

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-506

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): December 22, 2014 Filing Description: Delisting of Thirty-Four (34) Futures and Option Contracts

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/> | Approval                            | § 40.5(a)  |
| <input type="checkbox"/> | Notification                        | § 40.6(d)  |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change         | § 40.10(h) |

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                                     |   |                      |
|-------------------------------------|---|----------------------|
| <input type="checkbox"/>            | Certification   | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Security Futures                          | § 41.24(a)           |
| <input checked="" type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/>            | Approval  | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/>            | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/>            | “Non-Material Agricultural Rule Change”                 | § 40.4(b)(5)         |
| <input type="checkbox"/>            | Notification  | § 40.6(d)            |

**Official Name(s) of Product(s) Affected:** See filing.

**Rule Numbers:** Chapters 374, 420, 465, 534, 535, 554, 599, 600, 685, 1056, 1057, 1059, 1060, 1061, 1087, 1109, 1116, 1125, 1126, 1157, 1160, 1163, 1257, 1261, 1262, 1263, 1269; Position Limit, Position Accountability and Reportable Level Table; and Rule 588.H.

December 22, 2014

**VIA ELECTRONIC PORTAL**

Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification of Delisting of Thirty-Four (34) Futures and Option Contracts.  
NYMEX Submission No. 14-506**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the delisting of thirty-four (34) futures and option contracts, effective immediately, as set forth in the table below. There is no open interest in these contracts.

Rule Chapter	Contract Code	Contract Name
374	HHQ	Henry Hub Natural Gas Quadultimate Option
420	31	Mont Belvieu LDH Propane (OPIS) vs. Argus Propane Far East Index Futures
465	2G	Premium Unleaded Gasoline 10 ppm CIF MED (Platts) Futures
534	WR	Gasoil 0.1 Cargoes FOB NWE (Platts) Futures
535	WT	Gasoil 0.1 Cargoes FOB NWE (Platts) vs. Gasoil Futures
554	MC6	Indonesian Coal (McCloskey sub-bituminous 6,000 kcal basis) Futures
599	P1	Polypropylene Futures
600	P6	High Density Polyethylene (HDPE) Futures
685	TI	Freight Route TD5 (Baltic) Futures
1056	IGE	Gasoil (Euro Denominated) Financial Futures
1057	MFT	Mini 3.5% Fuel Oil Barges FOB Rdam (Platts) (Euro Denominated) Futures
1059	MUL	Mini ULSD 10ppm Cargoes CIF NWE (Platts) vs. Gasoil (Euro Denominated) Futures
1060	MGG	Mini Gasoil 0.1 Cargoes CIF NWE (Platts) vs. Gasoil (Euro Denominated) Futures
1061	MFE	Mini 1% Fuel Oil Cargoes FOB NWE (Platts) (Euro Denominated) Futures
1087	NYC	NY 2.2% Fuel Oil (Platts) vs. Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Futures
1109	NCL	Coal (API 6) fob Newcastle (ARGUS-McCloskey) Futures

1116	MCL	Micro Crude Oil Futures
1125	UCU	ULSD 10ppm Cargoes CIF MED (Platts) vs. ULSD 10ppm Cargoes CIF NWE (Platts) Futures
1126	BBU	Diesel 10ppm Barges FOB Rdam (Platts) vs. ULSD 10ppm Cargoes CIF NWE (Platts) Futures
1157	D42	D4 Biodiesel RINs (Argus) 2012 Futures
1160	D52	D5 Advanced Biofuel RINs (Argus) 2012 Futures
1163	D62	D6 Ethanol RINs (Argus) 2012 Futures
1257	FLY	European Union Aviation Allowance (EUAA) Futures
1261	92	Climate Action Reserve (CAR) Futures - Vintage 2009
1261	93	Climate Action Reserve (CAR) Futures - Vintage 2010
1261	94	Climate Action Reserve (CAR) Futures - Vintage 2011
1261	95	Climate Action Reserve (CAR) Futures - Vintage 2012
1261	CR	Climate Action Reserve (CAR) Futures - Non Vintage
1262	CO	Climate Action Reserve (CAR) Option
1263	76	Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures - Vintage 2010
1263	86	Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures - Vintage 2011
1263	96	Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures - Vintage 2012
1263	98	Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures - Vintage 2009
1269	RC	European Union Allowance (EUA) Futures

