price changes occurring in the prior 20, 60, 120, and/or 250 trading days. Margin rates are designed to cover 96 percent of price changes over a one-day period. From time to time, the Corporation may alter the margin rates due to relevant market considerations, including, but not limited to, current price volatility, anticipated price volatility, and the price volatility in related markets.

Position Risk Margin

In June 2008 ICE Clear Canada instituted a margin requirement, known as position risk margin. The purpose of this form of margin is to ensure that there is a reasonable correlation between the risk that a Clearing Participant assumes with the clearinghouse to Capital (Risk Adjusted Capital for FCMs and net adjusted capital for General).

The Rules for position risk margin establish Allowable Position Risk Levels and Maximum Position Risk Levels for each Clearing Participant, which is based on a calculation of daily margin as a ratio to that Clearing Participant's Capital. In calculating the ratio, the clearinghouse utilizes the most recent financial statements filed or reported by a Clearing Participant. Clearing Participants that exceed Allowable Position Risk Levels will be required to deposit Position Risk Margin. For the purposes of determining and calculating Allowable Position Risk Levels and Maximum Position Risk Levels, no Clearing Participant shall be deemed to have Capital greater than One Hundred Million (\$100,000,000.).

Intra-Day Margin

During periods of increased market volatility, ICE Clear Canada maintains appropriate levels of margin by making intra-day margin calls. These calls are made at 8:00 a.m., 11:00 a.m., and 1:30 p.m., each Trade Date. The clearinghouse continuously monitors price changes through data derived from the trading system.

Intra-Day margin calls are made whenever market volatility is such that the price movement of a particular contract or commodity is greater than 75% of its respective margin interval. The additional margin required is equivalent to the percentage

of the price movement, rounded down to the nearest 25% interval, reduced by 50% of the margin interval (eg. If the market has moved 130% of margin interval, the nearest 25% interval would be 125%, and the Intra-Day margin required would be 125% - 50% = 75% of the margin interval).

Under no circumstances will the margin deposits of one Clearing Participant be used to cover a default of another Clearing Participant. The Clearing Fund, on the other hand, is a shared obligation of all Clearing Participants that may be used to cover any excess losses not covered by a particular Clearing Participant's margin deposits.

Acceptable Margin Deposits

Margin deposits must be made in an acceptable form of deposit which ensure the ability of the clearinghouse to convert such deposits to cash if necessary. The acceptable forms of deposit are:

- a) Cash;
- b) Bankers' Acceptances;
- c) Bank Letter of Credit (in the form required by ICE Clear Canada) Letters of Credit may be used to satisfy no more than 50% (fifty percent) of a Clearing Participant's total Margin payment obligations (including daily margin, Intra-Day Margin and Position Risk Margin). In addition, no more than ten million dollars (\$10,000,000) total may be deposited in the form of Letters of Credit. Canadian Treasury Bills are valued at 95% of face value and Canadian and provincial bonds are valued at 90% of face value. Bankers' Acceptances are valued at 85% of face value.
- d) Government of Canada Treasury Bills and Bonds (excluding Canada Savings Bonds); and
- e) Provincial Government Bonds.

Settlement and Collateral Collection Schedule

As noted earlier, final settlement occurs at the end of each Trading Session.

At the end of each trading session, total margin requirements are re-assessed and all open positions are settled (marked-to-market) using settlement prices provided by the Exchange. Margin settlement payments and any additional Daily Margin required are collected the following morning. These payments are due, via SWIFT bank wire, no later than 9:30 am (CT). The clearinghouse employs a process by which all oversight pay/collect monies are collected before the payments are made.

It is at 10:30 am (CT) that all ties between the original buyer and seller are severed and ICE Clear Canada assumes the financial obligation for fulfillment of the contract of every Exchange traded Option and Future.

Additional Position Risk Margin, if any, is due by 12:00 noon, and Intra-Day Margin payments must be paid within one hour of the request being made. Clearing Fund contributions are due by 4:00 p.m. on the day they are called for.

Clearing Fund

All Clearing Participants are required to make contributions to a Clearing Fund which is the facility that would be utilized to cover the unlikely situation where a defaulting Clearing Participant's obligations to the clearinghouse are not adequately covered by the margin deposits it has made. All Clearing Participants are required to put up an initial deposit to the Clearing Fund upon admission. For Clearing Participants in the category of Futures Commission Merchant that amount is \$250,000 and for Clearing Participants in the category of General that amount is \$500,000. Thereafter, and calculated within the first week of Clearing Participant status, Clearing Participants are assessed an amount to be deposited to the Clearing Fund in accordance with Rule A-602 which is an amount which is the greater of:

- a. The Base Deposit, which is \$500,000 for a Clearing Participant in the category of General or \$250,000 for a Clearing Participant in the category of FCM; or
- b. An amount based on 35% of the Clearing Participant's required original margin the prior Trading Day.

Acceptable deposits for the Clearing Fund are cash, Bankers Acceptances or Government Securities which are freely negotiable.

