

Appendix A

NYMEX Rulebook Chapters

(**bold underline** indicates addition; ~~strikethrough~~ indicates deletion)

Chapter 1157

UK NBP Natural Gas ~~Monthly~~Calendar Month Futures

1157100. SCOPE OF CHAPTER

This chapter is limited in application to UK NBP Natural Gas ~~Monthly futures~~Calendar Month Futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the UK NBP ("National Balancing Point"), the Natural Gas virtual trading hub in the UK.

The term **Balancing Charges** shall have the meaning ascribed to it in the Uniform Network Code.

The term ~~Contract Month~~**Banking Day** means ~~one of such months in a day on~~ which the UK NBP Natural Gas ~~Monthly Future~~ is available major banks are open for trading banking business in London and New York.

The term **Contract Value** shall mean the amount equal to the final settlement price times one thousand (1,000) times the number of Gas Flow Days in the delivery month times the number of contracts to be delivered. The Contract Value represents the payment that the buyer's Clearing Member is obligated to make pursuant to the applicable delivery.

The term **Daily Imbalance** shall have the meaning ascribed to it in the Uniform Network Code.

The term **Designee** means a third party appointed by a Clearing Member to effect the submission of Trade Nominations in its place in respect of an open long position or open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House.

The term **Gas Flow Day** shall mean a delivery period starting at 05:00 hours London prevailing time and ending at 05:00 hours London prevailing time the following calendar day as defined in the Uniform Network Code. Deliveries resulting from a UK **NBP** Natural Gas ~~Monthly~~Calendar Month Futures contract shall include all Gas Flow Days in the respective month.

The term **Gas Delivery Agent** shall mean a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf.

The term **Gemini System** shall mean the system (forming part of the UK Link system) which enables users to submit Trade Nominations to National Grid for the purposes for the disposal or acquisition of rights to natural gas under the Uniform Network Code.

The term **National Balancing Point** (~~"(NBP)"~~) shall mean the virtual point of delivery within the National Transmission System of the United Kingdom at which the balancing of deliveries into and out of the National Transmission System is deemed to take place under the Uniform Network Code.

The term **National Transmission System** shall mean that part of the National Grid system for the time being designated by National Grid;

The term **National Grid** means National Grid Gas plc;

The terms "**seller**" and "**buyer**" shall mean the seller of the physical product and the buyer of the physical product, respectively.

The term **therm** shall mean an amount of energy equal to 29.3071 kilowatthours (kWh). One therm is the equivalent of 100,000 British thermal units (Btu).

Trade Nomination means a trade nomination within the meaning of the Uniform Network Code, which shall include **Acquiring Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee or agent to acquire rights to natural gas at the National Balancing Point and submitted in the manner required by the Uniform Network Code and **Disposing Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee or agent to dispose of rights to natural gas at the National Balancing Point and submitted in the manner required by the Uniform Network Code;
The term **Uniform Network Code** shall mean the legal and contractual framework to supply and transport natural gas, managed by the Joint Office of Gas ~~Transporters~~ **Transporters**, which governs the transportation of natural gas within the UK from time to time.

1157101. **CONTRACT SPECIFICATIONS**

The contract grade for delivery on futures contracts shall be “natural gas” as defined in the Uniform Network Code as any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 °C and an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state. Deliveries under the contract shall effected by transferring rights to natural gas in the National Transmission System through the process of making Trade Nominations. Deliveries shall be made in kWh. Trade Nominations shall be submitted for each Gas Flow Day that commences in the contract month in accordance with the requirements of the Uniform Network Code.

1157102. **TRADING SPECIFICATIONS**

The number of ~~Contract Months~~ **contract months** open for trading at any given time shall be determined by the Exchange.

1157102.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

1157102.B. Trading Unit

The contract quantity shall be measured in therms. The contract quantity shall be 1,000 therms per day for each Gas Flow Day in the contract month. Each contract shall be valued as the contract quantity multiplied by the settlement price.

1157102.C. Price Increments

Prices shall be quoted in British pence (GBp) per therm. The minimum price fluctuation shall be GBp 0.005 per therm on CME Globex and on CME ClearPort. There shall be no maximum price fluctuation.

Prices shall be exclusive of any taxes or duties that may be applied to a transaction.

1157102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1157102.E. Termination of Trading

Trading shall cease on the second London business day immediately preceding the first calendar day of the contract month, unless such day is not also a NYMEX business day, in which case trading shall cease on the first preceding NYMEX business day that is also a London business day. On the last trading day, trading shall terminate at 17:00 hours London prevailing time. Any contracts remaining open after the last day of trading must be settled by delivery which shall take place on each calendar day in the contract month per the delivery process described below.

1157103. **DELIVERY**

1157103.A. Delivery principles

Delivery is effected by transferring rights to natural gas in the UK National Transmission System through the process of making Trade Nominations through the UK Link system via the Gemini System, as set out in the Uniform Network Code, between the accounts of Clearing Members (or their appointed Designee) and the Clearing House.

1157104.B. Delivery requirements

The Clearing Member shall be responsible for fulfilling the delivery requirements of every contract that it has entered into. If it is so able, a Clearing Member may directly make the required Trade Nominations to fulfil delivery requirements. Where a Clearing Member chooses not to make Trade Nominations itself, it must appoint a third party to act as Designee in its place. The Clearing Member must notify the Clearing House of the appointment of each relevant Designee through submission of a completed Designee Notification Form (signed by an authorised signatory of each of the Clearing Member and the Designee) to the Clearing House. A Clearing Member may appoint a different Designee in respect of any account or ~~sub-account~~ sub-customer account, provided that only a single Designee may be appointed to effect the submission of Trade Nominations in respect of any single ~~Clearing Member~~ account.

The Clearing Member must ensure that:

1. It notifies the Clearing House of third parties acting as Designee relating to any account ~~or sub-account~~ by submission to the Clearing House of a completed Designee Notification Form by no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Flow Day of the contract month; and
2. The Designee acknowledges its appointment no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Flow Day of the contract month in writing by email to the Clearing House.

The Clearing Member is responsible for the accuracy of information provided in any Designee Notification Form and for ensuring that the person signing the Designee Notification Form on behalf of the Clearing Member and the Designee is authorised to do so.

Each Clearing Member must ensure that it, or any Designee that it may appoint, has the right to make Trade Nominations under the Uniform Network Code and has access to the UK Link system. Each Clearing Member must ensure that it, or where one has been appointed, its Designee, will at all times comply with the terms of any applicable licence or registration it holds, the Uniform Network Code, and any other applicable law. Each Clearing Member, or any Designee appointed by the Clearing Member, must obtain and adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.

All payments relating to the UK **NBP Natural Gas Monthly Calendar Month** Futures contract shall be made between the Clearing House and the Clearing Member.

Unless a third party is appointed by a Clearing Member to act as Designee, the Clearing House will deliver natural gas under any contract to, and will receive the delivery of natural gas from, the Clearing Member. The Clearing House may accept delivery from, and make delivery to, third parties acting in the capacity of Designee notified by the Clearing Member to the Clearing House in accordance with this Rule.

For the avoidance of doubt, the Clearing Member shall at all times remain responsible for the satisfactory performance of the contract including completion of its delivery, payment and other obligations under the rules of the Exchange and also for the delivery obligations of any Designee appointed by the Clearing Member.

