

INTERCONTINENTALEXCHANGE INC

Form DEF 14A

April 03, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**INTERCONTINENTALEXCHANGE, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

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**INTERCONTINENTALEXCHANGE, INC.**

**NOTICE OF 2008 ANNUAL MEETING**

**AND**

**PROXY STATEMENT**

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April 3, 2008

Dear Stockholder:

On behalf of the Board of Directors and management of IntercontinentalExchange, Inc., I am pleased to invite you to the 2008 Annual Meeting of Stockholders. The Annual Meeting will be held at the Ritz Carlton Buckhead, 3434 Peachtree Road, NE, Atlanta, Georgia 30326 on Thursday, May 15, 2008 at 8:30 a.m., local time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the Annual Meeting. Our directors and officers, as well as representatives from our independent registered public accounting firm will be present to respond to appropriate questions from stockholders.

Whether or not you plan to attend the meeting in person, please mark, date, sign and return the enclosed proxy card in the envelope provided or vote telephonically or electronically using the Internet voting procedures described on the proxy card at your earliest convenience.

Sincerely,

Jeffrey C. Sprecher  
*Chairman and Chief Executive Officer*

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**IntercontinentalExchange, Inc.  
2100 RiverEdge Parkway, Suite 500  
Atlanta, Georgia 30328**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 15, 2008**

NOTICE HEREBY IS GIVEN that the 2008 Annual Meeting of Stockholders of IntercontinentalExchange, Inc. will be held at the Ritz Carlton Buckhead, 3434 Peachtree Road, NE, Atlanta, Georgia 30326 on Thursday, May 15, 2008 at 8:30 a.m., local time, for the purposes of considering and voting upon:

1. The election of ten directors to serve until the 2009 Annual Meeting of Stockholders;
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008; and
3. Such other business as properly may come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to be presented to a vote of the stockholders at the Annual Meeting.

The Board of Directors has fixed the close of business on March 18, 2008 as the record date for determining the stockholders entitled to notice of and to vote at the meeting and any adjournment thereof.

If you hold your shares through a broker or nominee, you will need to bring either a copy of the voting instruction card provided by your broker or nominee, or a copy of a brokerage statement showing your ownership as of March 18, 2008.

A list of stockholders entitled to vote at the 2008 Annual Meeting of Stockholders will be available for inspection upon request of any stockholder for a purpose germane to the meeting at our principal offices, 2100 RiverEdge Parkway, Suite 500, Atlanta, Georgia 30328 during the ten days prior to the meeting, during ordinary business hours, and at the Ritz Carlton Buckhead, 3434 Peachtree Road, NE, Atlanta, Georgia 30326 during the meeting.

**WHETHER OR NOT YOU EXPECT TO ATTEND, STOCKHOLDERS ARE REQUESTED TO VOTE THEIR SHARES VIA THE INTERNET OR TELEPHONE (BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD) OR TO MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.**

By Order of the Board of Directors,

Jeffrey C. Sprecher  
*Chairman and Chief Executive Officer*

Atlanta, Georgia

April 3, 2008

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**IntercontinentalExchange, Inc.  
2100 RiverEdge Parkway, Suite 500  
Atlanta, Georgia 30328**

**PROXY STATEMENT  
FOR THE ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 15, 2008**

This Proxy Statement is furnished to the stockholders of IntercontinentalExchange, Inc. in connection with the solicitation of proxies by our Board of Directors to be voted at the 2008 Annual Meeting of Stockholders and at any adjournments thereof (the Annual Meeting ). The Annual Meeting will be held at the Ritz Carlton Buckhead, 3434 Peachtree Road, NE, Atlanta, Georgia 30326 on Thursday, May 15, 2008 at 8:30 a.m., local time. When used in this Proxy Statement, the terms we, us, our, IntercontinentalExchange and ICE refer to IntercontinentalExchange, Inc.

The approximate date on which this Proxy Statement and form of proxy card are first being sent or given to stockholders is April 3, 2008.

**VOTING**

**General**

The securities that can be voted at the Annual Meeting consist of our common stock, \$0.01 par value per share (the Common Stock ). Each share of Common Stock entitles its owner to one vote on each matter submitted to the stockholders for approval. The holders of Common Stock will vote together as a single class on all matters presented to the stockholders for their vote or approval, including the election of directors and ratification of the appointment of our independent registered public accounting firm. The record date for determining the holders of Common Stock who are entitled to receive notice of and to vote at the Annual Meeting is March 18, 2008. On the record date, 70,492,183 shares of Common Stock were outstanding and eligible to be voted at the Annual Meeting.

**Quorum and Vote Required**

The presence, in person or by proxy, of a majority of the issued and outstanding shares of our Common Stock is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present. Once a share is represented for any purpose at the Annual Meeting, it will be deemed represented for quorum purposes for the remainder of the meeting and any adjournment thereof.

In voting with regard to the election of ten directors (Proposal 1), stockholders may vote in favor of all nominees, withhold their votes as to all nominees or withhold their votes as to specific nominees. Under our Amended and Restated Bylaws, directors are elected by a plurality of the votes cast by the holders of shares represented and entitled to vote at the Annual Meeting. Accordingly, the nominees receiving the highest number of votes for will be elected. Votes that are withheld will have no effect on the election of directors.

In voting with regard to the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2), stockholders may vote in favor of the proposal, against the proposal or may

abstain from voting. Under our Amended and Restated Bylaws, the vote required to approve Proposal 2 is the affirmative vote of the majority of votes cast for or against the matter at the Annual Meeting. Abstentions will have no effect on the outcome of the vote on Proposal 2.

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### **Broker Non-votes**

A broker non-vote occurs when your broker submits a proxy for your shares but does not indicate a vote on a particular matter because the broker has not received voting instructions from you and does not have authority to vote on that matter without such instructions. Broker non-votes are treated as present for purposes of determining a quorum but are not counted as withheld votes, votes against the matter in question or as abstentions.

Under the rules of the New York Stock Exchange (the NYSE), if your broker holds shares in your name and delivers this Proxy Statement to you, the broker, in the absence of voting instructions from you, is entitled to vote your shares on Proposals 1 and 2.

### **Proxy Voting Procedures and Revocability of Proxy**

You may vote in person at the meeting or by proxy. We recommend you vote by proxy even if you plan to attend the annual meeting. You can always change your vote at the meeting. Giving us your proxy means you authorize us to vote your shares at the meeting in the manner you direct.

If your shares are held in your name, you can vote by proxy in three convenient ways:

*Via the Internet:* Go to [www.envisionreports.com/ICE](http://www.envisionreports.com/ICE) and follow the instructions. You will need to enter the information requested on your computer screen and follow the simple instructions.

*Via telephone:* By calling 800-652-8683 (800-652-VOTE).

*In writing:* Complete, sign, date and return the enclosed proxy card in the envelope provided.

All properly executed proxies received by 1:00 a.m. (Central Time) on May 15, 2008 and not revoked will be voted at the Annual Meeting in accordance with the instructions noted on the proxy card. You will need your assigned control number to access the documents and vote your shares. Your control number can be found on your proxy card or voting instruction form.

If your shares are held in *street name*, your proxy materials include a voting instruction form from the institution holding your shares. The availability of telephone or Internet voting will depend upon the institution's voting processes. You may also vote in person at the Annual Meeting if you obtain a legal proxy from the institution holding your shares. Please contact the institution holding your shares for more information.

**If you execute your proxy card but do not give instructions, the shares represented by a proxy will be voted FOR the election of all director nominees and FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.** If any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon such matters according to their judgment.

You may revoke a proxy at any time before it is exercised by filing a written revocation with the Secretary of ICE, submitting a proxy bearing a later date (including by the Internet), or voting in person at the meeting. Please note, however, that under the rules of the NYSE, any beneficial owner of our Common Stock whose shares are held in street name by a member brokerage firm may revoke its proxy and vote its shares in person at the Annual Meeting only in accordance with applicable rules and procedures as employed by such beneficial owner's brokerage firm.

### **Proxy Solicitation**

In addition to soliciting proxies through the mail, we may solicit proxies through our directors, officers and employees in person and by telephone or facsimile. Brokerage firms, nominees, custodians and fiduciaries also may be requested to forward proxy materials to the beneficial owners of shares held of record by them. We will pay all expenses incurred in connection with the solicitation of proxies.