All forms of acceptable deposits received from Clearing Participants to settle margin and clearing fund deposits, are assets that carry little or no credit or liquidating risk. Bank Letters of Credit are in an irrevocable form and acceptable from Canadian banks

and certain credit unions. The acceptable securities are all highly liquid. All cash payments are effected solely through the SWIFT Large Value Transfer System ("LVTS") or other acceptable bank wire facility. There are detailed procedures covering the substitutions or withdrawal of acceptable deposits.

ICE Clear Canada registers financing statements in Manitoba and in the home jurisdiction of the head office of each Clearing Participant, which financing statements evidence the security interest of ICE Clear Canada in Margin Deposits (as that term is defined in the financing statements). These security interests are a vital component of ensuring the integrity of the clearinghouse's processes and protections.

Process for Collection and Payment of Funds

Payments to and from ICE Clear Canada, including daily settlements, position risk margin calls, and intra-day margin calls, are collected utilizing LVTS via SWIFT bank transfers. All Clearing Participants are required to set up and provide details on the bank accounts through which they can pay/receive from ICE Clear Canada. The central clearing settlement bank for ICE Clear Canada is the Royal Bank of Canada.

The LVTS system is an electronic wire system that facilitates the transfers of irrevocable payments. It was first introduced in Canada in February 1999. Each payment made is final and settlement is assured immediately, even though the actual settlement occurs at the end of the day on the books of the Bank of Canada. The legal foundation for LVTS is provided for in the *Payments Clearing and Settlements Act (Canada)*. The Bank of Canada is responsible for monitoring the flow of payments through LVTS and the settlement positions of the LVTS participants.

The LVTS system fulfills the two most important criteria required by ICE Clear Canada with respect to payments from Clearing Participants; (1) finality / irrevocability of payment; and (2) the ability to receive payment within the one hour time stipulated by the Rules.

Section 10 of the Operations Manual states:

The Corporation provides the mechanism for the settlement of all Options and Futures trades. It marks all futures positions to market, and collects margin for new Futures and Options on a daily basis. Clearing Participants are able to make a single payment or receive a single payment.

Settlement of trades for the purpose of daily margin procedures takes place the morning of the Banking Day following the trade date. All payments to and from the Clearinghouse are collected via an irrevocable payment processing system; the SWIFT –Large Value Transfer System or other acceptable bank wire facility. Clearing Participants are required to ensure that they have staffing sufficient to ensure that all requests for payments made by the Corporation will be dealt with on an expeditious basis within the time frames herein set out. All payments must be initiated by each Clearing Participant no later than 8:30 a.m. (CT) and the Clearing Participant must email to ICE Clear Canada the Reference number or Confirmation number (the number provided to the Clearing Participant by their financial institution confirming that the payment directions has been received by the financial institution) no later than 9:00 a.m. (CT). Daily Margin Requirement payments due to the Corporation must be made by the financial institution for each Clearing Participant to the Settlement Bank by no later than 9:30 a.m. (CT) Failure to meet the time frames set out herein will result in a default.

- 1) Clearing Participants who owe a payment for Daily Margin Requirement to the Corporation must settle before 9:30 a.m. (CT) (Settlement Time) on the Banking Day, using the SWIFT –Large Value Transfer System/ or other acceptable bank wire facility.
 - 2) Clearing Participants who are owed money will be credited by the Corporation once all debits are received.
- 6.4 The clearing agency engaging in activities not related to settlement services carries on such activities in a manner that prevents the spillover of risk to the clearing agency that might affect its financial viability or negatively impact any of the participants in the settlement service.**

ICE Clear Canada does not engage in any activities other than that of the clearinghouse for ICE Futures Canada.

7. Systems and Technology

7.1 For its settlement services systems, the clearing agency:

- (a) develops and maintains,**
 - (i) reasonable business continuity and disaster recovery plans,**
 - (ii) an adequate system of internal control;**
 - (iii) adequate information technology general controls, including controls relating to information systems operations, information security, change management, problem management, network support, and systems software support.**
- (b) on a reasonably frequent basis, and in any event, at least annually, and in a manner that is consistent with prudent business practice,**
 - (i) makes reasonable current and futures capacity estimates;**
 - (ii) conducts capacity stress tests to determine the ability of those systems to process**
 - (iii) tests its business continuity and disaster recovery plans; and**
- (c) promptly notifies the regulator of any material systems failures.**

The primary back office clearing settlement systems are outsourced by a written Clearing Services Agreement, (the “CS Agreement”) to Kansas City Board of Trade Clearing Corporation (KCBTCC) which is a Designated Clearing Organization (DCO) registered with the U.S. Commodity Futures Trading Commission (CFTC). KCBTCC is the designated clearinghouse for Kansas City Board of Trade (“KCBT”). Under the terms of the CS Agreement KCBTCC provides back office clearing settlement systems for ICE Clear Canada.

KCBTCC runs a separate version of its clearing systems software for ICE Clear Canada. ICE Clear Canada has full control over any changes to the system functionality. Clearing Participants manage risk associated with their customers through their own internal systems and through systems provided to clearing firms through the ICE trading system. ICE Clear Canada monitors risk associated with Clearing Participants using internal systems separate from the KCBTCC systems.