1157104. DELIVERY PROCEDURES

1157104.A. Delivery Process

Delivery of natural gas shall occur on each Gas Flow Day that commences in the contract month.

Delivery under these contracts is effected by the transfer of rights to natural gas through the process of making Trade Nominations such that the seller of natural gas (or its Designee) makes a Disposing Trade Nomination that corresponds to an Acquiring Trade Nomination made by the Clearing House, and the buyer of natural gas (or its Designee) makes an Acquiring Trade Nomination that corresponds to a Disposing Trade Nomination made by the Clearing House. Trade Nominations must be made through the UK Link system via the Gemini System. The Clearing House may appoint a Gas Delivery Agent to facilitate its processing of delivery instructions and Trade Nominations.

1157104.B. Notices of Intention to Deliver and Notices of Intention to Accept Delivery

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver, which shall include the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices ~~for Intent~~ of Intention to Deliver

must be submitted to the Clearing House no later than 20:00 hours London prevailing time on the last trading day of a contract month.

2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept Delivery including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices ~~for intent of Intention~~ to ~~deliver~~ **Accept Delivery** must be submitted to the Clearing House no later than 20:00 London prevailing time on the last trading day of a contract month.

1157104.C. Final Settlement Price

The final settlement price on the last trading day shall be the basis for delivery.

1157105. TIMING OF DELIVERY

Trade Nominations shall be submitted for each Gas Flow Day in the contract month. **The detailed delivery timings set out below are subject to any amendment to the operational arrangements of National Grid.**

1. The Clearing House will calculate the net gas delivery requirements for each account for every Gas Flow Day of the contract month on the NYMEX business day prior to the Gas Flow Day. The Clearing House shall provide a report to each Clearing Member detailing final gas delivery obligations for each of the relevant accounts ~~and sub-accounts~~ of that Clearing Member by 18:30 hours London prevailing time one NYMEX business day prior to the Gas Flow Day. This report shall describe net flows of natural gas relating to the UK **NBP** Natural Gas ~~Monthly~~ **Calendar Month** Futures contracts of the Clearing Member for each relevant ~~account and sub-account~~ for the Gas Flow Day. Gas deliveries shall be expressed in whole kWh. The Clearing House may adjust the delivery obligation of an account ~~or sub-account~~ in order **to** express the delivery obligation in whole kWh, and to ensure a balanced delivery for the Gas Flow Day. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible **and in any event within one hour of the provision of the report by the Clearing House to the Clearing Member.**
2. The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit delivery instructions to the UK Link system via the Gemini System by 20:00 hours London prevailing time on the calendar day prior to each Gas Flow Day, reflecting the delivery requirements.
3. The Clearing Member, or its Designee if applicable, must submit Trade Nominations for a Gas Flow Day to the UK Link system via the Gemini System by 20:00 hours London prevailing time on the calendar day prior to each Gas Flow Day.

1157106. DELIVERY MARGIN AND PAYMENTS

1157106. A. Definitions

For the purposes of this Rule, "Payment Date" shall mean the second ~~London banking day~~ **Banking Day** following **the start of** a Gas Flow Day, unless such day is not also a NYMEX business day, in which case the Payment Date shall be next following NYMEX business day that is also a ~~London business day~~ **Banking Day**.

1157106. B. Margin

On the first NYMEX business day following the last day of trading, the Clearing Member shall obtain from any buyer margin equal to the full value of the product to be delivered for such Gas Flow Days as directed by the Clearing House, and the Clearing Member shall obtain from any seller margin in an amount fixed, from time to time, by the Clearing House. The buyer's Clearing Member and the seller's Clearing Member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the second ~~New York banking day that is also a London banking day~~ **Banking Day** following notification to the Exchange that delivery and payment have been completed for the Gas Flow Day.

1157106.C. Payment

On the Payment Date relating to each Gas Flow Day, the payment made on the required Payment Date shall be based on the Contract Value for that Gas Flow Day. The Contract Value shall be rounded to the nearest GBP 0.01, or in the case of an exact uneven multiple of GBP 0.005, to the nearest higher GBP 0.01.

Delivery payment will be made during the 07:45 hours Eastern Time collection cycle, or such other time as designated by the Clearing House. Thus, the cost of delivery will be debited or credited to the Clearing Member's settlement account. Long Clearing Members obligated to accept delivery must take delivery and will make delivery payment and short Clearing Members obligated to make delivery will receive delivery payment during the 07:45 hours Eastern Time

settlement process, or at such other time designated by the Clearing House, on the ~~day of delivery, except on London banking holidays when delivery must be taken or made and delivery payment made during the 07:45 hours Eastern Time settlement process, or such other time designated by the Clearing House, on the next London banking business day.~~ **Payment Date.** Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with Exchange Rules, policies and procedures.

1157107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept **Delivery**, check or any document or instrument delivered pursuant to these Rules.

1157108. IMBALANCE CHARGES

Without prejudice to Chapter 7 of the rules of the Exchange, where a buyer or seller fails to submit a valid Trade Nomination for the Gas Flow Day, such that the Clearing House experiences a Daily Imbalance within the National Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any Balancing Charges imposed on the Clearing House by National Grid. The Clearing House may also require an additional compensation payment from a ~~buyer or seller~~ **Clearing Member** that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

1157109. VAT

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.

1157110. LIABILITY

Without prejudice to the generality of the rules of the Exchange, neither the Exchange, the Clearing House nor any of its Affiliates shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of National Grid, the Gemini System or the National Transmission System or any other part of the infrastructure for physical delivery of UK natural gas under the Uniform Network Code.

Notwithstanding the appointment of a Designee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the rules of the Exchange.

Chapter 1158

UK NBP Natural Gas Daily Futures

1158100. SCOPE OF CHAPTER

This chapter is limited in application to UK NBP Natural Gas Daily futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the UK NBP ("National Balancing Point"), the Natural Gas virtual trading hub in the UK.

The term **Balancing Charges** shall have the meaning ascribed to it in the Uniform Network Code.

The term Banking Day means a day on which major banks are open for banking business in London and New York.

The term **Contract Value** shall mean the amount equal to the final settlement price times one thousand (1,000) times the number of contracts to be delivered. The Contract Value represents the payment that the buyer's Clearing Member is obligated to make pursuant to the applicable delivery.

~~The term **Contract Day** means one of such days in which the UK NBP Gas Daily Future is available for trading.~~

The term **Daily Imbalance** shall have the meaning ascribed to it in the Uniform Network Code.

The term **Designee** means a third party appointed by a Clearing Member to effect the submission of Trade Nominations in its place in respect of an open long position or open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House.

The term **Gas Flow Day** shall mean a delivery period starting at 05:00 hours London prevailing time and ending at 05:00 hours London prevailing time the following calendar day as defined in the Uniform Network Code. Deliveries resulting from a **UK NBP Natural Gas** Daily Futures contract shall occur on the Gas Flow Day corresponding to the **UK NBP Natural Gas** Daily Futures' ~~Contract Day~~**contract day**.

The term **Gas Delivery Agent** shall mean a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf.

The term **Gemini System** shall mean the system (forming part of the UK Link system) which enables users to submit Trade Nominations to National Grid for the purposes for the disposal or acquisition of rights to natural gas under the Uniform Network Code.