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### **Annual Report**

The Annual Report of IntercontinentalExchange, Inc. for the fiscal year ended December 31, 2007, which includes our Form 10-K for the fiscal year ended December 31, 2007, is being mailed with this Proxy Statement. Stockholders are referred to the Annual Report for financial and other information about us. The Annual Report is not a part of this Proxy Statement. The Annual Report is also available on our website at [www.theice.com](http://www.theice.com). We will also provide a copy of the Annual Report to stockholders at no charge upon written or oral request. See Availability of Certain Documents below.

### **Important Notice Regarding the Availability of Proxy Materials and Annual Report**

**The Proxy Statement and Annual Report are available at [www.edocumentview.com/ICE](http://www.edocumentview.com/ICE).**

Also, we are required to file annual, quarterly and current reports, proxy statements and other reports with the Securities and Exchange Commission (the SEC). Copies of these filings are available through our website at [www.theice.com](http://www.theice.com) or the SEC's website at [www.sec.gov](http://www.sec.gov). **We will furnish copies of our SEC filings (without exhibits), including our Annual Report, without charge to any stockholder upon written or verbal request to us at IntercontinentalExchange, Inc., 2100 RiverEdge Parkway, Suite 500, Atlanta, Georgia 30328, Attn: Investor Relations, telephone: 770-857-4700, e-mail [ir@theice.com](mailto:ir@theice.com).**

### **Distribution of Certain Documents**

In accordance with a notice sent to certain street name stockholders of Common Stock who share a single address, only one copy of this Proxy Statement and our Annual Report is being sent to that address unless we received contrary instructions from any stockholder at that address. This practice, known as householding, is designed to reduce our printing and postage costs. However, if any stockholder residing at such an address wishes to receive a separate copy of this Proxy Statement or our Annual Report, he or she may contact us at IntercontinentalExchange, Inc., 2100 RiverEdge Parkway, Suite 500, Atlanta, Georgia 30328, Attn: Investor Relations, telephone: 770-857-4700, e-mail: [ir@theice.com](mailto:ir@theice.com), and we will deliver those documents to such stockholder promptly upon receiving the request. Any such stockholder may also contact Investor Relations if he or she would like to receive separate proxy statements and annual reports in the future. If you are receiving multiple copies of our annual report and proxy statement, you may request householding in the future by also contacting Investor Relations.

## **PROPOSAL 1 ELECTION OF DIRECTORS**

### **Nominees for Election as Directors at the 2008 Annual Meeting**

On the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated the persons named below for election as directors at the Annual Meeting, each to serve for a one year term expiring at the next annual meeting. Each director will hold office until his or her successor is duly elected and qualified or until the director's earlier resignation or removal. All of the nominees currently are members of the Board of Directors.

Each of the nominees has confirmed that he or she expects to be able to continue to serve as a director until the end of his or her term. If, however, at the time of the meeting, any of the nominees named below is not available to serve as a director (an event which the Board of Directors does not anticipate), all the proxies granted to vote in favor of such director's election will be voted for the election of such other person or persons, if any, recommended by the Nominating and Corporate Governance Committee and designated by the Board of Directors. The size of ICE's Board of Directors is currently set at eleven directors and ten directors have been nominated for re-election to the Board of

Directors. The Nominating and Corporate Governance Committee is currently conducting a search for a director candidate to fill the vacancy created by the retirement of Dr. Richard Sandor on March 13, 2008. Proxies cannot be voted for a greater number of directors than the ten nominees as stated in this Proxy Statement.

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Set forth below are the nominees' names, biographical information, age and the year in which each was first elected a director of ICE:

Name	Biographical Information	Age	Director Since
<i>Charles R. Crisp</i>	Mr. Crisp is the retired President and Chief Executive Officer of Coral Energy, a Shell Oil affiliate responsible for wholesale gas and power activities. He served in this position from 1999 until his retirement in October 2000, and was President and Chief Operating Officer from January 1998 through February 1999. Prior to that, Mr. Crisp served as President of the power generation group of Houston Industries and, between 1988 and 1996, served as President and Chief Operating Officer of Tejas Gas Corporation. Mr. Crisp currently serves as a director of EOG Resources, Inc., AGL Resources, Inc. and Targa Resources, Inc. Mr. Crisp holds a B.S. degree in Chemical Engineering from Texas Tech University and completed the Program for Management Development at Harvard Graduate School of Business.	60	2002
<i>Jean-Marc Forneri</i>	Mr. Forneri is founder and senior partner of Bucephale Finance, a boutique M&A firm specializing in large transactions for French corporations, foreign investors and private equity firms. For the seven years prior to Bucephale's founding, Mr. Forneri headed the investment banking business of Credit Suisse First Boston in Paris. He was Managing Director and Head of Credit Suisse First Boston France S.A., and Vice Chairman, Europe. Prior to that, Mr. Forneri was a Partner of Demachy Worms & Cie Finance from 1994 to 1996, where he was in charge of investment banking activities of Group Worms. Mr. Forneri is also a Director of Balmain SA, Banque Lyonnaise Bonnasse, SAFRAN and Friends of Paris Museum of Modern Art.	48	2002
<i>Fred W. Hatfield</i>	Mr. Hatfield is a self-employed corporate consultant and has been performing consulting services since August 2007. Prior to his consulting work, Mr. Hatfield served as a Public Policy Advisor at Patton Boggs, LLP from January through August 2007 and has served on the board of directors of ICE Futures U.S., Inc., our wholly-owned subsidiary, since January 2007. Mr. Hatfield was the former Commissioner of the Commodity Futures Trading Commission (CFTC) from December 2004 to December 2006. Before joining the CFTC, Mr. Hatfield served as Chief of Staff to both former Senator John Breaux (D-LA) from February 1995 to December 2004 and former House Majority Whip, Tony Coelho (D-CA) from November 1980 to September 1989. He has over ten years experience in the areas of Energy,	53	2007

Private Equity/Venture Capital/Hedge Funds, and Financial Services & Products. Mr. Hatfield served as Deputy Commissioner General of the U.S. Pavilion at the World's Fair in Lisbon, Portugal in 1998. He has a B.A. degree from California State University.



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Name	Biographical Information	Age	Director Since
<i>Terrence F. Martell, Ph.D.</i>	Dr. Martell serves on the board of directors of ICE Futures U.S., Inc., where he is Vice Chairman. Dr. Martell is the Director of the Weissman Center for International Business at Baruch College/CUNY where he is also the Saxe Distinguished Professor of Finance. As Director of Weissman Center for International Business, Dr. Martell oversees a myriad of international programs and projects. He is also Chair of the Baruch College Faculty Senate. His particular area of expertise is international commodity markets and he teaches and conducts research in this area. Prior to joining Baruch College in 1988, Dr. Martell was Senior Vice President of the Commodity Exchange, Inc. in New York City. Dr. Martell is currently a board member of the Manhattan Chamber of Commerce and a member of the Reuters/Jefferies CRB Index Oversight Committee. He is also a trustee of the PSC/CUNY Welfare Fund, which manages health benefits for the employees of City University of New York.	62	2007
<i>Sir Robert Reid</i>	Sir Robert Reid was the Deputy Governor of the Halifax Bank of Scotland from 1997 until 2004 and has served since 1999 as the Chairman of ICE Futures Europe, our wholly-owned subsidiary. He spent much of his career at Shell International Petroleum Company Limited, and served as Chairman and Chief Executive of Shell U.K. Limited from 1985 until 1990. He became Chairman of the British Railways Board in 1990, and retired from that post in 1995. From 1994 to 1997, he was Chairman of London Electricity. He was Chairman of the Council of The Industrial Society between 1993 and 1997, Chairman of Sears plc from 1995 until 1999, Chairman of Sondex Limited from 1999 until 2002 and Chairman of Kings Cross Partnership from 1999 until 2003. He also served as a Non-Executive Director on the boards of Avis Europe from 2002 until 2004 (Chairman) and Sun Life Financial Services of Canada from 1999 until 2004 and Siemens from 1998 until 2006. He has served on the boards of directors of The Merchants Trust since 1995, CHC Helicopter Corporation since 2004, Benella Limited since 2004, Diligenta Limited since 2005 and Milton Keynes Partnership Committee (Chairman) since 2004. He received his Knighthood in Queen Elizabeth's 1990 Birthday Honours.	73	2001