To obtain and maintain registration as a DCO, KCBTCC must comply with the following Core Principles which are established in Section 5b, 7 USC §7a-1, of the *Commodity Exchange Act (United States)*;

1. Adequate financial, operational, and managerial resources;
2. Appropriate standards for participant and product eligibility;
3. Adequate and appropriate risk management capabilities;
4. Ability to complete settlements on a timely basis under varying circumstances;
5. Standards and procedure to protect member and participant funds;
6. Efficient and fair default rules and procedures;
7. Adequate rule enforcement and dispute resolution procedures;
8. Adequate and appropriate systems safeguards, emergency procedures, and plan for disaster recovery;
9. Obligation to provide necessary reports to allow the CFTC to oversee clearinghouse activities;
10. Maintenance of all business records for five years in a form acceptable to the CFTC;
11. Publication of clearinghouse rules and operating procedures;
12. Participation in appropriate domestic and international information-sharing agreements;

13. Avoidance of actions that are unreasonable restraints of trade or that impose anti-competitive burdens on trading.

KCBTCC utilizes the latest technologies and best practices in regards to information security, change management, hardware support, software support, and network support. Change management is handled through QA processes to ensure full and proper testing of all systems before being placed into production. Adequate internal controls on all of these processes are managed by KCBTCC staff to ensure that any change or enhancement to the clearing system will not impact the daily operations and the production environment. KCBTCC also ensures that a disaster will not affect the production clearing environment, by maintaining and managing a remote data center that is used to transfer each or all systems to in the event of a disaster at the primary data center. All systems in the remote data center are monitored in real-time and tested periodically. KCBTCC participates in the annual Futures Industry Association (FIA) business continuity and disaster recovery test. This process is used to test all systems used by ICE Clear Canada's Clearing Participants and the systems used by KCBTCC.

KCBTCC monitors all systems located in the primary and remote data centers in real-time. KCBTCC IT staff is alerted of any network outage or system failure in real-time. If in the event of a failure to the systems in either location, KCBTCC staff activates best-practice procedures to either transfer systems to the remote data center and repair and recover any failed systems. Since KCBTCC monitors all its systems in real-time, failover capacity is continually monitored as well. When upgrading systems, any future capacities are calculated to the best ability of KCBTCC IT staff to ensure that capacity will not be reached before the next system upgrade.

KCBTCC notifies the CFTC of any significant system failures that KCBTCC deems to be other than a minor failure.

7.2 The clearing agency ensures a qualified party will conduct an independent systems review and prepare a report regarding its compliance with section 7.1(a).

The CFTC conducts regular reviews of KCBT and KCBTCC regarding compliance with the standards applicable to DCOs.

The last CFTC Rule Enforcement Review of Kansas City Board of Trade (KCBT) included a review of KCBTCC, and it was published on the CFTC website at: <http://www.cftc.gov/files/tm/tmrer-kcibt061606-14final.pdf>

8. Financial Viability and Reporting

8.1 The clearing agency has sufficient financial resources for the proper performance of its functions and to meet its responsibilities and allocates sufficient financial and staff resources to carry out its functions as a clearing agency in a manner that is consistent with any regulatory requirements.

ICE Clear Canada has adequate financial and staff resources to carry on its activities in full compliance with its regulatory requirements and with best practices of clearinghouses. There are no specific financial requirements in terms of ratios between capital, liquid financial assets and operating costs; however the obligation under the requirements of MSC Recognition Order No. 5719 to maintain adequate resources to discharge its responsibilities is a continuing obligation. ICE Clear Canada files regular financial information with the MSC.

ICE Clear Canada has and maintains adequate systems for the keeping of books and records, including, but not limited to, those concerning the operations of ICE Clear Canada, audit trail information on all cleared trades, all pay/collect information, all settlement information, and participants application/agreements and filings. All information is maintained for a minimum of seven (7) years.

9. Operational Reliability

9.1 The clearing agency has procedures and processes to ensure the provision of accurate and reliable settlement services to participants.

The processes and procedures utilized by ICE Clear Canada are designed to ensure that it fulfills its necessary reporting and operational requirements.

ICE Clear Canada has rules, procedures, schedules and deadlines for all processes related to settlement services. Clearing Participants are required to meet these deadlines as set out in pages 2 and 3 in the Operations Manual. Clearing Participants are required to follow the rules and procedures for the daily reporting trade activity and collateral management as set out in sections 3 to 13 in the Operations Manual.

KCBTCC verifies to ICE Clear Canada that the Daily Settlement is balanced each trading day. KCBTCC ensures that the calculations of all variation margin to be paid out equals the variation margin to be collected, and that the option premium to be paid equals the option premium to be collected. ICE Clear Canada verifies all of these calculations on a daily basis.

ICE Clear Canada verifies that all payments that have been received from Clearing Participants who owe money to the clearinghouse have been collected before it makes payments out to Clearing Participants who are owed money.

10. Protection of Assets

10.1 The clearing agency has established accounting practices, internal controls, and safekeeping and segregation procedures to protect the assets that are held by the clearing agency.