These contracts were delisted from all venues on which they were currently listed. The twenty-two (22) energy contracts were listed for trading on CME Globex and the NYMEX trading floor and the twelve (12) emissions contracts were listed for trading on CME Globex and for submission for clearing through CME ClearPort. The contract rule chapters and terms and conditions will be deleted from the Exchange rulebook (see Appendix A). Additionally, the terms and conditions of the contracts being delisted will be deleted from the Exchange's website and the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook will also be removed from the Exchange rulebook (see Appendix B, attached under separate cover).

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that delisting these contracts may have some bearing on the following Core Principles:

- Emergency Authority: There is no open interest in the contracts submitted for delisting, and therefore there will be no market disruption related to their delisting.
- Availability of General Information: The Exchange will make publically available the details of the contracts' delisting by publishing a notice to the market. Furthermore, the Exchange will update the NYMEX rulebook to reflect the delisting of the contracts.

Pursuant to Section 5c(c) of the Act and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of the subject contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – NYME Rulebook Amendments  
Appendix B – Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)

## APPENDIX A

### **Chapter 374**

#### **Henry Hub Natural Gas Quadultimate Option**

##### **374.01 TYPE OPTION**

The Henry Hub Natural Gas Quadultimate Option contract is an American-style option contract. A put or call option contract traded on the Exchange represents an option to assume a short or long position in the underlying Henry Hub Natural Gas Futures contract traded on the Exchange.

##### **374.02 EXPIRATION**

The option contract shall expire three business days prior to the termination of the underlying Henry Hub Natural Gas Futures contract.

##### **374.03 TRADING UNIT**

A Henry Hub Natural Gas Quadultimate Put (Call) Option traded on the Exchange represents an option to assume a short (long) position in the underlying Henry Hub Natural Gas Futures contract traded on the Exchange.

##### **374.04 HOURS OF TRADING**

The option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. to 2:30 p.m. (New York prevailing time) Monday through Friday, except on Exchange Holidays. The option contract is available for clearing through CME ClearPort® from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York prevailing time), with a 45-minute halt each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays.

##### **374.05 STRIKE PRICES**

Trading shall be conducted for options with strike prices in increments as set forth below.

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the difference between the previous day's settlement price for the underlying Henry Hub Natural Gas Futures contract rounded off to the nearest five-cent increment, unless such settlement price is precisely midway between two five-cent increments in which case it shall be rounded off to the lower five-cent increment; and (ii) the ten strike prices which are ten five-cent increments higher than the strike price described in section (i) of this Rule 374.05(A).

(B) Thereafter, on any business day prior to the expiration of the option, new strike prices for both puts and calls will be added such that at all times there will be at least ten five-cent increment strike prices above and below the at-the-money strike price available for trading in all option contract months. The at-the-money strike price will be determined in accordance with the procedures set forth in Subsection (A) of this Rule 374.05.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in Henry Hub Natural Gas Quadultimate Option contract will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a Henry Hub Natural Gas Quadultimate Option contract in which no new strike prices may be introduced.

##### **374.06 TRADING MONTHS**

Trading in the option contract shall be conducted in such months as shall be determined by the Exchange.

##### **374.07 PRICES**

Prices shall be quoted in dollars and cents per MMBtu. The minimum price increment shall be one-hundredth (\$.0001) cent per MMBtu.

##### **374.08 ABSENCE OF PRICE FLUCTUATION LIMITATIONS**

Trading in the option contract shall not be subject to price fluctuation limitations.

## Chapter 420

### Mont Belvieu LDH Propane (OPIS) vs. Argus Propane Far East Index Futures

#### 420.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 420.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the the OPIS Mt. Belvieu Propane (LDH) minus the arithmetic average of the mid-point of the high and low quotations from the Argus Media for Propane (Far East Index) for each business day that it is determined during the contract month (using Non-common pricing). For purposes of determining the Floating Price, the Argus Media for Propane (Far East Index) price will be converted each day to U.S. dollars and cents per gallon, rounded to the nearest cent. The conversion factor will be 521 gallons per metric ton.