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<b>Name</b>	<b>Biographical Information</b>	<b>Age</b>	<b>Director Since</b>
<b><i>Frederic V. Salerno</i></b>	Mr. Salerno is the former Vice Chairman of Verizon Communications, Inc. Before the merger of Bell Atlantic and GTE, Mr. Salerno was Senior Executive Vice President, Chief Financial Officer and served in the Office of the Chairman of Bell Atlantic from 1997 to 2001. Prior to joining Bell Atlantic, he served as Executive Vice President and Chief Operating Officer of New England Telephone from 1985 to 1987, President and Chief Executive Officer of New York Telephone from 1987 to 1991 and Vice Chairman -- Finance and Business Development at NYNEX from 1991 to 1997. Mr. Salerno served on the boards of directors of Verizon Communications, Inc. from 1991 to 2001, AVNET, Inc. from 1993 to 2003, Consolidated Edison, Inc. from 2002 to 2007, and was Chairman of Orion Power from 1999 until its sale in 2001. He has served on the boards of directors of The Bear Stearns Companies, Inc. since 1993, Viacom, Inc. since 1996, CBS Corporation since 2007, Akamai Technologies, Inc. since 2002 and Popular, Inc. since 2003.	64	2002
<b><i>Frederick W. Schoenhut</i></b>	Mr. Schoenhut has served as the Chairman of the Board of Directors of ICE Futures, U.S., Inc. since 2003. In September 1980, Mr. Schoenhut formed Copia Trading Co., Ltd., a futures execution firm on the Coffee, Sugar & Cocoa Exchange (CSCE) trading floor. He has served as Executive Committee Chairman, Floor Committee Chairman, Operations and Technology Committee Chairman, as well as in various other committee leadership posts. Mr. Schoenhut chaired the NYBOT Relocation Committee, which was responsible for finding new facilities for NYBOT following the destruction of its trading and administrative facilities in the September 11 terrorist attacks. Mr. Schoenhut holds a B.S. degree in Electrical Engineering from Clarkson University.	51	2007
<b><i>Jeffrey C. Sprecher</i></b>	Mr. Sprecher has been a director and our Chief Executive Officer since our inception and has served as our Chairman of the Board since November 2002. As our Chief Executive Officer, he is responsible for our strategic direction, operation, and financial performance. Mr. Sprecher purchased CPEX, our predecessor company, in 1997. Prior to joining CPEX, Mr. Sprecher held a number of positions, including President, over a fourteen-year period with Western Power Group, Inc., a developer, owner and operator of large central-station power plants. While with Western Power, Mr. Sprecher was responsible for a number of significant financings. Mr. Sprecher serves on the U.S. Commodity Futures Trading Commission Global Market	53	2001

Advisory Committee and is a member of the Energy Security Leadership Council. In 2002, Mr. Sprecher was recognized by Business Week magazine as one of its Top Entrepreneurs. Mr. Sprecher holds a B.S. degree in Chemical Engineering from the University of Wisconsin and an MBA from Pepperdine University.

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Name	Biographical Information	Age	Director Since
<i>Judith A. Sprieser</i>	Ms. Sprieser was the Chief Executive Officer of Transora, Inc., a technology software and services company until March 2005. Prior to founding Transora in 2000, Ms. Sprieser was Executive Vice President of Sara Lee Corporation, serving prior to that as Sara Lee's Chief Financial Officer. Ms. Sprieser has been a member of the boards of directors of Allstate Insurance Company since 1999, USG Corporation since 1994, Reckitt Benckiser, plc since 2003, Royal Ahold N.V. since 2006 and is a member of Northwestern University's Board of Trustees. She has a B.A. degree and an MBA from Northwestern University.	54	2004
<i>Vincent Tese</i>	Mr. Tese currently serves as Chairman of Wireless Cable International, Inc., a position he has held since 1995. Previously, he served as New York State Superintendent of Banks from 1983 to 1985, Chairman and Chief Executive Officer of the Urban Development Corporation from 1985 to 1994, Director of Economic Development for New York State from 1987 to 1994, and Commissioner and Vice Chairman of the Port Authority of New York and New Jersey from 1991 to 1995. Mr. Tese also served as a Partner in the law firm of Tese & Tese from 1973 to 1977. He was a Partner in the Sinclair Group, a commodities trading and investment management company from 1977 to 1982, where he traded on the COMEX. He was also a co-founder of Cross Country Cable TV. Mr. Tese is a member of the boards of directors of The Bear Stearns Companies, Inc., Bowne & Co., Inc., Cablevision, Inc., Cabrini Mission Society, Catholic Guardian Society, Custodial Trust Company, Magfusion, Inc. Municipal Art Society, Wireless Cable International, Inc., NRDC Acquisition Corp. and Mack-Cali Reality Corporation and serves as a trustee of New York University School of Law and New York Presbyterian Hospital. Mr. Tese has a B.A. degree in accounting from Pace University, a J.D. degree from Brooklyn Law School and a LL.M. degree in taxation from New York University School of Law.	65	2004

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* EACH OF THE NOMINEES LISTED ABOVE.**

#### **Meetings and Committees of the Board of Directors**

The Board of Directors conducts its business through meetings of the full Board of Directors and through committees of the Board of Directors, consisting of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. In 2007, our Board of Directors held 27 meetings, the Audit Committee held eight

meetings, the Compensation Committee held seven meetings and the Nominating and Corporate Governance Committee held six meetings. All directors attended at least 75% of the aggregate of meetings of the Board of Directors and meetings of the committees of which they are a member except Mr. Forneri, who attended approximately 70% of the meetings. ICE's policy is that all directors and nominees should attend annual meetings of stockholders, and we currently expect that all of our directors and nominees will attend this Annual Meeting. All members of our Board of Directors at the time attended last year's Annual Meeting except Dr. Sandor and Mr. Forneri, who were unable to attend in person.

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### ***Audit Committee***

The Audit Committee is comprised solely of directors who meet the independence requirements of the NYSE and the Securities Exchange Act of 1934, as amended (the Exchange Act ), and are financially literate, as required by NYSE rules. At least one member of the Audit Committee qualifies as an audit committee financial expert, as defined by the rules and regulations of the SEC. The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to:

- the quality and integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- our systems of internal controls regarding finance, accounting and legal compliance;
- the independence, qualification and performance of our independent auditors;
- the performance of our internal audit function; and
- our auditing, accounting and financial reporting processes generally.

The Audit Committee is governed by the Audit Committee Charter, which has been approved by our Board of Directors. The charter is available on our website at [www.theice.com](http://www.theice.com). We will also provide a printed copy of the charter to stockholders upon request.

The members of the Audit Committee are Messrs. Salerno (Chairperson) and Martell and Ms. Sprieser. The Board of Directors has determined that Mr. Salerno is an audit committee financial expert.

### ***Compensation Committee***

The Compensation Committee is comprised solely of directors who meet NYSE independence requirements, meet the requirements for a Nonemployee Director under the Exchange Act, and meet the requirements for an outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code ). The Compensation Committee:

- reviews and approves corporate goals and objectives relevant to the compensation of our executive officers, including our Chief Executive Officer;
- evaluates our Chief Executive Officer's performance and sets his compensation based on this evaluation;
- approves, in consultation with our Chief Executive Officer, the compensation of our officers who are appointed by our Board of Directors;
- reviews and approves option grants and stock awards;
- exercises general oversight over our benefit plans and evaluates any proposed new retirement or executive benefit plans; and
- reviews and approves any severance or similar termination payments proposed to any current or former executive officers.

The Compensation Committee is governed by the Compensation Committee Charter approved by the Board of Directors. The charter is available on our website at [www.theice.com](http://www.theice.com). We will also provide a printed copy of the charter to stockholders upon request.

The members of the Compensation Committee are Messrs. Tese (Chairperson), Crisp and Reid.