ICE Clear Canada maintains rigorous procedures and processes to safeguard the assets that are held by it. All Clearing Participant assets are segregated and are not co-mingled with any of the assets of the clearinghouse. ICE Clear Canada maintains all pledged securities in an account with the Canadian Depository for Securities Limited (CDS). As a limited member of CDS, ICE Clear Canada holds pledged assets in a separate account and does not make use of such assets other than in strict accordance with the Rules.

Cash deposits are maintained in the central settlement bank and are not comingled with the monies of ICE Clear Canada.

The transfer of assets, including cash, for purposes of pay/collect is dealt with in accordance with a multi-layered system of safeguards which includes double checks, dual approval system and passwords and bank security tokens to ensure the integrity of the funds.

With respect to accounting practices, all financial reporting is dealt with by Atlanta based ICE accounting personnel pursuant to the terms of a written Service Agreement. All clearing deposits are included in the overall financial reporting of the clearinghouse and are reviewed by management and the independent board members on a monthly basis. All financial information of ICE, including all of its subsidiary companies is also consolidated and reported in the 10Q and 10K filings submitted to the US S.E.C.

11. Outsourcing

11.1 Where the clearing agency has outsourced any of its key functions, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices. The outsourcing arrangement provides regulatory authorities with access to all data, information, and systems maintained by the third party service provider required for the purposes of regulatory oversight of the agency.

ICE Clear Canada has three outsourcing agreements; the Clearing Services Agreement referenced earlier in this application, a services agreement with ICE and a management agreement with ICE Futures Canada, Inc.

Pursuant to the terms of the Clearing Services Agreement, KCBTCC is responsible for the following:

- i. Administering certain of ICE Clear Canada's risk management procedures including SPAN margining and marking to market all positions to calculate certain of the required payments to ICE Clear Canada. KCBTCC is not responsible for setting or determining any of these risk management processes, but performs the necessary work to ensure they are carried out;
- ii. Having in place and providing all technical infrastructure necessary to process trades (telecommunications, routers, computer systems, software applications and so forth). KCBTCC has in place and operational all communications protocol and all communication lines required in order to accept trade data from the ICE Platform.
- iii. Processing and providing certain data file information. All processes are private labeled for ICE Clear Canada; and
- iv. Providing systems to ICE Clear Canada Clearing Participants to enable them, via internet application, to edit certain data files, including conducting transfer trades and give up trades.

The services agreement provides that ICE will provide certain financial and accounting services, which include the review of Clearing Participants' monthly and annual financial filings.

The management agreement provides for staffing and management services to be performed for ICE Clear Canada by staff of ICE Futures Canada.

12. Information Sharing and Regulatory Cooperation

12.1 For regulatory purposes, the clearing agency cooperates by sharing information or otherwise with the Commission and its staff, self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, other clearing agencies, investor protection funds, and other appropriate regulatory bodies.

In compliance with Order No. 5719 issued by the MSC, ICE Clear Canada and ICE Futures Canada are required to share relevant information with other regulatory bodies, including the Canadian Investor Protection Fund and other Canadian exchanges, recognized self-regulatory organizations and statutory regulatory authorities responsible for the supervision of clearing activities. ICE Clear Canada is a signatory to the Declaration on Co-operation and Supervision of International Futures Exchange and Clearing Organizations as amended, March 1998, commonly known as the "BOCA Declaration".

Submissions

ICE Clear Canada submits that it meets the criteria set out for recognition as a clearing agency, all as outlined in Appendix "A" to Staff Notice 24-702. ICE Clear Canada further submits that it would be appropriate and would not be contrary to the public interest for the Commission to exempt ICE Clear Canada from recognition due to the fact that:

- a) it is primarily regulated by the Manitoba Securities Commission;
- b) it reports to the AMF (Quebec) and provides all requested information to the AMF; and
- c) it has operated consistently, and without default or issue since it was incorporated in 1998 and designated as the clearinghouse for ICE Futures Canada.

If you would like to discuss any aspect of this application, or require any further information, please do not hesitate to contact the undersigned at (204) 925-5009 or Linda.Vincent@theice.com. Thank you.

Yours truly,

Linda Vincent
General Counsel

Appendix A

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990, CHAPTER S.5,
AS AMENDED ("OSA")

AND

IN THE MATTER OF
ICE CLEAR CANADA, INC.
AND ICE FUTURES CANADA, INC.