The term "**National Balancing Point**" ("**NBP**") shall mean the virtual point of delivery within the National Transmission System of the United Kingdom at which the balancing of deliveries into and out of the National Transmission System is deemed to take place under the Uniform Network Code.

The term **National Transmission System** shall mean that part of the National Grid system for the time being designated by National Grid.

The term **National Grid** means National Grid Gas plc.

The terms "**seller**" and "**buyer**" shall mean the seller of the physical product and the buyer of the physical product, respectively.

The term **therm** shall mean an amount of energy equal to 29.3071 kilowatthours (kWh). One therm is the equivalent of 100,000 British thermal units (Btu).

Trade Nomination means a trade nomination within the meaning of the Uniform Network Code, which shall include **Acquiring Trade Nominations**, being a trade nomination that is made by a

person or, if applicable, its Designee or agent to acquire rights to natural gas at the National Balancing Point and submitted in the manner required by the Uniform Network Code and **Disposing Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee or agent to dispose of rights to natural gas at the National Balancing Point and submitted in the manner required by the Uniform Network Code;

The term **Uniform Network Code** shall mean the legal and contractual framework to supply and transport natural gas, managed by the Joint Office of Gas ~~Transports~~ **Transporters**, which governs the transportation of natural gas within the UK from time to time.

1158101. **CONTRACT SPECIFICATIONS**

The contract grade for delivery on futures contracts shall be "natural gas" as defined in the Uniform Network Code as any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 °C and an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state. Deliveries shall be effected by transferring rights to natural gas in the National Transmission System through the process of making Trade Nominations. Deliveries under the contract shall be made in kWh. Delivery trade nominations shall be submitted for the Gas Flow Day that commences on the ~~Contract~~ **Daycontract day** in accordance with the requirements of the Uniform Network Code.

1158102. **TRADING SPECIFICATIONS**

The number of ~~Contract Days~~ **contract days** open for trading at any given time shall be determined by the Exchange.

1158102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1158102.B. Trading Unit

The contract quantity shall be measured in therms. The contract quantity shall be 1,000 therms per day. Each contract shall be valued as the contract quantity multiplied by the settlement price.

1158102.C. Price Increments

Prices shall be quoted in British pence (GBp) per therm. The minimum price fluctuation shall be GBp 0.005 per therm on CME Globex and on CME ClearPort. There shall be no maximum price fluctuation.

Prices shall be exclusive of any taxes or duties that may be applied to a transaction.

1158102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1158102.E. Termination of Trading

Trading shall cease on the first London business day immediately preceding the ~~Contract Day~~ **contract day** unless such day is not also a NYMEX business day, in which case trading shall cease on the first preceding NYMEX business day that is also a London business day. On the last trading day, trading shall terminate at 16:35 hours London prevailing time. Any contracts remaining open after the last day of trading must be settled by delivery on the ~~Contract Day~~ **contract day**, per the delivery process described below.

1158103. **DELIVERY**

1158103.A. Delivery principles

Delivery is effected by transferring rights to natural gas at the NBP in the National Transmission System through the process of making Trade Nominations through the **UK Link system via the Gemini System**, as set out in the Uniform Network Code, between the accounts of Clearing Members (or their appointed Designee) and the Clearing House.

1158104.B. Delivery requirements

The Clearing Member shall be responsible for fulfilling the delivery requirements of every contract that it has entered. If it is so able, a Clearing Member may directly make the required Trade

Nominations to fulfil delivery requirements. Where a Clearing Member chooses not to make Trade Nominations itself, it must appoint a third party to act as Designee in its place. The Clearing Member must notify the Clearing House of the appointment of each relevant Designee through submission of a completed Designee Notification Form (signed by an authorised signatory of each of the Clearing Member and the Designee) to the Clearing House. A Clearing Member may appoint a different Designee in respect of any account or ~~sub-account~~ **sub-customer** account, provided that only a single Designee may be appointed to effect the submission of Trade Nominations in respect of any single ~~Clearing Member account and sub-account~~.

The Clearing Member must ensure that:

1. it notifies the Clearing House of third parties acting as Designee relating to any account or ~~sub-account~~ by submission to the Clearing House of a completed Designee Notification Form to the Clearing House by no later than 17:30 hours London prevailing time three NYMEX business days prior to the ~~Contract Day~~ **contract day**; and
2. the Designee acknowledges its appointment no later than 17:30 hours London prevailing time three NYMEX business days prior to the ~~Contract Day~~ **contract day** in writing by email to the Clearing House.

The Clearing Member is responsible for the accuracy of information provided in any Designee Notification Form and for ensuring that the person signing the Designee Notification Form on behalf of the Clearing Member and the Designee is authorised to do so.

Each Clearing Member must ensure that it, or any Designee that it may appoint, has the right to make Trade Nominations under the Uniform Network Code and has access to the UK Link system and must ensure that it or, where appointed, its Designee, will at all times comply with the terms of any applicable licence or registration it holds, the Uniform Network Code, and any other applicable law. Each Clearing Member, or any Designee appointed by the Clearing Member, must obtain and adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.

All payments relating to the UK **NBP** Natural Gas Daily Futures contract shall be made between the Clearing House and the Clearing Member.

Unless a third party is appointed by a Clearing Member to act as Designee, the Clearing House will deliver natural gas under any contract to, and will receive the delivery of natural gas from, the Clearing Member. The Clearing House may accept delivery from, and make delivery to, third parties acting in the capacity of Designee notified by the Clearing Member to the Clearing House in accordance with this rule.

For the avoidance of doubt, the Clearing Member shall at all times remain responsible for the satisfactory performance of the contract including completion of its delivery, payment and other obligations under the rules of the Exchange and also for the delivery obligations of any Designee appointed by the Clearing Member.

1158104. DELIVERY PROCEDURES

1158104.A. Delivery Process

Delivery of natural gas shall occur on the Gas Flow Day that commences on the ~~Contract Day~~ **contract day**.

Delivery under these contracts is effected by the transfer of rights to natural gas through the process of making Trade Nominations such that the seller of natural gas (or its Designee) makes a Disposing Trade Nomination that corresponds to an Acquiring Trade Nomination made by the Clearing House, and the buyer of natural gas (or its Designee) makes an Acquiring Trade Nomination that corresponds to a Disposing Trade Nomination made by the Clearing House. Trade Nominations must be made through the Gemini System. The Clearing House may appoint a Gas Delivery Agent to facilitate its processing of delivery ~~instruction~~ **instructions and Trade Nominations**.

1158104.B. Notices of Intention to Deliver and Notices of Intention to Accept Delivery

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. ~~Notices of~~ **Notices of** Intention to Deliver must be submitted to the Clearing House no later than 17:00 hours London prevailing time on the last trading day of a ~~Contract Day~~ **contract day**.

2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept Delivery including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, and any other information required by the Clearing House. Notices ~~for of~~ Intention to ~~Deliver~~**Accept Delivery** must be submitted to the Clearing House no later than 17:00 London prevailing time on the last trading day of a ~~Contract Day~~**contract day**.

1158104.C. Final Settlement Price

The final settlement price on the last trading day shall be the basis for delivery.

1158105. TIMING OF DELIVERY

Trade Nominations shall be submitted for the Gas Flow Day. The detailed delivery timings set out below are subject to any amendment to the operational arrangements of National Grid.