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***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is comprised solely of directors who meet NYSE independence requirements. The Nominating and Corporate Governance Committee assists the Board of Directors in:

identifying and attracting highly qualified individuals to serve as directors and establishing criteria for selecting new board members;

selecting director nominees for the next annual meeting of stockholders;

developing and maintaining a set of corporate governance guidelines;

reviewing and approving related-party transactions;

devising a code of business conduct and ethics for directors, officers and employees; and

monitoring and safeguarding the Board of Directors' independence.

The Nominating and Corporate Governance Committee is governed by the Nominating and Corporate Governance Committee Charter approved by our Board of Directors. The charter is available on our website at [www.theice.com](http://www.theice.com). We will also provide a printed copy of the charter to stockholders upon request.

The members of the Nominating and Corporate Governance Committee are Ms. Sprieser (Chairperson) and Mr. Hatfield, Mr. Forneri and Sir Reid. Mr. Forneri was appointed as an additional member of the Nominating and Corporate Governance Committee on February 29, 2008.

**CORPORATE GOVERNANCE**

**Independent Directors**

The Corporate Governance Policies adopted by our Board of Directors, described further below, provide that a majority of our directors must be independent directors and specify independence standards consistent with NYSE listing standards. Following the election of the nominees to the Board of Directors, a majority of all our directors holding office will be independent directors. Each of the Nominating and Corporate Governance Committee and the Board of Directors has determined that all directors and nominees, except for Mr. Sprecher and Mr. Schoenhut, do not have any relationship that would interfere with the exercise of independent judgment in carrying out their responsibilities as directors and are independent in accordance with NYSE listing standards and our Board of Directors Governance Principles.

Mr. Sprecher is not deemed to be an independent director because he is our Chief Executive Officer. Mr. Schoenhut is not deemed to be an independent director due to his prior involvement with the operations of ICE Futures U.S., Inc., one of our subsidiaries, as well as due to his commercial relationships with ICE Futures U.S. In making its independence determinations, the Nominating and Corporate Governance Committee and the Board considered a commercial relationship involving Mr. Hatfield and found it to be immaterial under the NYSE listing requirements and our Board of Directors Governance Principles. From January 1, 2007 through August 31, 2007, Mr. Hatfield was employed by Patton Boggs LLP, a law firm retained by ICE to perform certain lobbying work for a retainer of \$25,000 per month. Mr. Hatfield was the person primarily responsible for providing these services to ICE in connection with its engagement of Patton Boggs and ICE no longer retains Patton Boggs for lobbying work. Given the amount of consideration paid to Patton Boggs, the size of the law firm, the fact that Mr. Hatfield is no longer



employed with Patton Boggs, the Nominating and Corporate Governance Committee and the Board concluded that this relationship was immaterial and did not impair Mr. Hatfield's qualification as an independent director under the NYSE listing standards or our Board of Directors Governance Principles. However, due to the indirect benefit he received, the Nominating and Corporate Governance Committee concluded that he will only be eligible to serve on the Nominating and Corporate Governance Committee.

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### **Nomination of Directors**

The Board of Directors is responsible for approving candidates for board membership. The Board of Directors has delegated the screening and recruitment process to the Nominating and Corporate Governance Committee. More specifically, our Nominating and Corporate Governance Committee and the Board of Directors have adopted the IntercontinentalExchange Policy Regarding Qualification and Nomination of Director Candidates.

The Nominating and Corporate Governance Committee seeks to create a Board of Directors that consists of a diverse group of qualified individuals that function effectively as a group. Qualified candidates for director are those who, in the judgment of the Nominating and Corporate Governance Committee, possess strong personal attributes and sufficient experience to assure effective service on the Board of Directors. Personal attributes considered by the Nominating and Corporate Governance Committee when evaluating a board candidate include: leadership, ethical nature, contributing nature, independence, interpersonal skills and effectiveness. Experience and qualifications considered by the Nominating and Corporate Governance Committee when evaluating a board candidate include: financial acumen, general business experience, industry knowledge, diversity of view points, special business experience and expertise in a relevant area. When the Nominating and Corporate Governance Committee reviews a potential new candidate, the Nominating and Corporate Governance Committee looks specifically at the candidate's qualifications in light of the needs of the Board of Directors and IntercontinentalExchange at that time given the then current mix of director attributes.

The Nominating and Corporate Governance Committee will use a variety of methods to identify and evaluate nominees for director. The Nominating and Corporate Governance Committee will periodically assess the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are expected. In the event that vacancies are anticipated or otherwise arise, the Nominating and Corporate Governance Committee will seek to identify director candidates based on input provided by a number of sources, including: (i) Nominating and Corporate Governance Committee members, (ii) other directors, (iii) management and (iv) our stockholders. The Nominating and Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified director candidates.

In accordance with NYSE listing standards, we ensure that at least a majority of our Board of Directors is independent under the NYSE definition of independence, and that the members of the Board of Directors as a group maintain the requisite qualifications under NYSE listing standards for populating the Audit, Compensation and Nominating and Corporate Governance Committees.

The Nominating and Corporate Governance Committee considers nominees recommended by stockholders as candidates for election to the Board of Directors. A stockholder wishing to nominate a candidate for election to the Board of Directors at an annual meeting is required to give written notice to our Secretary of his or her intention to make a nomination. Pursuant to our Amended and Restated Bylaws, the notice of nomination must be received not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year; provided, however, that if and only if the annual meeting is not scheduled to be held within a period that commences 30 days before and ends 30 days after such anniversary date, the stockholder notice must be given by the later of the close of business on the date 90 days prior to such annual meeting date or the close of business on the tenth day following the date on which the annual meeting is publicly announced or disclosed. Please see [Stockholders Proposals for 2009 Annual Meeting](#) below for additional information.

To recommend a nominee, a stockholder should write to Corporate Secretary, c/o IntercontinentalExchange, Inc., 2100 RiverEdge Parkway, Suite 500, Atlanta, Georgia 30328. Any such recommendation must include:

a statement in writing setting forth the name of the person or persons to be nominated;

the number and class of all shares of each class of stock of IntercontinentalExchange owned of record and beneficially by each such person, as reported to such stockholder by such person;

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the information regarding each such person required by paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the SEC, as amended from time to time;

each such person's signed consent to serve as a director if elected;

such stockholder's name and address;

the number and class of all shares of each class of stock of IntercontinentalExchange owned of record and beneficially by such stockholder; and

in the case of a nominee holder, evidence establishing such nominee holder's indirect ownership of stock and entitlement to vote such stock for the election of directors at the Annual Meeting.

Once director candidates have been identified, the Nominating and Corporate Governance Committee will then evaluate each candidate in light of his or her qualifications and credentials, and any additional factors that the Nominating and Corporate Governance Committee deems necessary or appropriate, including those set forth above. Qualified prospective candidates will be interviewed by our Chairman and Chief Executive Officer and at least one member of the Nominating and Corporate Governance Committee. The full Board of Directors will be kept informed of the candidate's progress. Using input from such interviews and other information obtained by it, the Nominating and Corporate Governance Committee will evaluate whether a prospective candidate is qualified to serve as a director and, if so qualified, will seek the approval of the full Board of Directors of the nomination of the candidate or the election of such candidate to fill a vacancy on the Board of Directors.

Existing directors who are being considered for re-nomination will be re-evaluated by the Nominating and Corporate Governance Committee based on each director's satisfaction of the qualifications described above and his or her performance as a director during the preceding year. All candidates submitted by stockholders will be evaluated in the same manner as candidates recommended from other sources, provided that the procedures set forth above have been followed.

All of the current nominees for director recommended for election by the stockholders at the 2008 Annual Meeting are current members of the Board of Directors. Based on the Nominating and Corporate Governance Committee's evaluation of each nominee's satisfaction of the qualifications described above and their performance as directors in 2007, the Nominating and Corporate Governance Committee has decided to recommend the nominees for re-election and the Board of Directors has approved such recommendation. The Nominating and Corporate Governance Committee has not received any nominations from stockholders for the 2008 Annual Meeting.