ORDER
(Section 147 of the OSA)

WHEREAS ICE Clear Canada, Inc. ("ICE Clear Canada") and ICE Futures Canada, Inc. (ICE Futures Canada) have filed an application dated November 25, 2010 (the "Application") with the Ontario Securities Commission (the "Commission" or "OSC") requesting:

- i. An order, pursuant to section 147 of *The Securities Act (Ontario)* (the "OSA") exempting ICE Clear Canada from the requirement to be recognized by the OSC as a clearing agency pursuant to subsection 21.2(0.1) of the OSA;

AND WHEREAS ICE Futures Canada and ICE Clear Canada have represented to the Commission that:

1. ICE Clear Canada is a share capital corporation incorporated under the provisions of *The Corporations Act (Manitoba)* and situate in Winnipeg, Manitoba. It has been the designated clearinghouse of ICE Futures Canada, Inc. since it was incorporated in 1998 and operated under the name WCE Clearing Corporation up to January 1, 2008.
2. ICE Clear Canada is a wholly owned subsidiary of ICE Futures Canada which is Canada's only agricultural derivatives exchange and which has been in continual operation since 1887.
3. ICE Futures Canada is a private corporation and is an indirect and wholly-owned subsidiary of IntercontinentalExchange, Inc. ("ICE"), a public company governed by the laws of the State of Delaware and listed on the New York Stock Exchange.
4. ICE Futures Canada facilitates trading in futures contracts and options on futures contracts in canola and western barley (collectively, the "ICE Futures Canada Contracts"), on an electronic trading platform (the "ICE Platform"), which is owned and operated by ICE.
5. ICE Clear Canada is a recognized clearinghouse under section 16(1) of *The Commodity Futures Act (Manitoba)* (the CFA Manitoba) pursuant to Order No. 5719 of the Manitoba Securities Commission ("MSC"). Order No. 5719 (the "MSC Recognition Order") is set out in Schedule "C". All ICE Futures Canada Contracts are cleared and settled by ICE Clear Canada. ICE Clear Canada acts as the counterparty and financial guarantor to each ICE Futures Canada Contract that is cleared.
6. The MSC is ICE Clear Canada's primary regulator. As part of its regulatory oversight of ICE Clear Canada, the MSC reviews, assesses and enforces the on-going compliance by ICE Clear Canada with the requirements set out in the MSC Recognition Order including financial resources, the financial and operational requirements for Clearing Participants, systems and controls, rule-making, and ICE Clear Canada's practices and procedures.
7. ICE Clear Canada is required to provide to the MSC, on request, access to all records and to cooperate with other regulatory authorities, including making arrangements for information-sharing.
8. ICE Clear Canada maintains rigorous clearing participant criteria that all applicants must satisfy before their applications are accepted, including fitness criteria, review of corporate constating documentation, financial standards, operational standards, appropriate registration qualifications with applicable statutory regulatory authorities, and ICE Clear Canada applies a due diligence process to ensure that all applicants meet the required criteria. Applicants can register with ICE Clear Canada in one of two categories: Futures Commission Merchant or General (collectively, "Clearing Participants").
9. ICE Clear Canada utilizes multi-layered processes to minimize systemic risk, which processes include operational and financial criteria for all Clearing Participants, margining and financial protections, the maintenance of a

clearing/guarantee fund, sound information systems, comprehensive internal controls, ongoing monitoring of Clearing Participants, and appropriate oversight by the Board of Directors.

10. ICE Clear Canada permits Ontario residents who meet the criteria set out in its Rules to become registered as Clearing Participants, and as a result, is considered by the Commission to be "carrying on business as a clearing agency" in Ontario. ICE Clear Canada cannot carry on business in Ontario as a clearing agency unless it is recognized by the OSC as a clearing agency under subsection 21.2(0.1) of the OSA or exempted from such recognition under s. 147.
11. Based on the facts and representations set out in the Application, ICE Clear Canada satisfies the criteria set out in Schedule "A" to this order.

AND WHEREAS based on the Application and the representations of ICE Futures Canada and ICE Clear Canada have made to the Commission, the Commission has determined that ICE Clear Canada satisfies the criteria set out in Schedule "A" and that the granting of exemption from recognition as a clearing agency would not be prejudicial to the public interest;

AND IT IS HEREBY ORDERED by the Commission that pursuant to section 147 of the OSA, ICE Clear Canada is exempt from recognition as a clearing agency under subsection 21.2(0.1) of the OSA.

PROVIDED THAT ICE Futures Canada and ICE Clear Canada comply with the terms and conditions attached hereto as Schedule "B".

DATED at Toronto this ____ day of _____

SCHEDULE "A"

**Criteria for Exemption from Recognition by the OSC as a clearing agency
pursuant to section 21.2(0.1) of the OSA**

PART 1 Governance

- 1.1 The governance structure and governance arrangements of the clearing agency ensures:
- (a) effective oversight of the clearing agency;
 - (b) the clearing agency's activities are in keeping with its public interest mandate;
 - (c) fair, meaningful and diverse representation on the governing body (board) and any committees of the board, including a reasonable proportion of independent directors;
 - (d) a proper balance among the interests of the owners and the different entities seeking access (Clearing Participants) to the clearing, settlement and depository services and facilities of the clearing agency;
 - (e) the clearing agency has policies and procedures to appropriately manage conflicts of interest;
 - (f) each director or officer of the clearing agency, and each person or company that own or controls, direct or indirectly, more than 10 percent of the clearing agency is a fit and proper person, and
 - (g) there are appropriate qualification, limitation of liability and indemnity provisions for directors and officers of the clearing agency

PART 2 Fees

- 2.1 All fees imposed by the clearing agency are equitably allocated. The fees do not have the effect of creating unreasonable barriers to access.
- 2.2 The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 3 Access

- 3.1 The clearing agency has appropriate written standards for access to its services.
- 3.2 The access standards and the process for obtaining, limiting and denying access are fair and transparent. The clearing agency keeps records of
- (a) each grant of access including, for each participant, the reasons for granting such access, and
 - (b) each denial or limitation of access, including the reasons for denying or limited access to an applicant.

