April 9, 2018

To: All NGX Customers

Re: Foreign Exchange Exposure Margin Requirement Release

As a major clearing house for cleared North American physically-settled futures contracts in natural gas, electricity and oil and financially-settled futures contracts in Canadian electricity, ICE NGX is committed to providing efficient and robust clearinghouse risk management for a diverse group of products and participants. As result of this commitment ICE NGX will be implementing a Foreign Exchange Exposure Margin Requirement ("FX Margin") effective April 23, 2018.

This requirement addresses the foreign exchange risk that may occur when a Contracting Party deposits collateral in one currency to cover margin requirements for products traded in a different currency.

The FX Margin is calculated using an historical Expected Shortfall model calibrated to a confidence level of at least 99% using a 504 days look-back window and two day hold period.

FX Margin will be included in the new "Aggregate IM" column found within the Margin Requirement and Real Time Risk Monitor web reports available to registered NGX users. When "Expanded View" is selected on either report, separate values for "Initial Margin" and "FX Margin" will be displayed. A detailed report can be accessed with the new "FX Initial Margin Details" report found under the Clearing menu.

To find out more about the about the FX Margin, please refer to the Margin Methodology Guide available on the ICE NGX website or contact the ICE NGX Clearing team at Operations-ICENGX–Clearing@theice.com.