**Board of Directors Governance Principles**

We have adopted the IntercontinentalExchange, Inc. Board of Directors Governance Principles that guide the Board of Directors on matters of corporate governance, including composition of the Board of Directors; duties and responsibilities of the Board of Directors; committees of the Board of Directors; Board of Directors leadership, functioning and evaluation; director independence, orientation, compensation, education and access to management; Board of Directors access to independent advisors; and director compliance with the Code of Business Conduct and Ethics. As specified by the Board of Directors Governance Principles, the Chief Executive Officer of ICE shall be the Chairman of the Board and the independent directors shall elect from their ranks a lead director. The independent directors of ICE have elected Frederic Salerno as the lead director for 2008, a position he held throughout 2007. As lead director, Mr. Salerno presides at all executive sessions of the non-management directors. The Board of Directors Governance Principles also provide that non-management directors meet in executive session without the participation

of management at all regularly scheduled meetings of the Board of Directors as deemed necessary and may be called at any other time as necessary to fulfill the Board of Directors responsibilities. In addition, the Board of Directors Governance Principles also state that if all non-management directors are not independent directors, then the independent directors will meet at least once annually. A copy the Board of Directors Governance Principles is available on our website at [www.theice.com](http://www.theice.com). We will provide a copy of the Board of Directors Governance Principles to stockholders upon request.

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### **Code of Business Conduct and Ethics**

We have adopted the IntercontinentalExchange, Inc. Code of Business Conduct and Ethics, which applies to all of our directors, officers and employees. The Code of Business Conduct and Ethics meets the requirements of a code of ethics as defined by Item 406 of Regulation S-K, and applies to our Chief Executive Officer and Chief Financial Officer (who is both our principal financial and principal accounting officer), as well as all other employees, as indicated above. The Code of Business Conduct and Ethics also meets the requirements of a code of conduct under NYSE listing standards. The Code of Business Conduct and Ethics is available on our website at [www.theice.com](http://www.theice.com). We will provide a copy of the Code of Business Conduct and Ethics to stockholders upon request.

### **Communications with the Board of Directors**

We have established a process for interested parties to communicate with members of the Board of Directors. If you have any concern, question or complaint regarding any accounting, auditing or internal controls matter, as well as any issues arising under our Code of Business Conduct and Ethics or other matters that you wish to communicate to our Board of Directors or non-management directors, send these matters in writing to:

Corporate Secretary  
IntercontinentalExchange, Inc.  
2100 RiverEdge Parkway, Suite 500  
Atlanta, GA 30328

You may submit your concern anonymously or confidentially by postal mail. You may also indicate whether you are a shareholder, customer, supplier, or other interested party. Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication. Information about our Board of Directors communications policy can be found on our website at [www.theice.com](http://www.theice.com) under the links About ICE Investors & Media Corporate Governance Contact the Board.

## **COMPENSATION DISCUSSION & ANALYSIS**

### **Introduction**

Our Compensation Committee is charged with the responsibility of administering all aspects of our executive compensation programs. The Compensation Committee is composed of three directors, each of whom is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Code. The Compensation Committee determines the type and level of compensation for executive officers (generally defined as Section 16 officers under the Exchange Act, but the Compensation Committee has historically included all corporate officers under this definition), reviews the performance of the Chief Executive Officer, and oversees the administration of ICE's annual incentive plan and all of ICE's equity compensation plans. The Compensation Committee's Charter, which is periodically reviewed and revised by the Compensation Committee and the Board of Directors, outlines the specific responsibilities of the Compensation Committee.

In this section, we discuss certain aspects of our compensation program as it relates to our principal executive officer (Jeffrey C. Sprecher, Chairman and Chief Executive Officer), our current principal financial officer (Scott A. Hill, Senior Vice President, Chief Financial Officer), our former principal financial officer (Richard V. Spencer, Former Senior Vice President, Chief Financial Officer) and our three other most highly-compensated executive officers in 2007 (Charles A. Vice, President and Chief Operating Officer; David S. Goone, Senior Vice President, Chief Strategic Officer; and Edwin D. Marcial, Senior Vice President, Chief Technology Officer). These individuals are referred to as

our Named Executive Officers or NEOs .

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### **Compensation Objectives, Components and Practices**

Our executive compensation philosophy is to link compensation with individual achievement, company performance, and the creation of stockholder value. This is accomplished through four primary objectives:

- attract, retain and reward executive officers and critical talent capable of achieving ICE's business objectives;
- offer competitive compensation opportunities that reward individual contributions and corporate performance;
- align the interests of executive officers and stockholders through long-term equity incentives; and
- pay total compensation that is commensurate with the performance achieved and value created for stockholders.

Our compensation program offers several distinct elements that are designed to support and reward the achievement of the objectives outlined above, including:

**Base salary:** The foundation of our executive compensation framework is base salary, which enables us to recruit and retain qualified employees and to offer a competitive compensation program. We operate in global and competitive markets, and a competitive base salary is required to develop and maintain a workforce capable of accomplishing ICE's business objectives.

**Annual incentives:** Our bonus plan is designed to reward the accomplishment of our short-term (i.e., approximately one-year) performance targets. Generally, these targets reflect a balance between growth targets, profitability metrics, and other key strategic objectives, with a significant portion of the incentive plan funding tied to corporate financial results and a significant degree of stretch built in to encourage outstanding corporate performance.

**Equity compensation:** Since our inception, we have offered equity awards that are intended to align the interests of executive officers and stockholders over a long-term (i.e., greater than one-year) period. We have used a variety of equity vehicles, including stock options, time-vesting restricted stock, and performance-based restricted stock to deliver long-term incentive compensation in a manner that is intended to align management's interest with the interests of our stockholders, while serving as a retention device through multi-year vesting schedules. At more senior levels, the Compensation Committee places a heavier emphasis on performance-based rewards that are generally comprised of a combination of stock options that only deliver value if our share price increases above the strike price on the date of grant and other forms of performance-based awards that incorporate stretch targets so that the awards pay for themselves through increased earnings.

**Benefits and perquisites:** As with the base salary, our benefits and perquisites are intended to attract and retain employees through a competitive and comprehensive benefits program.

For each NEO, the Compensation Committee reviews each element of compensation against relevant and available market data, and targets the competitive market range, which has historically been between the 50th and 75th percentile. Mr. Sprecher provides input to the Compensation Committee regarding his views on the performance of the other officers during the Compensation Committee review of salary, bonuses and equity awards. Overall, the Compensation Committee focuses on the total cost of management, which is a comprehensive review of all compensation elements for the corporate officer group. We strive to maintain a low fixed cost structure, which generally consists of the base salary and benefits and perquisites elements described above. The variable



compensation elements consist of the annual incentives and equity awards, which primarily are designed to deliver value to the executives only if we achieve our performance objectives. ICE has maintained a pay for performance orientation since its founding in May 2000. While we do not maintain formal targets for the allocation of total compensation through each of the compensation elements outlined above, our compensation structure is designed to deliver the majority of its value through variable pay elements. Based on the 2007 values in the below Summary Compensation Table, the average mix of compensation for our NEOs was approximately 62% long term incentive pay (primarily stock options and

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performance-based stock awards), 21% non-equity incentive plan compensation (the 2007 bonus awards) and 17% salary. Our Compensation Committee does not prescribe specific targets for the mix of compensation but rather at the end of each year reviews our performance compared to our peers, compares our mix of compensation to our peers and attempts to align our mix of compensation with our short and long term goals.

The Compensation Committee utilizes a peer group to benchmark its compensation program. ICE's peer group includes comparably-sized financial exchanges, financial services providers and related companies based on metrics such as revenue, market capitalization, and number of employees. The peer group is reviewed annually by the Compensation Committee and adjustments are made as necessary. In 2007, on the recommendation of Towers Perrin, our compensation consultant, we decided to expand the number of companies in the peer group to provide a broader array of comparisons. The Compensation Committee reviews annually the executive pay practices of these peer companies as reported in industry surveys, public filings of specific companies and reports from compensation consulting firms. This information is considered when making recommendations for each element of compensation. For 2007, this peer group was comprised of 35 publicly traded financial exchanges, e-financial services, and technology companies that were comparable to ICE in terms of revenue, employees, revenue per employee, market capitalization, and market capitalization per employee. The 2007 comparator group consisted of the following companies:

Activision Inc.	Hyperion Solutions Corp.	NYSE Group, Inc.
Autodesk Inc.	Independence Holding Co.	optionsXpress Holdings, Inc.
BEA Systems Inc.	International Securities Exchange Holdings, Inc.*	Parametric Technology Corp.
BMC Software Inc.	Investment Technology Group, Inc.	Red Hat Inc.
CBOT Holdings Inc.*	Knight Capital Group Inc.	Salesforce.com Inc.
Chicago Mercantile Exchange Holdings Inc.	Lawson Software Inc.	Sybase Inc.
Citrix Systems Inc.	McAfee, Inc.	Synopsys Inc.
E*TRADE Financial Corp.	Micros Systems Inc.	TD Ameritrade Holding Corp.
eSpeed, Inc.	Moodys Corp.	THQ Inc.
FactSet Research Systems Inc.	The Nasdaq Stock Market, Inc.	Tibco Software Inc.
Fair Isaac Corp.	Nuance Communications, Inc.	Transaction Systems Architects Inc.
GFI Group Inc.	NYMEX Holdings Inc.	

