

ICE FUTURES EUROPE RISK DISCLOSURES

These disclosures are provided for information purposes only. The statements are not exhaustive and do not provide all the information that potential users and Members may need to make any decision in relation to using the Exchange or entering into a Contract.

(a) Potential users of all Contracts should be aware and Members should be mindful when marketing to clients, of the following: The value of investments may go down as well as up; Past performance is not necessarily a reliable indicator of future performance; Parties to Contracts may not get back their original investment and could make losses greater than their initial investment or collateral; Exchange price movements can have a positive or negative impact on the value of Contracts; There are various risks relating to trading derivatives, such as interest rate risk, credit risk, market risk, leverage risk, tax risk and political risk. If in any doubt, seek professional advice; Neither the Exchange nor the Clearing House provides any professional advice; Various Contract Rules and Administrative Procedures contain particular risk disclaimers for historic reasons, but potential users of all Contracts should be aware, and Members should be mindful when granting permission(s) to clients to access the Exchange or when offering the Exchange's products to clients, that the absence of a risk disclaimer in a Contract Rule or Administrative Procedure should not be interpreted as indicating that there is no particular risk in relation to the relevant Contract.

(b) Potential users of all Contracts must familiarise themselves with and Members should be mindful, when marketing to clients of, the following:

(i) the relevant Contract Terms and Administrative Procedures (including Contract Terms and Administrative Procedures of the underlying Futures Contract where they are users or potential users of Options Contracts);

(ii) the Regulations, Grading and Warehousekeeping Procedures, Grainstorekeeper Procedures, notices posted on the Market, Clearing House Rules, Clearing House circulars, Clearing House procedures, Index (as defined in the relevant Contract Rule) rules and procedures and Index construction, compilation, calculation and dissemination procedures, as applicable, and any other relevant materials in respect of a particular Contract;

(iii) the mechanism by the Exchange or any third party (such as a stock exchange for security-based products) to determine any EDSP (as defined in the relevant Contract Rule) or price which is used as the reference price for an EDSP or to settle a Contract; relevant stock exchanges for security-based products may have alternative arrangements for determining such price in certain circumstances, e.g. due to insufficient liquidity during a closing auction and these alternative arrangements may tend to be applied more frequently to certain securities than to others; and

(iv) the controls operating in the cash market during the relevant period (for example, for security-based products, the parameters set by the London Stock Exchange for use in the intra-day auction for each of the constituent stocks which determine whether there will be price monitoring and/or market order extensions), where applicable.

(c) Potential users of all Contracts must consider and Members should be mindful when marketing to clients of, the risks of holding positions into the expiry of a Contract. Persons holding open positions during any notice period or at expiry will be subjected to delivery obligations in relation to the relevant underlying asset or Contract, or settlement obligations. In particular, such persons should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to "roll" or close positions prior to expiry.

(d) Potential users of all Contracts must assess for themselves or take professional advice in relation to, and Members should be mindful when marketing to clients of, the risks inherent in any investment, and in particular those having possible impact on a Contract's pricing or value, including:

(i) Possible influences on price formation in the underlying securities, cash or physical markets which might affect market movements, the EDSP (as defined in the relevant Contract) or any reference price used for settling the Contract, particularly prior to expiry or any end of day trading. Prices may be affected by information disclosures, news, world events or the trends in other markets.

(ii) Trading activity may be affected by the activity of particular market participants who are seeking to obtain price convergence between the EDSP (as defined in the relevant Contract Rule) and prices in securities, cash or physical markets. Such participants might typically seek to achieve this by unwinding their securities, cash or physical positions during the EDSP period at prices which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the final EDSP differs from price of any underlying immediately prior to the commencement of the EDSP period, and, in particular, for security-based products, the security's price or Index (as defined in the relevant Contract Rule) figure immediately following that period.

(iii) For security-based products, the Index (as defined in the relevant Contract Rule) figure used to calculate the final EDSP (as defined in the relevant Contract Rule) may differ from the Index level(s) implicit (since the Index is not calculated on a realtime basis) from the prices of relevant stocks during the immediately preceding period for security-based products, whether or not there is a relevant listing authority (UK or otherwise) which imposes obligations in relation to certain aspects of corporate behaviour or disclosure.