1. The Clearing House will calculate the final net gas delivery requirements for each account and shall provide a report to each Clearing Member detailing final gas delivery obligations for each of the relevant accounts ~~and sub-accounts~~ of that Clearing Member by 18:30 hours London prevailing time on the last trading day of the contract. This report shall describe final net flows of natural gas relating to the UK **NBP** Natural Gas Futures contracts of the Clearing Member for each relevant account ~~and sub-account~~ for the Gas Flow Day. Gas deliveries shall be expressed in whole kWh. The Clearing House may adjust the delivery obligation of an account ~~or sub-account~~ in order to express the delivery obligation in whole kWh, and to ensure a balanced delivery for the Gas Flow Day. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible **and in any event within one hour of the provision of the report by the Clearing House to the Clearing Member.**
2. The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit delivery instructions to the Gemini System by 20:00 hours London prevailing time on the calendar day prior to the Gas Flow Day, reflecting the delivery requirements.
3. The Clearing Member, or its Designee if applicable, must submit delivery instructions for the Gas Flow Day to the Gemini System operated by National Grid by 20:00 hours London prevailing time on the calendar day prior to the Gas Flow Day.

1158106. DELIVERY MARGIN AND PAYMENTS

1158106. A. Definitions

For the purposes of this Rule, "Payment Date" shall mean the second ~~London banking day~~**Banking Day** following ~~the start of~~ a Gas Flow Day unless such day is not also a NYMEX business day, in which case the Payment Date shall be next following NYMEX business day that is also a ~~London business day~~**Banking Day**.

1158106. B. Margin

On the last day of trading, the Clearing Member shall obtain from any buyer margin equal to the full value of the product to be delivered and the Clearing Member shall obtain from any seller margin in an amount fixed, from time to time, by the Clearing House. The buyer's Clearing Member and the seller's Clearing Member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the second ~~New York banking day that is also a valid London banking day~~**Banking Day** following notification to the Exchange that delivery and payment have been completed for the Gas Flow Day.

1158106.C. Payment

On the Payment Date, the payment made on the required Payment Date shall be based on the Contract Value for that Gas Flow Day. The Contract Value shall be rounded to the nearest GBP 0.01, or in the case of an exact uneven multiple of GBP 0.005, to the nearest higher GBP 0.01.

Delivery payment will be made during the 07:45 hours Eastern Time collection cycle, or such other time as designated by the Clearing House. Thus, the cost of delivery will be debited or credited to the Clearing Member's settlement account. Long Clearing Members obligated to accept delivery must take delivery and will make delivery payment and short Clearing Members obligated to make delivery will receive delivery payment during the 07:45 hours Eastern Time settlement process, or at such other time designated by the Clearing House, on the ~~day of delivery, except on London banking holidays when delivery must be taken or made and delivery payment made during the 07:45 hours Eastern Time settlement process, or such other time designated by the Clearing House, on the next London banking business day.~~**Payment Date**. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with Exchange Rules, policies and procedures.

1158107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept **Delivery**, check or any document or instrument delivered pursuant to these rules.

1158108. IMBALANCE CHARGES

Without prejudice to Chapter 7 of the rules of the Exchange, where a buyer or seller fails to submit a valid Trade Nomination for the Gas Flow Day, such that the Clearing House experiences a Daily Imbalance within the National Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any Balancing Charges imposed on the Clearing House by National Grid. The Clearing House may also require an additional compensation payment from a ~~buyer or seller~~ **Clearing Member** that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

1158109. VAT

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.

1158110. LIABILITY

Without prejudice to the generality of the rules of the Exchange, neither the Exchange, the Clearing House nor any of its Affiliates shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of National Grid, the Gemini System or the National Transmission System or any other part of the infrastructure for physical delivery of UK natural gas under the Uniform Network Code.

Notwithstanding the appointment of a Designee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the rules of the Exchange.

Chapter 1159

Dutch TTF Natural Gas ~~Monthly~~Calendar Month Futures

1159100. SCOPE OF CHAPTER

This chapter is limited in application to Dutch TTF Natural Gas ~~Monthly futures~~Calendar Month Futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the Dutch TTF ("Title Transfer Facility"), the virtual trading hub in the Netherlands.

The term ~~Contract Month~~Banking Day means ~~one of such months in a day on which the Dutch TTF Natural Gas Monthly Future is available~~major banks are open for tradingbanking business including Euro payments in London and New York.

The term **Contract Value** shall mean the amount equal to the final settlement price multiplied by 1 MWh per hour multiplied by the number of hours of delivery in the contract month multiplied by the number of contracts to be delivered. Adjustments will be made to the number of MWh for leap years and Dutch daylight savings time to reflect the total number of hours in a ~~Contract Month~~contract month;

The term Designee means a third party appointed by a Clearing Member to effect the submission of Trade Nominations in its place in respect of an open long position or an open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House;

The term **Dutch Gas Act** means the **Dutch Gas Act of 22 June 2000, concerning the rules for transportation and supply of gas, as amended from time to time, or any successor thereof**;

The term Edig@s System shall mean the electronic facility operated by GTS enabling users to submit Trade Nominations to GTS for the purposes of the disposal or acquisition of rights to natural gas, and any successor facility from time to time.

The term Gas Delivery Agent means a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf.

The term **Gas Delivery Day** means the period beginning at 06:00 hours (Central European Time) on any day on which the transfer of rights in respect of natural gas to be made under a Dutch TTF Natural Gas Monthly Future applies, and ending at 06:00 hours (Central European Time) on the following calendar day. Deliveries resulting from a ~~Monthly~~Dutch TTF Natural Gas Calendar Month Futures contract shall include all Gas Delivery Days in the delivery month.

GTS means Gasunie Transport Services BV, a subsidiary of NV Nederlandse Gasunie, the independent operator of the ~~national gas transmission system~~National Gas Transmission System in the Netherlands.

GTS Rules means the *Gasvoorwaarden*, the rules, regulations, operational manuals and procedures of GTS governing the operation of the national gas transmission system in the Netherlands from time to time under the Dutch Gas Act, including the Transportation Conditions Gas (TCG) and the Transmission Service Conditions (TSC) for gas trading at the TTF and such successor rules and regulations from time to time.

The term **MWh** means megawatthour. One MWh is equal to 1,000 kWh.

National Gas Transmission System means the transmission system for natural gas in the Netherlands owned and operated by GTS.

The terms "**seller**" and "**buyer**" shall mean the seller of the physical product and the buyer of the physical product, respectively.

The term **Title Transfer Facility (TTF)** means the virtual point of delivery within the National Gas Transmission System at which the balancing of deliveries into and out of the GTS transmission system is deemed to take place for the purposes of the Transmission Service Conditions.

Trade Nomination means a trade nomination for the purposes of the Transmission Service Conditions, which shall include **Acquiring Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee or agent to acquire rights in natural gas at the

Title Transfer Facility and submitted in the manner required by the GTS Rules and **Disposing Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee **or agent** to dispose of rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules.