#### 420.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### 420.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 420.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton. There shall be no maximum price fluctuation.

#### 420.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 420.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 420.08. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

Any Exchange of Futures for Related Position (EFRP) transactions shall be governed by the provisions of Exchange Rule 538.

#### 420.09. DISCLAIMER

Each of OPIS and Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc.

("NYMEX") to use various OPIS and Argus price assessments in connection with the trading of the contract.

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## Chapter 465

### Premium Unleaded Gasoline 10 ppm CIF MED (Platts) Futures

#### 465.01 SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 465.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the mid point of the high and low quotations from the Platts European Marketscan for Premium Unleaded Gasoline (Prem Unl) 10ppm under the heading "Cargoes CIF Med Basis Genoa/Lavera" for each business day that it is determined during the contract month.

#### 465.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### 465.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such weeks as shall be determined by the Exchange.

#### 465.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton. There shall be no maximum price fluctuation.

#### 465.06 TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 465.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 465.08 RESERVED

#### 465.09 DISCLAIMER

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**Chapter 534**  
**Gasoil 0.1 Cargoes FOB NWE (Platts) Futures**

**534.01 SCOPE**

~~The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.~~

**534.02 FLOATING PRICE**

~~The Floating Price for each contract month is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for Gasoil 0.1% under the heading "Cargoes FOB NWE" for each business day that it is determined during the contract month.~~

**534.03 CONTRACT QUANTITY AND VALUE**

~~The contract quantity shall be 1000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

**534.04 CONTRACT MONTHS**

~~Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.~~

**534.05 PRICES AND FLUCTUATIONS**

~~Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton. There shall be no maximum price fluctuation.~~

**534.06 TERMINATION OF TRADING**

~~Trading shall cease on the last business day of the contract month.~~

**534.07 FINAL SETTLEMENT**

~~Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

**534.08 RESERVED**

**534.09 DISCLAIMER**

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## Chapter 535

### Gasoil 0.1 Cargoes FOB NWE (Platts) vs. Gasoil Futures

#### 535.01 SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 535.02 FLOATING PRICE

The Floating Price for each contract month up to and including the December 2014 contract month is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for Gasoil 0.1% under the heading "Cargoes FOB NWE" minus the first line ICE Gasoil Futures settlement price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

The Floating Price for each contract month from the January 2015 contract and beyond is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for Gasoil 0.1% under the heading "Cargoes FOB NWE" minus the first line ICE Low Sulphur Gasoil Futures settlement price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

(B) The settlement prices of the first nearby contract month will be used except on the last day of trading for the expiring ICE Gasoil or ICE Low Sulphur Gasoil Futures contract when the settlement prices of the second nearby ICE Gasoil or ICE Low Sulphur Gasoil contract will be used.

#### 535.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be 1000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### 535.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

#### 535.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton. There shall be no maximum price fluctuation.

#### 535.06 TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 535.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 535.08 RESERVED

#### 535.09 DISCLAIMER

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## Chapter 554

### Indonesian Coal (McCloskey sub-bituminous 6,000 kcal basis) Futures

#### 554.01 SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 554.02 FLOATING PRICE

The floating price for each contract month is based on the arithmetic mean of the Indonesian sub-bituminous FOB Marker (4,900 kcal/metric ton net as received, maximum 1% sulfur) indexes for the corresponding month as published each Friday in the McCloskey Coalfax in the table entitled "McCloskey Key Market Prices", pro-rated to a 6,000 kcal/metric ton basis.

#### 554.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one thousand (1,000) metric tons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

#### 554.04 CONTRACT MONTHS

Trading shall be conducted in the contract months as shall be determined by the Exchange.

#### 554.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. Dollars and Cents per ton. The minimum price fluctuation shall be \$0.05 (5¢) per metric ton. The minimum final settlement is \$0.01 per metric ton.

#### 554.06 TERMINATION OF TRADING

The contract shall terminate at the close of trading on the last Friday of the contract month. If such Friday is a UK holiday, the contract will terminate on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract shall terminate on the Exchange business day immediately prior.

#### 554.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of the trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 554.08 EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) shall be governed by the provision of Exchange Rule 538.