\* These entities were acquired after the date that Towers Perrin gathered the peer group benchmarking information.

**Compensation Consultant**

The Compensation Committee has engaged a compensation consulting firm to serve as its external advisor since the founding of ICE in 2000. During 2007, the Compensation Committee continued the retainer of Towers Perrin HR Services to advise the Compensation Committee on executive compensation matters as requested by the Compensation Committee. Towers Perrin provided competitive equity and salary data for certain positions within ICE, provided general benchmarking data against our peers, and helped analyze our equity award programs. A representative from Towers Perrin attends most Compensation Committee meetings and is available between meetings to act as a resource for the Compensation Committee and management. The Compensation Committee determines in its sole discretion which compensation consultant to retain for various services, and the consultant reports directly to the Compensation Committee. Use of a particular consulting firm by the Compensation Committee does not preclude management from hiring the same consulting firm and in the past, management has hired Towers Perrin for compensation benchmarking and benefits advisory services.

Towers Perrin's analysis focused on a review of competitive compensation practices for each of the top 20 executive positions at ICE, based on proxy statement data for the 35 companies in the peer group described above, as well as published survey data. Based on this review, our mix of compensation emphasizes variable

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incentive compensation (as opposed to a fixed model of compensation) to a greater degree than the peer group average. This focus on variable incentive compensation is consistent with the Compensation Committee's emphasis on performance-based rewards for executive officers, which are comprised of a combination of stock options that only deliver value if our share price increases and other forms of performance-based awards that incorporate stretch targets so that the awards pay for themselves through increased earnings.

### ***Base Salary***

ICE targets a base salary for each officer that is between the median and 75th percentile of the market depending on the officer's experience in their respective position and individual performance. Executive officers are eligible for a base salary increase each year that is determined under the business-wide performance review process and salary increase guidelines.

During 2007, the Compensation Committee met to review and approve base salary increases for the group of executive officers. The Compensation Committee reviewed a comprehensive benchmarking report from Towers Perrin at its May 2007 meeting. This report relied on base salary comparisons against peer companies and published compensation surveys. Generally, ICE's executive officers were positioned within its target market position between the 50th and 75th percentile. In May 2007, based on ICE management's recommendations and a review of market comparisons for similar positions, the Compensation Committee approved a salary increase for Mr. Marcial from \$365,000 to \$390,000 effective as of January 1, 2007. None of the other NEOs received a salary increase for 2007. In evaluating salary increase proposals, the Compensation Committee considered the scope of the officer's particular job, any changes in duties or responsibilities, his or her performance in the job, the expected value of the officer's future impact or contribution to ICE's success and growth, benchmarking compensation data, geographic pay differentials, ICE's recent fiscal performance, and market competitiveness.

The Compensation Committee must approve base salary changes for each of its executive officers, and can exercise its discretion to modify any recommendations regarding proposed salary adjustments.

### ***Annual Incentives***

ICE's annual bonus plan is structured to deliver total cash compensation (base salary plus annual incentive) that is competitive with our peers for commensurate performance, and we target a range between the median and 75th percentile of the market depending on the officer's experience in their respective position and corporate and individual performance. Target annual incentive award opportunities are established at the beginning of the fiscal year and are reviewed annually. For 2007, the bonus targets were 85% of base salary for the Chief Executive Officer, 70% of base salary for the President, and 55% to 60% of base salary for Senior Vice Presidents. The annual bonus targets did not change in 2007. Despite these targets, actual awards granted in any year may range from no payouts to bonus payments above the established target level based on company and individual performance. Historically, we have not paid bonuses to executive officers in excess of 200% of the established target level. However, the Compensation Committee reserves the right to make awards in excess of target levels if dictated by individual performance and total compensation considerations.

We grant bonus awards based on the achievement of specific, well-defined Management Business Objectives (MBOs) that are established by the Compensation Committee early in each fiscal year. Each year, we establish a bonus pool for all employee awards, the size of which is primarily based on our performance against a series of financial and non-financial MBOs (e.g., revenue growth; net income performance; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA); market share; new customer acquisitions; and other key performance metrics). Individual awards are granted based on the employee's performance against a series of individual performance metrics. The individual MBOs for 2007 included metrics related to realization of synergies and implementation of the

integration plans for mergers, development and implementation of our clearing strategy, regulatory compliance, trading system performance and availability, accurate and timely production of financial results and public filings, and fulfilling potential corporate growth initiatives. This performance review necessarily involves a subjective assessment of corporate and individual performance by the Compensation Committee. Moreover, the Compensation Committee does not base its

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considerations on any single performance factor, but rather considers a mix of factors that balance both growth and profitability metrics and evaluates company and individual performance against that mix. The Compensation Committee believes that it is appropriate to use subjective assessments for the annual incentive determination in light of ICE's limited operating history, its rapidly changing industry, the existence of few direct peer companies, and the challenges inherent in establishing objective and strictly budgeted goals in this environment. The Compensation Committee reviews ICE's performance relative to the MBOs throughout the fiscal year, and also monitors and approves the bonus accruals throughout the fiscal year. The Compensation Committee strives to set the performance targets for the annual incentive plan at levels that are achievable but challenging, and incorporate a significant degree of stretch to encourage outstanding corporate performance. The payout structure is leveraged to provide higher payouts in years of exceptional performance while performance below the target level(s) will yield less.

In December 2007, the Compensation Committee reviewed ICE's performance against the MBOs established for the year and, by applying the framework discussed above, authorized payouts that, on average, were 160% of the target annual bonus award for NEOs, with no NEO awarded a payout in excess of 170% of his established target. While reviewing ICE's performance, the Compensation Committee examined financial and non-financial targets to determine the annual bonus awards. The non-financial factors evaluated at the end of 2007 included the completion of the merger with NYBOT (subsequently renamed ICE Futures U.S.) and integration of that business, the closing of other acquisitions including the purchase of assets of Commoditrack, Inc, the purchase of assets of ChemConnect, Inc., the purchase of assets of Chatham Energy, Inc., the acquisition of the Winnipeg Commodity Exchange Inc. (now known as ICE Futures Canada, Inc.), the growth in trading volumes in both our futures and OTC markets, the development of our global clearing strategy, and improvements made to our trading platform and in our operational metrics. The financial targets used in 2007 included a consolidated revenue target, consolidated net income target and consolidated EBITDA target. In 2007, consolidated revenue was \$574.3 million, or growth of 83%, as compared to 2006 revenue of \$313.8 million, consolidated net income was \$240.6 million, or growth of 68%, as compared to 2006 net income of \$143.3 million, and consolidated EBITDA was \$386.3 million, or growth of 77%, as compared to 2006 EBITDA of \$218.3 million.

ICE has used these combined financial and non-financial metrics to determine annual bonus awards for the last five years and annually reviews the metrics to be used for the next year. The following annual incentive awards for fiscal year 2007 were paid in cash and were approved by the Compensation Committee: Mr. Sprecher: \$1,047,625, Mr. Hill: \$230,778, Mr. Vice: \$595,000, Mr. Goone: \$469,200, Mr. Marcial: \$364,650 and Mr. Spencer: \$276,000. Mr. Hill's annual bonus award was pro-rated based on his actual term of employment with ICE during 2007. Annual incentive awards are payable in cash, and generally paid in January of the year following the completed fiscal year. All annual incentive awards for the NEOs were paid in cash during January 2008, and included in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table.