Transmission Code Gas means the Decision of the Dutch Authority for Consumers and Markets, of April 21, 2016, reference ACM/DE/2016/202163, regarding the adoption of the conditions referred to in article 12b of the Dutch Gas Act, or any successor thereof;

1159101. CONTRACT SPECIFICATIONS

The contract grade for delivery on futures contracts shall be “natural gas” as defined by GTS as matter that at a temperature of 15°C and at a pressure of 1.01325 bar is in a gaseous state and mainly consists of methane or other matter that due to its properties is equivalent to methane. Deliveries under the contract shall be effected by transferring rights to natural gas in the ~~national gas transmission system~~ **National Gas Transmission System** operated by GTS through the process of making Trade Nominations. Deliveries shall be made in kWh, on a uniform rate of flow and Trade Nominations shall be submitted for each Gas Delivery Day that commences in the ~~Contract Month~~ **contract month**.

1159102. TRADING SPECIFICATIONS

The number of ~~Contract Months~~ **contract months** open for trading at any given time shall be determined by the Exchange.

1159102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

1159102.B. Trading Unit

The contract quantity shall be measured in MWh. The contract quantity shall be 1 MWh (megawatthour) per hour for each hour in each Gas Delivery Day in the ~~Contract Month~~ **contract month**. Each contract shall be valued as the contract quantity multiplied by the settlement price.

1159102.C. Price Increments

Prices shall be quoted in Euros per MWh. The minimum price fluctuation shall be €0.005 per MWh on CME Globex and CME ClearPort. There shall be no maximum price fluctuation.

Prices shall be exclusive of any taxes or duties that may be applied to a transaction.

1159102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1159102.E. Termination of Trading

In respect of a ~~Contract Month~~ **contract month**, trading shall cease on the second London business day immediately preceding the first calendar day of the ~~Contract Month~~ **contract month**, unless such day is not also a NYMEX business day, in which case trading shall cease on the first preceding NYMEX business day that is also a London business day. On the last trading day, trading shall terminate at 17:00 hours London prevailing time. Any contracts remaining open after the last day of trading must be settled by delivery which shall take place on each calendar day in the contract month per the delivery process described below.

1159103. DELIVERY

1159103.A. Delivery principles

Delivery is effected by transferring title to natural gas at the TTF, through the process of making Trade Nominations in the Edig@'s ~~system~~ **System** between the accounts of Clearing Members (or their appointed Designee) and the Clearing House.

1159103.B. Delivery requirements

The Clearing Member shall be responsible for fulfilling the delivery requirements of every Contract that it has entered into. If it is so able, a Clearing Member may directly make the required Trade Nominations in order to fulfil delivery requirements. Where a Clearing Member chooses

not to make Trade Nominations itself, it must appoint a third party to act as Designee in its place. The Clearing Member must notify the Clearing House of the appointment of each relevant Designee through submission of a completed Designee Notification Form (signed by an authorized signatory of each of the Clearing Member and the Designee) to the Clearing House. A Clearing Member may appoint a different Designee in respect of any account or ~~sub-account~~ **sub-customer** account, provided that only a single Designee may be appointed to effect the submission of Trade Nominations in respect of any single account or ~~sub-account of a Clearing Member~~.

The Clearing Member must ensure that:

1. It notifies the Clearing House of third parties acting as Designee relating to any account or ~~sub-account~~ by submission to the Clearing House of a completed Designee Notification Form by no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Delivery Day of the contract month; and
2. The Designee acknowledges its appointment no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Delivery Day of the contract **month** in writing by email to the Clearing House.

The Clearing Member is responsible for the accuracy of information provided in any Designee Notification Form and for ensuring that the person signing the Designee Notification Form on behalf of the Clearing Member and the Designee is authorized to do so.

Each Clearing Member must ensure that it, or any Designee that it may appoint, has the right to make Trade Nominations under the GTS Rules and has access to the Edig@s ~~system~~ **System**. Each Clearing Member must ensure that it, or where appointed, its Designee, will at all times comply with the terms of any applicable licence or registration it holds, the GTS Rules and any other ~~Applicable Law~~ **applicable law** and that the Designee meets the conditions on electronic messaging and expertise and care set out in clause 3.2.0(b) and 3.2.0(c) of the Transmission Code Gas. Each Clearing Member, or any Designee appointed by the Clearing Member, must obtain and adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.

All payments relating to Dutch ~~TTF~~ **TTF** Natural Gas ~~Monthly~~ **Calendar Month** Futures contracts shall be made between the Clearing House and the Clearing Member.

Unless a third party is appointed by a Clearing Member to act as Designee, the Clearing House will deliver natural gas under any contract to, and will receive the delivery of natural gas from, the Clearing Member. The Clearing House may accept delivery from, and make delivery to, third parties acting in the capacity of Designee notified by the Clearing Member to the Clearing House in accordance with this rule.

For the avoidance of doubt, the Clearing Member shall at all times remain responsible for the satisfactory performance of the contract including completion of its delivery, payment and other obligations under the Rules and also for the delivery obligations of any Designee appointed by the Clearing Member.

1159104. DELIVERY PROCEDURES

1159104.A. Delivery Process

Delivery of natural gas shall occur on each Gas Delivery Day that commences in the contract month.

Delivery under these contracts is effected by the transfer of rights to natural gas through the process of making Trade Nominations such that the seller of natural gas (or its Designee) makes a Disposing Trade Nomination that corresponds to an Acquiring Trade Nomination made by the Clearing House, and the buyer of natural gas (or its Designee) makes an Acquiring Trade Nomination that corresponds to a Disposing Trade Nomination made by the Clearing House. Trade Nominations must be made through the Edig@s ~~system~~ **System**.

~~The Clearing House may appoint a Gas Delivery Agent to facilitate its processing of~~ **Physical delivery instructions and requirements resulting from a position in the Dutch TTF Natural Gas Calendar Month Future will be nominated on the basis of individual Gas Delivery Days, which shall result in Trade Nominations—being submitted individually for each Gas Delivery Day in the contract month. The Clearing House will follow a two-stage nomination process in respect of such nominations, whereby:**

- (a) **the Clearing House will provide Clearing Members with initial net physical delivery requirements by 09:00 hours Central European Time on the business day prior to the**

relevant Gas Delivery Day in order to enable Clearing Members or their Designee (as applicable) to provide initial Trade Nominations to GTS by 14:00 Central European Time on such day; and

- (b) the Clearing House shall subsequently provide Clearing Members with final net physical delivery requirements in respect of their total delivery obligation for the relevant period by 18:45 Central European Time on the business day prior to the relevant Gas Delivery Day(s) in order that final Trade Nominations may be submitted to GTS by 21:00 hours Central European Time on such day.

Clearing Members shall notify the Clearing House of any discrepancies in the preliminary and final reports as soon as possible and in any event within one hour of the provision of the relevant report by the Clearing House to the Clearing Member.

The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit initial and final delivery instructions to the Edig@s System ~~operated by GTS by 21:00 hours Central European time on the calendar day prior to each Gas day in the Contract Month~~ by the times specified in Rule 1159105. The Clearing Member, or its Designee as applicable, must submit initial and final delivery instructions to the Edig@s system ~~operated~~ System by GTS by no later than 21:00 hours Central European time on the calendar day prior to each Gas Day times specified in the ~~Contract Month~~ Rule 1159105. All Trade Nominations in respect of deliveries of natural gas must be matched by no later than two hours prior to the start of the Gas Delivery Day.

1159104.B. Notices of Intention to Deliver and Notices of Intention to Accept Delivery

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices ~~for intent~~ of Intention to deliver ~~Deliver~~ must be submitted to the Clearing House no later than ~~20~~ 17:00 hours London prevailing time on the last trading day of a ~~Contract Month~~ contract month.
2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept Delivery including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices ~~for of~~ Intention to Deliver ~~Accept~~ Delivery must be submitted to the Clearing House no later than ~~20~~ 17:00 London prevailing time on the last trading day of a ~~Contract Month~~ contract month.