#### 554.09 DISCLAIMER

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~~Without prejudice to any of the above provisions and in addition to them, each and every third party should and must note that, insofar as New York Mercantile Exchange, Inc. ("NYMEX") may list any index for trading in or in connection or by reference therewith, none of:~~

~~a. NYMEX;~~

~~b. its directors or officers; or~~

~~c. any relevant party that NYMEX may contract with for the supply of the index or information in relation thereto; (each of the foregoing, a "Relevant Party") assume any obligation or liability in connection with the trading of any contract based on such index. Accordingly, no Relevant Party shall be in any way responsible for any losses, expenses or damages (in all cases direct or indirect) arising in connection with or referable to the trading of any contract linked or referable to the said index, provided that nothing herein shall affect either the obligations of NYMEX or its Members as Parties trading in any contract so linked or referable. None of the Relevant Parties guarantee or warrant or undertake in any manner the accuracy or completeness of any such index or any information or data included in or referable to it. NONE OF THE RELEVANT PARTIES MAKE ANY WARRANTY OR GIVES ANY GUARANTEE OR UNDERTAKING, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF, OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF ANY SUCH INDEX, AND PROXYRELATED OR REFERABLE THERETO OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO IT IN CONNECTION WITH ANY TRADING OR ANY CONTRACTS OR FOR ANY OTHER USE. NONE OF THE RELEVANT PARTIES MAKE ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY SUCH INDEX, ANY RELATED OR REFERABLE THERETO OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO ANY SUCH INDEX.~~

**Chapter 599**  
**Polypropylene Futures**

**599.01. SCOPE**

The provisions of these rules shall apply to plastics bought or sold for physical delivery of Polypropylene.

**599.02. DEFINITIONS**

(A) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member.

(B) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.

(C) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be the second business day after the final day of trading in the expiring delivery month.

(D) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price on the last business day of the month preceding the delivery month.

(E) The term "Houston Area" shall mean the terminals located in the following cities in Texas:

- 1) Houston
- 2) La Porte
- 3) Morgan's Point

**599.03. CONTRACT UNIT**

The contract quantity shall be ~~47,000 pounds. Each contract shall be valued as the contract Quantity (47,000) multiplied by the settlement price.~~

**599.04. GRADE AND QUALITY SPECIFICATIONS**

Physical delivery of Polypropylene shall meet the following grade and quality specifications:

(A) Homopolymer general purpose injection molding grade. Nominal melt flow rate 12 (-2/+3). Without additives such as slip and anti block. Melt Index: 12 (-2/+3) g/10 min (ASTM Method D1238)

(B) Homopolymer general purpose injection molding grade. Melt flow rate 20 (+/-3). No additives. Melt Index: 20 (-5/+7) g/10 min (ASTM Method D1238)

(C) Homopolymer general purpose fiber ('raffia') extrusion grade. Nominal melt flow rate 3.5 without additives. Melt Index: 3.5 (-0.6/+1.0) g/10 min (ASTM Method D1238)

**599.05. DELIVERY**

~~(A) Delivery shall be made Free Along Side (FAS) Buyer's terminal in Houston Area with all duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the product paid by the seller. Delivery shall be made in accordance with applicable Federal, State and local laws. The delivery shall be made by any of the following methods:~~

- 1) By delivery FAS Buyer's Terminal by railcar or truck;
- 2) By stock transfer of title to the buyer if facility used by seller allows such transfer;
- 3) By book transfer if the seller agrees to such transfer.

~~(B) DELIVERY SIZES~~

~~For purposes of these rules, deliveries shall be made in the increment of four (4) contracts, which equals to 188,000 lbs., with a tolerance of five percent (5%).~~

~~(C) DELIVERY LOCATIONS~~

~~Delivery shall be made FAS Buyer's Terminal in Houston Area. The approved terminals shall provide access for both rail and truck delivery. The following terminals are acceptable for delivery: Frontier Logistics - La Porte, TX; Katoen Natie (KTN) - La Porte, TX; Packwell Plastics Packing & Distribution Services - Houston, TX; United DC, Houston, TX.~~

~~(D) Timing of Delivery~~

~~The Seller shall schedule delivery of plastics during the delivery month so that delivery shall occur during the delivery window commencing on the seventh calendar day of the delivery month and not later than the 21st calendar day of the delivery month.~~

**599.06. DELIVERY MONTHS**

Trading shall be conducted in contract months providing for delivery in such periods as shall be determined by the Board of Directors. Trading in the delivery periods shall commence on the day fixed by the Board of Directors.