***Equity Compensation***

The Compensation Committee believes that long-term incentives, primarily delivered through equity grants, are an effective vehicle to align the interests of executive officers with those of stockholders, encourage ownership in ICE and serve as a retention tool through multi-year vesting schedules. ICE is sensitive to the concerns of its stockholders regarding the potential dilutive impact of equity awards, and also takes into account the relevant accounting and tax impact of all potential forms of equity awards in designing its grants. Equity awards are designed to target an individual grant date value between the market median to 75th percentile of ICE's peer group, though actual awards may vary based on individual performance, internal equity considerations (including historical equity awards) and retention objectives.

Historically, we have relied on grants of stock options under the 2000 Stock Option Plan, which provide value to the executive only if our stock price increases, generally vesting over a three-year or four-year schedule. In 2004, the

Compensation Committee and Board of Directors approved the adoption of the 2004 Restricted Stock Plan in order to attract, retain, and reward executive officers for the accomplishments of long-term performance goals and to provide the executive officers with the opportunity to obtain an equity

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interest in ICE. ICE's 2004 restricted stock unit awards for executive officers were based on a combination of time-vesting and performance-vesting shares that were linked to the cumulative EBITDA performance between 2005 and 2007. As part of the adoption of the 2004 Restricted Stock Plan, we initiated a tender exchange process whereby six of the executive officers surrendered 817,600 stock options that had been granted in 2002 at a strike price of \$12.00 per share in exchange for the receipt of 586,462 time-vesting restricted shares and 586,462 performance-vesting restricted shares at a fair market value of \$8.00 per share. One additional executive officer was a new hire in June 2004, and received a grant of 38,750 time-vesting restricted shares and 38,750 performance-vesting restricted shares at a fair market value of \$8.00 per share. The 2004 restricted stock unit awards were designed as a multi-year equity grant, with no additional equity awards planned through at least 2005. Accordingly, there were no equity grants to any of the NEOs in 2005. As of December 31, 2007, ICE achieved a cumulative EBITDA result between 2005 and 2007 in excess of the maximum target level. As a result, each individual achieved the maximum individual payout level for the performance-based restricted stock award granted in 2004. These amounts are included in the Option Exercises and Stock Vested During 2007 and the 2007 Non-Qualified Defined Contribution and Other Deferred Compensation Plans tables below. The shares underlying these awards were delivered on January 10, 2008 (other than individuals who made individual deferral elections for a later date) following the determination that the maximum target level for the three year period had been achieved.

In December 2006, the Compensation Committee approved a refresher equity award to the executive officer group that included a mix of stock options and performance-based restricted stock units. The performance-based restricted stock units were earned based on the accomplishment of 2007 EBITDA performance and vest based on continued employment. The range of shares that could be issued under the performance-based restricted stock unit awards ranged from zero for performance below the threshold performance target, 50% of the target award for performance at the threshold, 100% of the target award for performance at the target, and 250% of the target award for performance at the maximum performance level. Both of these awards vest over a three-year vesting schedule. In December 2007, the Compensation Committee exercised its discretion to exclude \$11.1 million in transaction costs related to ICE's unsuccessful offer to merge with the Chicago Board of Trade with regard to the 2007 annual bonus plan for all staff and the calculation of the performance condition related to the December 2006 performance-based equity grant. The Compensation Committee determined that this potential transaction was a non-recurring and exceptional item, and noted the fact that this transaction resulted in discrete financial statement presentation and non-GAAP disclosure in ICE's Quarterly Reports on Form 10-Q during 2007. The Compensation Committee determined that ICE's EBITDA for the 2007 fiscal year was between the above target and maximum levels, which resulted in individual awards at 190.75% of the target level. The first tranche (1/3) of shares earned pursuant to performance-based restricted stock units granted on December 22, 2006 were delivered on February 14, 2008 following the Compensation Committee certification of the achievement of the performance target and the filing of ICE's 2007 audited financial statements in its Annual Report on Form 10-K.

In December 2007, the Compensation Committee approved a refresher equity award to the executive officer group that included a mix of stock options and performance-based restricted stock units. The performance-based restricted stock units are earned based on the accomplishment of 2008 EBITDA performance, subject to a market condition that may reduce the number of shares that may be earned based on ICE's 2008 stock price performance as compared to the Standard & Poor's 500 Index®. The Compensation Committee and Mr. Sprecher also considered retention factors in determining the appropriate amount of refresher equity awards. The market condition will reduce the number of shares earned by 10% if the shareholder return on ICE's Common Stock during 2008 is below the Standard & Poor's 500 Index by 10% or less and by 20% if the shareholder return on ICE's Common Stock during 2008 is below the Standard & Poor's 500 Index by more than 10%. The range of shares that can be earned under the performance-based awards ranges from zero for performance below the threshold performance target, 50% of the target award for performance at the threshold, 100% of the target award for performance at the target, and 250% of the target award for performance at the maximum performance level. The actual amount earned will be prorated for performance levels that fall between the specified performance targets. Both of these awards vest over a three-year vesting schedule. The



Compensation Committee relied on benchmarking data from Towers Perrin to construct grant guidelines for these equity awards. Based on this information, the December 22, 2007 awards

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to the NEOs consisted of the following grants: 14,550 stock options and 16,200 performance-based restricted stock units at target performance for Mr. Sprecher, 11,120 stock options and 12,390 restricted stock units at target performance for Mr. Vice, 8,900 stock options and 9,910 restricted stock units at target performance for Mr. Goone, 5,560 stock options and 6,190 restricted stock units at target performance for Mr. Hill and 6,450 stock options and 7,180 restricted stock units at target performance for Mr. Marcial. The December 22, 2007 stock options had a strike price of \$189.43, which was the closing price of our Common Stock on the grant date. The full range of awards for each NEO is illustrated in the 2007 Grants of Plan-Based Awards table below.

We do not maintain formal targets for the allocation of various forms of non-cash awards. For the NEOs, ICE places a heavier emphasis on performance-based rewards that are generally comprised of a combination of stock options that only deliver value if our share price increases above the strike price on the date of grant and other forms of performance-based awards that incorporate stretch targets so that the awards pay for themselves though increased earnings. In some cases, the Compensation Committee has utilized time-vesting restricted stock in order to give NEOs an immediate link to the creation of stockholder value and to serve as a retention device. For example, a component of Mr. Hill's new hire equity award in May 2007 consisted of time-vesting restricted stock in conjunction with stock options. The Compensation Committee monitors the mix of equity awards by reviewing competitive equity data provided by its compensation consultant.

Equity awards are either approved at a regularly scheduled Compensation Committee meeting or via action by unanimous written consent after prior review and discussion of grant materials. ICE management is not authorized to approve equity awards, and does not have the discretion or authority to govern the timing of equity awards. Any equity awards that are approved outside of a Compensation Committee meeting require the signature and date of execution from each Compensation Committee member in order to establish a measurement date under SFAS 123(R). ICE uses the closing price of its Common Stock on the NYSE on the grant date for purposes of establishing the strike price of stock options and for accounting purposes of other equity awards. ICE has not issued stock options with an exercise price below the fair market value of its Common Stock. The Compensation Committee does not seek to time the approval of equity awards with the release of material, non-public information.

***Benefits and Perquisites***

The benefits and perquisites offered to our executive officers are substantially the same as those offered to all ICE employees. ICE provides medical insurance, life and disability insurance, and other benefits to executives that are generally available to other employees. For its U.S. executive officers, ICE provides an enhanced term life insurance benefit (calculated at five times salary less \$100,000) and a supplemental disability insurance benefit that is designed to approximate the total benefit level (60% of eligible compensation) that cannot be afforded through the limits in our group disability plans (\$10,000 per month). Our contributions to these benefits programs are included in the All Other Compensation section of the Summary Compensation table below. Currently, there are no other perquisites provided to any of our executive officers that would require disclosure in the Summary Compensation Table, such as club memberships, financial planning services, personal use of corporate aircraft, charitable contribution matching programs, or tax gross-ups on such perquisites.