1159104.C. Final Settlement Price

The final settlement price on the last trading day shall be the basis for delivery.

1159105. TIMING OF DELIVERY

~~Trade Nominations shall~~ The detailed delivery timings set out below detail the process that will be submitted for followed in respect of each Gas Delivery Day in within the contract month. These timings are subject to any amendment to the operational arrangements of GTS.

1. The Clearing House will calculate ~~the~~ preliminary net gas delivery requirements for each account for every Gas Delivery Day of the contract month ~~on the NYMEX business day prior to the Gas Delivery Day.~~ The Clearing House shall provide a report to each Clearing Member detailing preliminary gas delivery obligations for each of the relevant accounts ~~and sub-accounts~~ of that Clearing Member by ~~18:30~~ 09:00 hours Central European ~~time on~~ one London Time on the business day prior to the relevant Gas Delivery Day. The report shall describe the net flows of natural gas ~~relating to Dutch Natural Gas Monthly Futures contracts of the Clearing Member for each relevant account and sub-account for the Gas Delivery Day.~~ Gas deliveries shall be expressed in whole kWh. The Clearing House may adjust the delivery obligation of an account ~~or sub-account~~ in order to express the delivery obligation in whole kWh, and to ensure a balanced delivery for the Gas Delivery Day. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible and in any event by 13:00 hours Central European time on the day on which the report is provided.
2. The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit Trade Nominations to the Edig@s System by ~~21~~ 14:00 hours Central European time on the ~~calendar~~ business day prior to ~~each~~ the relevant Gas Delivery Day ~~in the delivery period, reflecting the final preliminary delivery requirements.~~ The Clearing Member (or its Designee, as applicable) must also submit Trade Nominations to the Edig@s System by 14:00 hours Central European time on the business day prior to the relevant Gas Delivery Day, reflecting the preliminary delivery requirements.

3. The Clearing House shall calculate the final net delivery requirements for each account. The Clearing House shall provide a report to each Clearing Member detailing final delivery obligations for each of the relevant accounts of that Clearing Member by 18:45 Central European time. The report shall describe net flows of cash and natural gas relating to Dutch TTF Natural Gas Calendar Month Futures contracts of the Clearing Member for each account, as of the date of the report. Clearing Members should notify the Clearing House of any discrepancies in this report as soon as possible and in any event within one hour of the provision of the report by the Clearing House to the Clearing Member.
34. The Clearing House, or where appointed, its Designee, as applicable) must Gas Delivery Agent, shall aim to submit Trade Nominations to the Edig@s system System by 21:00 hours Central European time on the calendar day prior to each Gas Delivery Day in the delivery period, reflecting the final delivery requirements. All The Clearing Member (or its Designee, as applicable) must submit Trade Nominations in respect of deliveries of natural gas must be matched to the Edig@s System by no later than two 21:00 hours prior to the start of Central European time on the day before each Gas Delivery Day– in the delivery period, reflecting the final delivery requirements.

1159106. DELIVERY MARGIN AND PAYMENTS

1159106.A. Definitions

For the purposes of this Rule, “Payment Date” shall mean the second ~~London banking day~~ **Banking Day** following ~~the start of~~ a Gas Delivery Day unless such day is not also a NYMEX business day or a valid business day for Euro payments, in which case the Payment Date shall be the next following ~~London banking day that is also a NYMEX business day and a valid business day for Euro payments.~~ **that is also a Banking Day.**

1159106.B. Margin

On the first NYMEX business day following the last day of trading, the Clearing Member shall obtain from any buyer margin equal to the full value of the product to be delivered for such Gas Delivery Days as directed by the Clearing House, and the Clearing Member shall obtain from any seller margin in an amount fixed, from time to time, by the Clearing House. The buyer’s Clearing Member and the seller’s Clearing Member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the second ~~New York banking day that is also a London banking day~~ **Banking Day** following notification to the Exchange that delivery and payment have been completed for the Gas Delivery Day.

1159106.C. Payment

On the Payment Date relating to each Gas Delivery Day, the payment made on the required Payment Date shall be based on the Contract Value for that Gas Delivery Day. The Contract Value shall be rounded to the nearest €0.01, or in the case of an exact uneven multiple of €0.005, to the nearest higher €0.01.

Delivery payment will be made during the 07:45 hours Eastern time collection cycle, or such other time as designated by the Clearing House. Thus, the cost of delivery will be debited or credited to the Clearing Member’s settlement account. Long clearing members obligated to accept delivery must take delivery and will make delivery payment and short clearing members obligated to make delivery will receive delivery payment during the 07:45 hours Eastern time settlement process, or at such other time designated by the Clearing House, on the ~~day of delivery, except on London banking holidays when delivery must be taken or made and delivery payment made during the 07:45 hours Eastern time settlement process, or such other time designated by the Clearing House, on the next London banking business day.~~ **Payment Date.** Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with Exchange Rules, policies and procedures.

1159107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept **Delivery**, check or any document or instrument delivered pursuant to these Rules.

1159108. IMBALANCE CHARGES

Without prejudice to Chapter 7, where a buyer or seller fails to submit a valid Trade Nomination for the Gas Delivery Day, such that the Clearing House experiences an imbalance within the National Gas Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any imbalance charges imposed on the Clearing

House by GTS. The Clearing House may also require an additional compensation payment from a ~~buyer or seller~~ **Clearing Member** that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

1159109. VAT

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.

1159110. LIABILITY

Without prejudice to the generality of the rules of the Exchange, neither the Exchange, the Clearing House nor any of its Affiliates shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of GTS, the Edig@s System or the National Gas Transmission System or any other part of the infrastructure for physical delivery of Dutch natural gas under the GTS Rules.

Notwithstanding the appointment of a Designee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the rules of the Exchange.

Chapter 1160

Dutch TTF Natural Gas Daily Futures

1160100. SCOPE OF CHAPTER

This chapter is limited in application to Dutch TTF Natural Gas Daily futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the Dutch TTF (Title Transfer Facility), the virtual trading hub in the Netherlands.

The term Banking Day means a day on which major banks are open for banking business including Euro payments in London and New York.

The term **Contract Value** shall mean the amount equal to the final settlement price multiplied by 1 MWh per hour multiplied by the number of hours of delivery in the ~~Contract Day~~**contract day**. Adjustments will be made to the number of MWh for Dutch daylight savings time to reflect the total number of hours in a ~~Contract Day~~**contract day**.

~~The term Contract Day means one of such days in which each Product is available for trading.~~

The term **Designee** means a third party appointed by a Clearing Member to effect the submission of Trade Nominations in its place in respect of an open long position or an open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House.

The term Dutch Gas Act means the Dutch Gas Act of 22 June 2000, concerning the rules for transportation and supply of gas, as amended from time to time, or any successor thereof.

The term **Edig@s System** shall mean the electronic facility operated by GTS enabling users to submit Trade Nominations to GTS for the purposes of the disposal or acquisition of rights to natural gas, and any successor from time to time.

The term **Gas Delivery Agent** means a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf.