**599.07. PRICES AND FLUCTUATIONS**

Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be 0.0001 cent per pound. There shall be no maximum price fluctuation.

**599.08. TERMINATION OF TRADING**

Trading shall cease on the last business day of the month preceding the delivery month.

**599.09. RESERVED**

**599.10. DELIVERY PROCEDURES**

**(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS (BUYERS)**

**(1) NOTICE OF INTENTION TO ACCEPT**

By 3:00 p.m. on the first business day of the delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept, in the form prescribed by the Exchange, shall include: the name of the Buyer's Customer, the number of contracts to be

accepted, name of delivery facility, the names of three inspection companies, and any additional information required by the Exchange.

#### ~~(2) BUYER'S INITIAL DELIVERY INSTRUCTIONS~~

~~As soon as possible after receipt from the Exchange of a Notice of Intention to Deliver, but not later than 4:30 p.m. on a business day not later than the fifth business day of the delivery month, the Buyer shall deliver to the Seller identified in such Notice of Intention to Deliver, with a copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:~~

- ~~a) Name of Buyer's Customer;~~
- ~~b) Tender Number;~~
- ~~c) Number of Contracts;~~
- ~~f) Names of three inspection companies, if so requested;~~
- ~~g) Such additional information as may be required by the Exchange.~~

#### ~~(3) DELIVERY INSTRUCTIONS~~

~~The Buyer may tender, at the office of the Seller, Delivery Instructions on any business day prior to 10:30 a.m. Delivery Instructions given after 10:30 a.m. on any business day shall be deemed to have been given on the following business day. A Buyer may not tender Delivery Instructions on the day on which Initial Delivery Instructions are tendered to the Seller under Rule 599.09~~

~~(A)(2). The Buyer must give Delivery Instructions to the Seller not later than five calendar days prior to the time of the proposed delivery, or such earlier business day as is necessary to assure that the day on which Delivery Instructions are given is followed by a period that includes at least one business day and three subsequent calendar days ending on the day prior to the last business day of the delivery month. A copy of the Delivery Instructions must be given to the Exchange. Except as provided in Rule 599.09(A)(6) below, Delivery Instructions must conform to the Initial Delivery Instructions tendered by the Buyer to the Seller.~~

#### ~~(4) FORM OF DELIVERY INSTRUCTIONS~~

~~The Buyer's Delivery Instructions must be properly completed and signed, in such form as prescribed by the Exchange, and shall contain the following information:~~

- ~~(a) Name of Buyer's Customer;~~
- ~~(b) Tender Number;~~
- ~~(c) Number of Contracts;~~
- ~~(d) Name of terminal or warehouse;~~
- ~~(e) Names of three inspection companies, if so required;~~
- ~~(f) Such additional information as may be required by the Exchange.~~

#### ~~(5) AMENDMENT OF INITIAL DELIVERY INSTRUCTIONS OR OF DELIVERY INSTRUCTIONS~~

~~Neither initial delivery instructions nor delivery instructions may be amended after they have been given. However, upon mutual consent of the parties and upon written notice to the Exchange, the parties may change the delivery facility named by the Buyer, the method of delivery named by the Seller, or the delivery date named by the Seller.~~

#### ~~(6) ACCEPTANCE OF PRODUCT~~

~~The Seller shall schedule delivery of plastics during the delivery month so that delivery shall occur during the delivery window commencing on the seventh calendar day of the delivery month and not later than the 21st calendar day of the delivery month.~~

#### ~~(B) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS (SELLERS)~~

##### ~~(1) NOTICE OF INTENTION TO DELIVER~~

~~By 3:00 p.m. on the first business day of the delivery month, a Seller having an open short position shall file with the Exchange, a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form as prescribed by the Exchange and shall include:~~