***Retirement Plans***

We provide retirement benefits to U.S. corporate officers through a 401(k) retirement plan on the same terms and conditions as those offered to all ICE employees. Generally, we provide a matching contribution of 100% of the first 5% of employee deferrals of eligible compensation, subject to Internal Revenue Service limits. We do not offer a defined benefit pension plan or any other form of supplemental executive retirement plan.



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***Stock Ownership Guidelines***

The Compensation Committee believes that it is in the best interest of stockholders for ICE's executives and directors to own a significant amount of ICE Common Stock. Accordingly, at its December 2006 meeting, the Compensation Committee adopted stock ownership guidelines applicable to all of ICE's corporate officers, based on a multiple of base salary for executives and a multiple of the annual retainer for directors. The stock ownership guidelines are as follows:

Chief Executive Officer: five times base salary

Senior Vice Presidents: three times base salary

Directors: five times annual retainer

Ownership, for purposes of these guidelines, includes shares of ICE Common Stock that are owned outright (including those held by a spouse or dependent children) and unvested restricted stock and restricted stock units. Unexercised stock options, unearned performance-based restricted shares, and stock appreciation rights do not count towards these ownership guidelines. In light of the fact that our executives have only been able to transact in our shares since May 2006 and in order to afford time for individual financial planning to meet these guidelines, the Compensation Committee adopted a four-year transition period for executives and directors to meet these guidelines. The Compensation Committee will monitor the ownership levels of its executives and directors during this transition period.

**Policy on Deductibility of Compensation**

Section 162(m) generally provides that publicly held companies may not deduct compensation paid to certain of its top executive officers to the extent that such compensation exceeds \$1 million per officer in a calendar year. Compensation that is performance-based compensation within the meaning of the Code does not count toward the \$1 million limit. Performance-based compensation that has been approved by ICE's stockholders is excluded from the \$1 million limit if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals and the Compensation Committee of the Board of Directors that establishes such goals consists only of outside directors (as defined for purposes of Section 162(m)).

ICE's policy is to maximize the deductibility of executive compensation so long as the deductibility is compatible with the more important objectives of retaining executives and maintaining competitive performance-based compensation that is aligned with strategic business objectives. ICE attempts to structure its compensation arrangements in a manner that would be consistent with the requirements of Section 162(m) of the Internal Revenue Code (the Code) were that provision to apply to ICE. ICE is currently in a post-initial public offering transition period during which the requirements of Section 162(m) of the Code do not apply.

**Table of Contents****2007 COMPENSATION INFORMATION****Summary Compensation Table**

The following table presents information relating to the compensation earned by the Named Executive Officers for the fiscal year ended December 31, 2007.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$) (1)</b>	<b>Stock Option Awards (\$) (2)</b>	<b>Non-Equity Incentive Plan Compensation (\$) (3)</b>	<b>All Other Compensation (\$) (4)</b>	<b>Total (\$)</b>
<b><i>Current Executives</i></b>								
Jeffrey C. Sprecher Chairman and Chief Executive Officer	2007	725,000		3,603,267	880,805	1,047,625	24,020	6,280,719
	2006	725,000		1,760,240	224,339	1,232,500	23,389	3,965,468
Scott A. Hill(5) Senior Vice President, Chief Financial Officer	2007	246,750	350,000	118,038	60,462	230,778	1,765	1,007,793
	2006							
Charles A. Vice President and Chief Operating Officer	2007	500,000		1,574,100	305,471	595,000	20,817	2,995,388
	2006	500,000		759,162	103,282	700,000	20,442	2,082,886
David S. Goone Senior Vice President, Chief Strategic Officer	2007	460,000		1,129,091	263,590	469,200	20,049	2,341,930
	2006	460,000		518,618	78,826	550,000	19,626	1,627,070
Kevin D. Marcial Senior Vice President, Chief Technology Officer	2007	390,000		1,015,974	218,764	364,650	17,273	2,006,661
	2006	365,000		610,208	81,285	401,500	17,008	1,475,001
<b><i>Former Executive</i></b>								
Richard V. Spencer(6) Senior Vice President, Chief Financial Officer (until May 14, 2007), Vice Chairman (through Dec. 31, 2007)	2007	260,667		418,874	81,638	276,000	22,807	1,059,986
	2006	460,000		759,162	97,759	500,000	22,370	1,839,291

**Notes**

(1)

The amounts in this column represent the expense recognized for financial statement reporting purposes for fiscal years 2007 and 2006 in accordance with SFAS 123(R) for restricted stock unit grants in 2004, 2006 and 2007. The assumptions used in calculating the accounting expense for these awards are included in Note 11 of our Annual Report on Form 10-K (pages 125-130). These amounts reflect our accounting expense and not the actual value that may be realized by the executive under the award.

- (2) The amounts in this column represent the expense recognized for financial statement reporting purposes for fiscal years 2007 and 2006 in accordance with SFAS 123(R) for outstanding stock options granted in 2003, 2006 and 2007. The assumptions used in calculating the accounting expense for these awards are included in Note 11 of our Annual Report on Form 10-K (pages 125-130). These amounts reflect our accounting expense and not the actual value that may be realized by the executive under the award.
- (3) The amounts in this column represent fiscal years 2007 and 2006 bonus awards that were paid in January 2008 and January 2007, respectively.
- (4) The amounts in this column represent the items in the 2007 All Other Compensation table below.
- (5) Mr. Hill joined ICE on May 14, 2007. Salary for Mr. Hill reflects the pro-rated portion of his \$390,000 annual salary. Bonus for Mr. Hill consists of a \$150,000 one-time signing bonus and a \$200,000 one-time relocation bonus.
- (6) Mr. Spencer served as Senior Vice President, Chief Financial Officer until May 14, 2007, and as Vice Chairman from May 14, 2007 through December 31, 2007. Salary for Mr. Spencer reflects his annual salary of \$460,000 through June 15, 2007, and a pro-rated portion of that amount for the remainder of the year, during which period he worked a reduced schedule.

**Table of Contents****2007 All Other Compensation Table**

The following table details the incremental cost of perquisites received by each of the named executives, as well as the other elements of compensation listed in the All Other Compensation column of the Summary Compensation Table, for fiscal year ended December 31, 2007.

<b>Name</b>	<b>Perquisites and Benefits(\$)</b>	<b>401(k) Matching Contributions\$(1)</b>	<b>Life Insurance Premium\$(2)</b>	<b>Disability Insurance Premium\$(3)</b>	<b>Total(\$)</b>
<i><u>Current Executives</u></i>					
Jeffrey C. Sprecher		11,250	3,912	8,858	24,020
Scott A. Hill			444	1,321	1,765
Charles A. Vice		11,250	1,804	7,763	20,817
David S. Goone		11,250	2,036	6,763	20,049
Edwin D. Marcial		11,250	761	5,262	17,273
<i><u>Former Executive</u></i>					
Richard V. Spencer		11,250	3,378	8,179	22,807

**Notes**

- (1) The amounts in this column represent fiscal year 2007 contributions under our 401(k) and Profit Sharing Plan. Note 17 of our Annual Report on Form 10-K (Page 141) describes our matching formula, which is 100% of the first 5% of the eligible employee's compensation contributed to the 401(k) Plan, subject to plan and statutory limits as described in Note 17 of our Annual report on Form 10-K. Each NEO participates under the same terms and conditions as all eligible U.S. employees.
- (2) The amounts in this column represent fiscal year 2007 payments of term life insurance policies.
- (3) The amounts in this column represent fiscal year 2007 payments of supplemental disability insurance policies.

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**2007 Grants of Plan-Based Awards**

The following table presents information relating to equity awards granted to the Named Executive Officers in fiscal year 2007. References in the table to "2000 SOP" refer to the 2000 Stock Option Plan, "2005 EIP" refer to the 2005 Equity Incentive Plan and "ABP" refer to the Annual Bonus Plan.

Name	Grant Date	Approval Date	Threshold	Target (\$)	Max (\$)	Threshold	Target (#)	Max (#)	All Other Stock Awards	All Other Option Awards	Exercise Date	Grant Fair Value
Jeffrey C. Sprecher	12/28/2007(1)	12/24/2007										

**Current Executives**

Jeffrey C. Sprecher  
2000 SOP

12/28/2007(1) 12/24/2007