PART 4 Rules and Rulemaking

- 4.1 The clearing agency's rules are designed to govern all aspects of the settlement services offered by the clearing agency, and
- (a) are not inconsistent with securities/derivatives legislation,
 - (b) do not permit unreasonable discrimination among participants, and
 - (c) do not impose any burden on competition that is not necessary or appropriate.
- 4.2 The clearing agency's rules and the process for adopting new rules or amending existing rules should be transparent to participants and the general public.
- 4.3 The clearing agency monitors participant activities to ensure compliance with the Rules.
- 4.4 The rules set out appropriate sanctions in the event of non-compliance by participants.

PART 5 Due Process

5.1 For any decision made by the clearing agency that affects an applicant or a participant, including a decision in relation to access, the clearing agency ensures that:

- (a) an applicant or a participant is given an opportunity to be heard or make representations; and
- (b) the clearing agency keeps a record of, gives reasons for, and provides for appeals or review of, its decisions.

PART 6 Risk Management

6.1 The clearing agency's settlement services are designed to minimize systemic risk.

6.2 The clearing agency has appropriate risk management policies and procedures and internal controls in place.

6.3 Without limiting the generality of the foregoing, the clearing agency's services or functions are designed to achieve the following objectives:

- 1. Where the clearing agency acts as a central counterparty, it rigorously controls the risks it assumes.
- 2. The clearing agency minimizes principal risk by linking securities transfers to funds transfers in a way that achieves delivery versus payment.
- 3. Final settlement occurs no later than the end of the settlement day. Intraday or real-time finality is provided where necessary to reduce risks.
- 4. Where the clearing agency extends intraday credit to participants, including a clearing agency that operates net settlement systems, it institutes risk controls that, at a minimum, ensure timely settlement in the event that the participant with the largest payment obligation is unable to settle.
- 5. Assets used to settle the ultimate payment obligations arising from securities transactions carry little or no credit or liquidity risk. If central bank money is not used, steps are to be taken to protect participants in settlement services from potential losses and liquidity pressures arising from the failure of the cash settlement agent whose assets are used for that purpose.
- 6. If the clearing agency establishes links to settle cross-border trades, it designs and operates such links to reduce effectively the risks associated with cross-border settlement.

6.4 The clearing agency engaging in activities not related to settlement services carries on such activities in a manner that prevents the spillover of risk to the clearing agency that might affect its financial viability or negatively impact any of the participants in the settlement service.

PART 7 Systems and Technology

7.1 For its settlement services systems, the clearing agency:

- (a) develops and maintains,
 - (i) reasonable business continuity and disaster recovery plans,
 - (ii) an adequate system of internal control,
 - (iii) Adequate information technology general controls, including controls relating to information systems operations, information security, change management, problem management, network support, and systems software support.
- (b) on a reasonably frequent basis, and in any event, at least annually, and in a manner that is consistent with prudent business practice,
 - (i) makes reasonable current and futures capacity estimates,
 - (ii) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(iii) tests its business continuity and disaster recovery plans; and

(c) promptly notifies the regulator of any material systems failures.

7.2 The clearing agency ensures a qualified party will conduct an independent systems review and prepare a report regarding its compliance with section 7.1(a).

PART 8 Financial Viability and Reporting

8.1 The clearing agency has sufficient financial resources for the proper performance of its functions and to meet its responsibilities and allocates sufficient financial and staff resources to carry out its functions as a clearing agency in a manner that is consistent with any regulatory requirements.

PART 9 Operational Reliability

9.1 The clearing agency has procedures and processes to ensure the provision of accurate and reliable settlement services to participants.

PART 10 Protection of Assets

10.1 The clearing agency has established accounting practices, internal controls, and safekeeping and segregation procedures to protect the assets that are held by the clearing agency.

PART 11 Outsourcing

11.1 Where the clearing agency has outsourced any of its key functions, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices. The outsourcing arrangement provides regulatory authorities with access to all data, information, and systems maintained by the third party service provider required for the purposes of regulatory oversight of the agency.

PART 12 Information Sharing and Regulatory Cooperation

12.1 For regulatory purposes, the clearing agency cooperates by sharing information or otherwise with the Commission and its staff, self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, other clearing agencies, investor protection funds, and other appropriate regulatory bodies.

SCHEDULE "B"

Terms and Conditions

REGULATION OF ICE Clear Canada, Inc.

1. ICE Clear Canada will maintain its recognition as a clearinghouse with the MSC and will continue to be subject to the regulatory oversight of the MSC as described in the MSC Recognition Order, as amended and restated on June 16, 2008, and attached to this order as Schedule "C".
2. ICE Clear Canada will continue to comply with its ongoing requirements as set out in the MSC Recognition Order.
3. ICE Clear Canada will continue to meet the Criteria for Exemption from Recognition as a Clearing Agency as set out in Schedule "A".