- ~~a) the name of the Seller's Customer;~~
- ~~b) the grade of Polypropylene to be delivered;~~
- ~~c) the number of contracts;~~
- ~~d) Method of Delivery (rail or truck);~~
- ~~e) date of delivery to take place between the 7th and 21st of the delivery month;~~
- ~~f) Selection of inspection company, if required;~~
- ~~g) Any additional information as may be required by the Exchange.~~

~~(C) SETTLEMENT PRICE. The last settlement price shall be the basis for delivery. © Copyright 2009 New York Mercantile Exchange, Inc. All rights reserved Page 4 of 9~~

~~(D) NOTICE DAY. The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions to the extent possible. The Clearing House shall pass copies of the notices to the respective Clearing Members on the morning of the next business day. The day the notices are passed to the Clearing Members shall be referred to as the Notice Day. The Notice Day shall be the second business day of the delivery month.~~

~~(E) NON TRANSFERABLE. The Clearing Member who receives a Notice of Intention to Deliver or Notice of Intention to Accept from the Clearing House shall have agreed to accept or deliver product. Notices of Intention to Deliver or Notices of Intention to Accept are not transferable.~~

#### (F) DELIVERY DAY

(1) The Seller's Customer, upon receipt of payment, shall give the Buyer's Customer a bill of lading and the Certification of Analysis, or any other appropriate documents necessary to transfer ownership of the product to the Buyer's Customer. Shipment will be completed when product is delivered FAS the Buyer's Customer's warehouse or terminal; at such time the Buyer's Customer shall bear the risk of loss.

(2) The Buyer's Customer shall pay the Seller's Customer at the office of the Seller's Customer by certified check by 12:00 noon of the business day following the receipt of the product, or by 12:00 noon on the last business day of the delivery month, whichever is earlier. The amount of payment shall be based on quantity delivered as determined in Rule 599.02. Should the inspector, appointed under Rule 599.12, be unable to supply quantitative results prior to the time established herein for payment of the product, a pro forma payment based on 47,000 U.S. pounds per contract shall be made. Payment adjustments based on actual quantity transferred shall be completed between Clearing Members by 12:00 noon of the first business day after receipt of the telexed Inspector's report but no later than the third business day after transfer of physical product. Alternatively, buyer and seller may mutually agree to effect payment or adjustment, as otherwise prescribed in this Rule, by federal funds money wire as a substitution for a certified check.

(a) If the Buyer requires multiple delivery dates, multiple payment shall be required for each portion of product transferred.

(3) The day the Buyer's Customer receives the product shall be referred to as the Delivery Day.

#### 599.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, bill of lading, check or of any document or instrument delivered pursuant to these Rules.

#### 599.12. INSPECTION

(A) Inspection of product shall be made in accordance with Plastics industry practices.

(B) The Buyer shall notify the Seller in the Delivery Instructions that a grade and quality or quantity inspection is requested. The Seller's Customer shall initiate inspection of the product to be delivered 24 hours prior to the nominated time and date specified in the delivery instructions. The Buyer may request the tests for any or all grade and quality specifications for the stated product listed in Rule 599.04.

The Buyer may request a quantity inspection for all deliveries. If the Buyer does not request a quantity inspection, the Seller may request such inspection.

(C) If the product meets quality specifications, the Buyer shall pay for the total cost of the inspection. If the product does not meet quality specifications, the Seller shall pay the cost of the inspection. The cost of verifying the quantity of product transferred shall be shared equally by Buyer and Seller.

(D) If the product does not meet quantity or quality specifications, the Buyer shall deliver to the Exchange, not later than 11:00 a.m. on the next business day, a copy of the report of the inspection company. Within one business day of receipt of the report by the Exchange a Panel of the Delivery Committee shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 599.15(C). In addition, the Seller shall require its customer to post additional margin equal to 100% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the Seller with the Exchange not later than 11:00 a.m. on the next business day.

(E) The inspection company shall not be affiliated with the parties to delivery. The inspection company must be capable of performing the quantity or quality tests requested by the Buyer or Seller in such a manner so as to assure that the product delivered conforms to these Rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing industry practices in effect at the time of delivery of the Buyer's facility at which product is received.