The term **Gas Delivery Day** means the period beginning at 06:00 hours (Central European Time) on any day on which the transfer of rights in respect of natural gas to be made under a Dutch **TTF** Natural Gas Daily Future applies, and ending at 06:00 hours (Central European Time) on the following calendar day.

GTS means Gasunie Transport Services BV, a subsidiary of NV Nederlandse Gasunie, the independent operator of the national gas transmission system in the Netherlands.

GTS Rules means the *Gasvoorwaarden*, the rules, regulations, operational manuals and procedures of GTS governing the operation of the national gas transmission system in the Netherlands from time to time under the Dutch Gas Act, including the Transportation Conditions Gas (TCG) and the Transmission Service Conditions (TSC) for gas trading at the TTF and such successor rules and regulations from time to time.

The term **MWh** means megawatthour. One MWh is equal to 1,000 kWh.

National Gas Transmission System means the transmission system for natural gas in the Netherlands owned and operated by GTS.

The terms “**seller**” and “**buyer**” shall mean the seller of the physical product and the buyer of the physical product, respectively;

The term **Title Transfer Facility (TTF)** means the virtual point of delivery within the National Gas Transmission System at which the balancing of deliveries into and out of the GTS transmission system is deemed to take place for the purposes of the Transmission Service Conditions.

Trade Nomination means a trade nomination for the purposes of the Transmission Service Conditions, which shall include **Acquiring Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its Designee **or agent** to acquire rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules and **Disposing Trade Nominations**, being a trade nomination that is made by a person or, if applicable, its

Designee **or agent** to dispose of rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules.

Transmission Code Gas means the Decision of the Dutch Authority for Consumers and Markets, of April 21, 2016, reference ACM/DE/2016/202163, regarding the adoption of the conditions referred to in article 12b of the Dutch Gas Act, or any successor thereof.

1160101. **CONTRACT SPECIFICATIONS**

The contract grade for delivery on futures contracts shall be “natural gas” as defined by GTS as matter that at a temperature of 15°C and at a pressure of 1.01325 bar is in a gaseous state and mainly consists of methane or other matter that due to its properties is equivalent to methane. Deliveries under the contract shall be effected by transferring rights to natural gas in the National Gas Transmission System operated by GTS through the process of making Trade Nominations. Deliveries shall be made in kWh. Deliveries shall be made on a uniform hourly rate of flow and Trade Nominations shall be submitted for the Gas Delivery Day that commences on the ~~Contract Day~~**contract day**.

1160102. **TRADING SPECIFICATIONS**

The number of ~~Contract Days~~**contract days** open for trading at any given time shall be determined by the Exchange.

1160102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

1160102.B. Trading Unit

The contract quantity shall be measured in MWh. The contract quantity shall be 1 MWh (megawatthour) per hour for each hour in the Gas Delivery Day applicable to the ~~Contract Day~~**contract day**. Each ~~Contract Day~~**contract day** shall be valued as the contract quantity multiplied by the settlement price.

1160102.C. Price Increments

Prices shall be quoted in Euros per MWh. The minimum price fluctuation shall be €0.005 per MWh, on CME Globex and CME ClearPort. There shall be no maximum price fluctuation.

Prices shall be exclusive of any taxes or duties that may be applied to a transaction.

1160102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1160102.F. Termination of Trading

In respect of a ~~Contract Day~~**contract day**, trading shall cease on the London business day immediately preceding the ~~Contract Day~~**contract day**, unless such day is not also a NYMEX business day, in which case trading shall cease on the first preceding NYMEX business day that is also a London business day. On the last trading day, trading shall terminate at 16:35 hours London prevailing time. Any contracts remaining open after the last day of trading must be settled by delivery per the delivery process described below.

1160103. **DELIVERY**

1160103.A. Delivery principles

Delivery is effected by transferring title to natural gas at the TTF, through the process of making Trade Nominations in the Edig@s system **System** which is part of the National Gas Transmission System in the Netherlands.

1160103.B. Delivery requirements

The Clearing Member shall be responsible for fulfilling the delivery requirements of every Contract that it has entered into. If it is so able, a Clearing Member may directly make the required Trade Nominations in order to fulfil delivery requirements. Where a Clearing Member chooses not to make Trade Nominations itself, it must appoint a third party to act as Designee in its place. The Clearing Member must notify the Clearing House of the appointment of each relevant

Designee through submission of a completed Designee Notification Form (signed by an authorized signatory of each of the Clearing Member and the Designee) to the Clearing House. A Clearing Member may appoint a different Designee in respect of any account or ~~sub-account~~ **sub-customer** account, provided that only a single Designee may be appointed to effect the submission of Trade Nominations in respect of any single account ~~of a Clearing Member~~.

The Clearing Member must ensure that:

1. It notifies the Clearing House of third parties acting as Designee relating to any account or ~~sub-account~~ by submission to the Clearing House of a completed Designee Notification Form by no later than 17:30 hours London prevailing time three NYMEX business days prior to the Gas Delivery Day; and
2. The Designee acknowledges its appointment no later than 17:30 hours London prevailing time three NYMEX business days prior to the Gas Delivery Day of the contract in writing by email to the Clearing House.

The Clearing Member is responsible for the accuracy of information provided in any Designee Notification Form and for ensuring that the person signing the Designee Notification Form on behalf of the Clearing Member and the Designee is authorized to do so.

Each Clearing Member must ensure that it, or any Designee that it may appoint, has the right to make Trade Nominations under the GTS Rules and has access to the Edig@s ~~system~~ **System**. Each Clearing Member must ensure that it, or where appointed, its Designee, will at all times comply with the terms of any applicable license or registration it holds, the GTS Rules and any other ~~Applicable Law~~ **applicable law** and that the Designee meets the conditions on electronic messaging and expertise and care set out in clause 3.2.0(b) and 3.2.0(c) of the Transmission Code Gas. Each Clearing Member, or any Designee appointed by the Clearing Member, must obtain and adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.

All payments relating to Dutch **TTF** Natural Gas Daily Futures contracts shall be made between the Clearing House and the Clearing Member.

Unless a third party is appointed by a Clearing Member to act as Designee, the Clearing House will deliver natural gas under any contract to, and will receive the delivery of natural gas from, the Clearing Member. The Clearing House may accept delivery from, and make delivery to, third parties acting in the capacity of Designee notified by the Clearing Member to the Clearing House in accordance with this Rule.

For the avoidance of doubt, the Clearing Member shall, at all times remain responsible for the satisfactory performance of the contract including completion of its delivery, payment and other obligations under the Rules and also for the delivery obligations of any Designee appointed by the Clearing Member.

1160104. DELIVERY PROCEDURES

1160104.A. Delivery Process

Delivery of natural gas shall occur on the Gas Delivery Day that commences on the ~~Contract Day~~ **contract day**.

Delivery under these contracts is effected by the transfer of rights to natural gas through the process of making Trade Nominations such that the seller of natural gas (or its Designee) makes a Disposing Trade Nomination that corresponds to an Acquiring Trade Nomination made by the Clearing House, and the buyer of natural gas (or its Designee) makes an Acquiring Trade Nomination that corresponds to a Disposing Trade Nomination made by the Clearing House. Trade nominations must be made through the Edig@s ~~system~~ **System**.