GOVERNANCE

4. ICE Futures Canada and ICE Clear Canada will promote a corporate governance structure that minimizes the potential for any conflict of interest between ICE Futures Canada and ICE Clear Canada that could adversely effect the clearance and settlement of trades in contracts or the effectiveness of ICE Clear Canada's risk management policies, controls, and standards.

SUBMISSION TO JURISDICTION AND AGENT FOR SERVICE

5. For greater certainty, ICE Clear Canada submits to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of ICE Clear Canada in Ontario.
6. For greater certainty, ICE Clear Canada will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the activities of ICE Clear Canada in Ontario.

FILING REQUIREMENTS

MSC Filings

7. ICE Clear Canada will provide staff of the Commission, concurrently, the following information that it is required to provide to or file with the MSC:
 - (a) the annual audited financial statements of ICE Futures Canada and the annual financial statements of ICE Clear Canada which may be unaudited;
 - (b) the institution of any legal proceeding against it;
 - (c) the presentation of a petition for winding up, the appointment of a receiver or the making of any voluntary arrangement with creditors; and
 - (d) changes and proposed changes to its bylaws, rules, operations manual, participant agreements and other similar instruments or documents of ICE Clear Canada which contain any contractual terms setting out the respective rights and obligations between ICE Clear Canada and Clearing Participants or among Clearing Participants

Prompt Notice

8. ICE Clear Canada will promptly notify staff of the Commission of any of the following:
 - (a) any material change to the information provided in the Application;
 - (b) any material problems with the clearance and settlement of transactions in contracts cleared by ICE Clear Canada, including any failure by a Clearing Participant of ICE Clear Canada to promptly fulfill its settlement obligations, that could materially affect the operations or financial situation of ICE Clear Canada;

- (c) a default of a Clearing Participant which results in the liquidation of the Clearing Fund (as defined in the ICE Clear Canada Rules) in whole or in part;
- (d) any change or proposed change to the MSC Recognition Order;
- (e) any change to the regulatory oversight by the MSC.

Quarterly Reporting

- 9. ICE Clear Canada will maintain the following updated information and submit such information to the Commission on at least a quarterly basis, and at any time promptly upon the request of staff of the Commission:
 - (a) a current list of all Ontario resident Clearing Participants;
 - (b) a list of all Ontario resident Clearing Participants against whom disciplinary action has been taken in the last quarter by ICE Clear Canada or the MSC with respect to activities on ICE Clear Canada;
 - (c) a list of all investigations by ICE Clear Canada relating to Ontario resident Clearing Participants; and
 - (d) a list of all Ontario applicants who have been denied Clearing Participant status in ICE Clear Canada.

INFORMATION SHARING

- 10. ICE Clear Canada and ICE Futures Canada will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws governing the sharing of information and the protection of personal information.

ADDITIONAL REQUIREMENT

- 11. ICE Futures Canada shall not take any action that has the effect, either directly or indirectly, of interfering with the ability of ICE Clear Canada to comply with the terms and conditions of this order and will take such actions as are within its ability to assist ICE Clear Canada in meeting the terms and conditions of this order.

SCHEDULE "C"

MANITOBA SECURITIES COMMISSION

THE COMMODITY FUTURES ACT) Order No. 5719
)
Subsection 16(1)) June 16, 2008

ICE CLEAR CANADA, INC. AND ICE FUTURES CANADA, INC.

WHEREAS:

- (A) ICE Futures Canada, Inc. and ICE Clear Canada, Inc. (ICE Clear Canada) through predecessor corporations WCE Holdings Inc. and WCE Clearing Corporation applied to The Manitoba Securities Commission (the "Commission") pursuant to Subsection 16 (1) of *The Commodity Futures Act*, S.M. 1996, c. 73 C152 (as amended) (the "Act") for an order that WCE Clearing Corporation ("WCECC") be designated as a recognized clearing house pursuant to Subsection 16(1) of the Act and that order was granted on May 31, 2002 by Order No. 3766 which order was amended and replaced on December 21, 2006 by Order No. 5265;
- (B) It was represented to the Commission by WCECC in the applications that were filed with respect to Orders No. 3766 and 5265 that:
 - 1. WCECC was incorporated as a Manitoba corporation in May 1998 and has operated as a clearing house continuously since that time;
 - 2. WCECC was a share capital corporation wholly owned by Holdings;
 - 3. WCECC was designated as the clearing house for Winnipeg Commodity Exchange Inc. pursuant to the rules of Winnipeg Commodity Exchange Inc.;
 - 4. WCECC met world recognized standards for clearing houses in terms of its written rules, policies and procedures, the setting and maintaining of standards of financial requirements for all Clearing Participants.
- (C) On August 27, 2007 all of the shares of WCE Holdings Inc. were acquired by 5509794 Manitoba Inc.;
- (D) The ultimate parent company of 5509794 Manitoba Inc. is IntercontinentalExchange, Inc. a corporation subsisting under the laws of the state of Delaware, whose common stock is listed on the New York Stock Exchange and are widely held;
- (E) WCECC was part of a corporate reorganization and re-branding whereby WCECC became a wholly owned subsidiary of ICE Futures Canada, Inc., and WCECC was renamed ICE Clear Canada, Inc., and the reorganization and renaming relative to ICE Clear Canada, Inc., was completed on January 2, 2008.
- (F) The Commission is of the opinion that it is in the public interest to grant the order requested.