The Clearing House will follow a two-stage nomination process in respect of the nomination of physical delivery of positions in the Dutch TTF Natural Gas Daily Future. The Clearing House will provide Clearing Members with initial net physical delivery requirements during the last trading day in respect of a contract, but prior to the last trading time for that contract. Following the final time for trade submission on the last trading day, the Clearing House shall provide Clearing Members with final net physical delivery requirements in respect of that contract. Clearing Members shall be responsible for notifying the Clearing House in good time of any inaccuracies within these reports. This nomination process is detailed in Rule 1160105 below.

The Clearing House may appoint a Gas Delivery Agent to facilitate its processing of delivery instructions.

The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit **initial and final** delivery instructions to the Edig@s System by ~~21:00 hours Central European time on the calendar day prior to the Gas Delivery Day~~ **times specified in Rule 1160105**. The Clearing Member, or its Designee as applicable, must submit **initial and final** delivery instructions to the Edig@s System by ~~no later than 21:00 hours Central European time on the calendar day prior to the Gas Delivery Day~~ **the times specified in Rule 1160105**. All Trade Nominations in respect of deliveries of natural gas must be matched by no later than two hours prior to the start of the Gas Delivery Day.

1160104.B. Notices of Intention to Deliver and Notices of Intention to Accept Delivery

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices for Intention to Deliver must be submitted to the Clearing House no later than 17:00 hours London prevailing time on the last trading day of a ~~Contract Day~~ **contract day**.
2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept Delivery including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices ~~for of~~ Intention to ~~Deliver~~ **Accept Delivery** must be submitted to the Clearing House no later than 17:00 London prevailing time on the last trading day of a ~~Contract Day~~ **contract day**.

1160104.C. Final Settlement Price

The final settlement price on the last trading day shall be the basis for delivery.

1160105.

TIMING OF DELIVERY

Delivery shall be made on a uniform hourly flow rate over the course of the ~~Contract Day~~ **contract day**. **The detailed delivery timings set out below are subject to any amendment to the operational arrangements of GTS.**

1. The Clearing House will calculate ~~the preliminary~~ net gas delivery requirements for each account ~~and, based on positions held at the close of business on the NYMEX business day prior to the last trading day of the contract. The Clearing House~~ shall provide a report to each Clearing Member detailing ~~final preliminary~~ gas delivery obligations for each of the relevant accounts and sub-accounts of that Clearing Member by ~~18:30~~ **09:00** hours London prevailing **Central European** time on the last trading day of the ~~Contract Day~~ **contract day**. The report shall describe the net flows of natural gas relating to Dutch TTF Natural Gas Contracts of the Clearing Member for each relevant account and sub-account for the Gas Delivery Day, **to enable Clearing Members or their Designees (as applicable) to provide initial gas delivery requirements to GTS**. Gas deliveries shall be expressed in whole kWh. The Clearing House may adjust the delivery obligation of an account or sub-account in order **to** express the delivery obligation in whole kWh, and to ensure a balanced delivery for the Gas Delivery Day. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible **and in any event by 13:00 hours Central European time on the last trading day**.
2. The Clearing House, or the Gas Delivery Agent, if such an agent has been appointed, shall aim to submit Trade Nominations to the Edig@s System ~~operated by GTS by 21:14:00 hours Central European time on the calendar last trading day prior to of the Gas Delivery Day~~ **contract**, reflecting the delivery requirements. The Clearing Member (or its **Designee** as applicable) must submit Trade Nominations to the Edig@s System by 14:00 hours Central European time on the last trading day of the contract, reflecting the final delivery requirements.
3. ~~The Clearing Member (or its Designee as applicable) must submit Trade Nominations to the Edig@s System operated by GTS~~ Following submission of the Notices of Intention to Deliver and Notices of Intention to Accept, Delivery as detailed in Rule 1160104.B, **the Clearing House shall calculate the final net delivery requirements for each account. The Clearing House shall provide a report to each Clearing Member detailing final delivery obligations for each of the relevant accounts of that Clearing Member by 18:45 hours Central European time. The report shall describe net flows of cash and natural gas relating to Dutch TTF Natural Gas Daily Futures contracts of the Clearing Member for each account. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible and in any event by 19:00 hours Central European time on the last trading day of the contract.**

~~34. The Clearing House, or where appointed, its Gas Delivery Agent, shall aim to submit Trade Nominations to the Edig@s System by 21:00 hours Central European time on the calendar day prior to the each Gas Delivery Day in the delivery period, reflecting the final delivery requirements. All The Clearing Member (or its Designee, as applicable) must submit Trade Nominations in respect of deliveries of natural gas must be matched to the Edig@s System by no later than two 21:00 hours prior to the start of Central European time on the day before each Gas Delivery Day-- in the delivery period, reflecting the final delivery requirements.~~

1160106. DELIVERY MARGIN AND PAYMENTS

1160106.A. Definitions

For the purposes of this Rule, "Payment Date" shall mean the second ~~London banking day~~ **Banking Day** following the start of a Gas Delivery Day unless such day is not also a NYMEX business day or a valid business day for Euro payments, in which case the Payment Date shall be the next following ~~London banking day that is also a NYMEX business day and a valid business day for Euro payments~~ **that is also a Banking Day**.

1160106.B. Margin

On the last day of trading, the Clearing Member shall obtain from any buyer margin equal to the full value of the product to be delivered and the Clearing Member shall obtain from any seller margin in an amount fixed, from time to time, by the Clearing House. The buyer's Clearing Member and the seller's Clearing Member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the second ~~New York banking day that is also a London banking day~~ **Banking Day** following notification to the Exchange that delivery and payment have been completed for the Gas Delivery Day.

1160106.C. Payment

On the Payment Date relating to the Gas Delivery Day, the payment made on the required Payment Date shall be based on the Contract Value for that Gas Delivery Day. The Contract Value shall be rounded to the nearest €0.01, or in the case of an exact uneven multiple of €0.005, to the nearest higher €0.01.

Delivery payment will be made during the 07:45 hours Eastern time collection cycle, or such other time as designated by the Clearing House. Thus, the cost of delivery will be debited or credited to the Clearing Member's settlement account. Long Clearing Members obligated to accept delivery must take delivery and will make delivery payment and short Clearing Members obligated to make delivery will receive delivery payment during the 07:45 hours Eastern time settlement process, or at such other time designated by the Clearing House, on the ~~day of delivery, except on London banking holidays when delivery must be taken or made and delivery payment made during the 07:45 hours Eastern time settlement process, or such other time designated by the Clearing House, on the next London banking business day.~~ **Payment Date**. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with Exchange Rules, policies and procedures.

1160107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept **Delivery**, check or any document or instrument delivered pursuant to these rules.

1160108. IMBALANCE CHARGES

Without prejudice to Chapter 7, where a buyer or seller fails to submit a valid Trade Nomination for the Gas Delivery Day, such that the Clearing House experiences an imbalance within the National Gas Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any imbalance charges imposed on the Clearing House by GTS. The Clearing House may also require an additional compensation payment from a ~~buyer or seller~~ **Clearing Member** that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

1160109. VAT

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.

1160110. LIABILITY

Without prejudice to the generality of the rules of the Exchange, neither the Exchange, the Clearing House nor any of its Affiliates shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of GTS, the Edig@s System or the National Gas Transmission System or any other part of the infrastructure for physical delivery of Dutch natural gas under the GTS Rules.

Notwithstanding the appointment of a Designee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the rules of the Exchange.