IT IS ORDERED:

- 1. **THAT**, subject to the terms and conditions set out in Appendix "A" to this order, ICE Clear Canada be designated as a recognized clearing house pursuant to Subsection 16(1) of the Act.
- 2. **THAT**, effective January 2, 2008, this Order replaces Commission Order No. 5265 dated December 21, 2006.

BY ORDER OF THE COMMISSION

"original signed by"

Doug Brown, Director – Legal

Appendix "A" to Order Number 5719 effective the 2nd day of January 2008.

Terms and Conditions

Notice of Share Ownership

1. In the event that ICE Clear Canada intends to amend its Articles of Incorporation, the Commission will be given notice prior to any amendment being approved by the shareholder(s).
2. ICE Clear Canada shall provide the Commission with a minimum of 21 days notice respecting the acquisition of voting shares of ICE Clear Canada by any entity other than ICE Futures Canada.

Corporate Governance

3. The governance structure of ICE Clear Canada shall provide for:
 - a. fair and meaningful representation on its governing body, in the context of the nature and structure of ICE Clear Canada;
 - b. appropriate qualifications, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of ICE Clear Canada generally.
4. ICE Clear Canada shall maintain conflict of interest rules and/or policies for the Board, all committees and ICE Clear Canada staff. Such rules and/or policies shall extend to anyone in a position to affect the outcome of a decision and shall provide for all such persons to be required to declare their interests and to foresee the possibility that a person may withdraw from a matter.

Regulation

5. The Board of Directors of the ICE Clear Canada shall be responsible, for all matters relating to surveillance matters and ensuring compliance by the Clearing Participants with the provisions of the Rules.
6. ICE Clear Canada shall advise the Commission in writing of the names and background of each person appointed to the Board of Directors.
7. ICE Clear Canada shall promptly provide a written report to the Commission detailing any misconduct or fraud on the part of a Clearing Participant, or such other circumstances that may result in material loss or damage to ICE Clear Canada or its operations, including all situations where the solvency of a Clearing Participant is at risk.

Systems

8. For each of its systems that support the operations of ICE Clear Canada, ICE Clear Canada shall, or in the case where such systems are owed by third parties, ICE Clear Canada shall ensure that those third parties shall:
 - (a) Make reasonable current and future capacity estimates;
 - (b) Conduct necessary stress tests of critical systems on a reasonably frequent basis to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
 - (c) Develop and implement reasonable procedures to review and keep current the development and testing methodology of those systems;
 - (d) Review the vulnerability of those systems and computer operations to internal and external threats including physical hazards and natural disasters;
 - (e) Establish reasonable contingency and business continuity plans; and
 - (f) Notify the Commission, in writing, of any material systems failures or changes that impact clearing operations.

Purpose of Rules

9. ICE Clear Canada shall, subject to the terms and conditions of this Order and the jurisdiction and oversight of the Commission in accordance with the laws of the Province of Manitoba, establish such rules, regulations, policies,

procedures, practices or other similar instruments as are necessary or appropriate to govern and regulate all aspects of its business and internal affairs and shall in so doing specifically govern and regulate so as to:

- a. seek to ensure compliance with the Act; and
- b. seek compliance with the terms and conditions of this order as well as any regulations, rules, policies or orders issued by the Commissions.

Due Process

10. ICE Clear Canada shall ensure that its rules shall ensure that the requirements of ICE Clear Canada relating to its facilities, the imposition of limitations on conditions of access, and denial of access are fair and reasonable.

Information Sharing

11. ICE Clear Canada and ICE Futures Canada shall cooperate by the sharing of necessary and reasonably relevant information, with the Canadian Investor Protection Fund and other Canadian exchanges, recognized self-regulatory organizations and regulatory authorities responsible for the supervision of clearing activities, subject to the applicable laws concerning the sharing of information and the protection of personal information.

Additional Requirements

12. ICE Clear Canada shall notify the Commission prior to providing any regulatory duties or regulatory operations to other exchanges, self-regulatory organization, or other persons.
13. ICE Futures Canada shall obtain prior written approval from the Commission before subcontracting a portion of its regulatory duties or regulatory functions to other self-regulatory organizations.
14. ICE Clear Canada shall provide the Commission and its staff with such information as it may, from time to time, request.

ICE Futures Canada to facilitate ICE Clear Canada in its compliance requirements

15. ICE Futures Canada shall not take any action that has the effect, either directly or indirectly, of interfering with the ability of ICE Clear Canada to comply with the terms and conditions of this order or with any other requirement applying to a recognized clearing house under the Act.

ALL OF WHICH ARE INCORPORATED AS TERMS AND CONDITIONS OF THE ORDER ISSUED BY THE COMMISSION