#### 599.13. EXCHANGE OF FUTURES FOR PHYSICAL (EFP) AND EXCHANGE OF FUTURES FOR SWAPS (EFS)

Any exchange of futures for physical (EFP) or exchange of futures for swaps (EFS) involving the futures contract shall be governed by the provisions in Exchange Rules 538 and 538.A, respectively.

#### 599.14. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or Seller's Customer with which it has been matched by the Clearing House under Rule 599.05(B) to make and take delivery under terms or conditions which differ from the terms and conditions described by this section.

In such a case, Clearing Members shall execute an Alternate Notice of Intention to Deliver on the form prescribed by the Clearing House and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Clearing House from their respective obligations under the Clearing House contracts.

In executing such Notice, Clearing Members shall indemnify the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder.

Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

#### 599.15. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

A) DEFINITION. As used in this Rule 599.15 the following terms, as well as variations thereof, shall have the meanings described below.

1) "Late Performance" means the failure of a Party to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.

2) "Failure to Perform" means the failure of a Party to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

3) "Contract Value" means the amount equal to the Settlement Price in the contract times 47,000 the number of contracts to be delivered.

4) a) "Party" means a Buyer or Seller. For the avoidance of doubt, the Buyer and Seller are each responsible to the Clearing House for their obligations under these Rules and further responsible to the Clearing House for the obligations of their respective customers under the Rules of this section.

b) "Other Party" means the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Party was to have performed, provided however, with respect to the obligations of a Party to submit documents to the Clearing House pursuant to the Rules in this section, "Day of Late Performance" means the twenty-four hour period commencing immediately after the time specified in the Rules in this section for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a Day of Late Performance.

6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of a Party, and which prevents that Party from making or taking delivery of product when and as provided for in these Rules.

#### (B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

1) The parties to a delivery shall make commercially reasonable efforts to perform their respective obligations at all times until a Party has failed to perform.

2) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that abuser which has failed to make a payment shall make such payment.

#### (C) DELIVERY COMMITTEE

1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Delivery Committee as set forth below. The Chairman of the Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a Party to the delivery is late;

b) upon the written request of both Parties;

c) when the President or any person designated by the President requests such appointment; or

d) when either Party of the delivery notifies the Clearing House that circumstances exist constituting Force Majeure.

2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The Clearing House Counsel shall serve as advisor to the Panel.

3) The Panel shall meet within one business day of notification as provided in these Rules. Unless good cause for delay exists, within one business day the Panel shall determine whether Force Majeure exists, whether a Party is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the Parties to the delivery as expeditiously as possible.

4) Absent a declaration of a Force Majeure, the Panel may, with the consent of both Parties, take any one or combination of the following actions as it deems suitable: a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;

b) change the delivery facility to a site in the Houston Area with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery; or,

c) modify the method of taking delivery. Nothing in this Subsection shall preclude a Party or the Clearing House from seeking the remedies set forth in Sections (D) and (E) of this Rule.

5) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable:

a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;

b) change the delivery facility to a site in the Houston Area with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery;

- c) modify the method of taking delivery if such method is acceptable to the Buyer;
  - d) allocate deliveries; or,
  - e) refer to Board of Directors for emergency action as provided in Article 7.
- 6) The inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.

**(D) CLEARING HOUSE ACTION**

1) Whenever a Party is found by the Panel to be late in the performance of or to have failed to perform any of its obligations in relation to a delivery, the Clearing House, represented by its Compliance Department, shall issue a Notice of Assessment in accordance with subsections (2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.

2) Either one or both Parties shall be assessed a penalty to be paid to the Clearing House for each Day of Late Performance as follows:

- first Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - second Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - third Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - fourth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - fifth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - sixth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - seventh Day of Late Performance — 4% of Contract Value, but not less than \$1,500 per contract;
  - eighth Day of Late Performance — 5% of Contract Value, but not less than \$2,000 per contract;
- Such penalties shall be cumulative for each Day of Late Performance.

3) When a Party has failed to perform any of its obligations in relation to a delivery, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the Contract Value, but not less than \$4,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Clearing House.

a) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Clearing House and by serving a copy of the same on the Clearing House's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Clearing House's Compliance Counsel.

b) The Compliance Department may file with the Appellant and the Hearing Register an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

c) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Clearing House. Failure to pay such penalties in accordance with this Rule shall subject the Party to the sanctions set forth in Bylaw 106. In the event a Party fails to appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Clearing House.

4) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Clearing House that are to be relied on by the Compliance Department or are otherwise relevant to the matter.

5) In the event of an appeal by a Party, the Chairman of the Clearing House, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Clearing House, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Clearing House outside counsel shall advise the Panel.

6) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.



- e) ~~The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~
- f) ~~The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~
- g) ~~The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Clearing House and whose actions impede the progress of a hearing.~~
- h) ~~The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~
- i) ~~The decision of the Assessment Appeal Panel shall be a final decision of the Clearing House, and shall constitute a final disciplinary action of the Clearing House. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~
- 7) ~~The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Clearing House.~~

~~(E) ARBITRATION PROCEDURE~~

- 1) ~~Any claim for damages arising between the Parties as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.~~
- 2) ~~Notice of Intent to Arbitrate must be submitted to the Secretary of the Clearing House within three business days of the occurrence upon which the claim is based or the decision of the Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such delivery dispute under the special or Regular Arbitration Rules.~~
- 3) ~~The Arbitration will be governed by the Clearing House Arbitration Rules except that the Chairman of the Clearing House or his designee shall appoint an Arbitration Panel composed of three Members of the Clearing House, at least one of whom shall be a Member of the Board of Directors.~~

**Chapter 600**  
**High Density Polyethylene (HDPE) Futures**

~~600.01. SCOPE~~

~~The provisions of these rules shall apply to all plastics bought or sold for physical delivery of High Density Polyethylene.~~

~~600.02. DEFINITIONS~~

~~(A) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member.~~

~~(B) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.~~

~~(C) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be the second business day after the final day of trading in the expiring delivery month.~~

~~(D) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price on the last business day of the month preceding the delivery month.~~

~~(E) The term "Houston Area" shall mean the terminals located in the following cities in Texas:~~

~~1) Houston~~

~~2) La Porte~~

~~3) Morgan's Point~~

~~600.03. CONTRACT UNIT~~

~~The contract quantity shall be 47,000 pounds. Each contract shall be valued as the contract Quantity (47,000) multiplied by the settlement price.~~

~~600.04. GRADE AND QUALITY SPECIFICATIONS~~

~~Polyethylene of High Density blow molding grade. Melt Flow rate 0.35 (-0.05/+0.04). Density 0.953 (+/-0.003). Product shall be free of all contaminants and additives, except for producer antioxidant additive packages.~~

~~600.05. DELIVERY~~

~~(A) Delivery shall be made Free Along Side (FAS) Buyer's terminal in Houston Area with all duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the product paid by the seller. Delivery shall be made in accordance with applicable Federal, State and local laws. The delivery shall be made by any of the following methods:~~

~~1) By delivery FAS Buyer's Terminal by railcar or truck;~~

~~2) By stock transfer of title to the buyer if facility used by seller allows such transfer;~~

~~3) By book transfer if the seller agrees to such transfer.~~

~~(B) DELIVERY SIZES~~

~~For purposes of these rules, deliveries shall be made in the increment of four (4) contracts, which equals to 188,000 lbs, with a tolerance of five percent (5%).~~

~~(C) DELIVERY LOCATIONS~~

~~Delivery shall be made FAS Buyer's Terminal in Houston Area. The approved terminals shall provide access for both rail and truck delivery. The following terminals are acceptable for delivery: Frontier Logistics - La Porte, TX; Katoen Natie (KTN) - La Porte, TX; Packwell Plastics Packing & Distribution Services - Houston, TX; United DC, Houston, TX.~~

~~(D) Timing of Delivery~~

~~The Seller shall schedule delivery of plastics during the delivery month so that delivery shall occur during the delivery window commencing on the seventh calendar day of the delivery month and not later than the 21st calendar day of the delivery month.~~

~~600.06. DELIVERY MONTHS~~

~~Trading shall be conducted in contract months providing for delivery in such periods as shall be determined by the Board of Directors. Trading in the delivery periods shall commence on the day fixed by the Board of Directors.~~

~~600.07. PRICES AND FLUCTUATIONS~~

~~Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be 0.0001 cent per pound. There shall be no maximum price fluctuation.~~

~~600.08. TERMINATION OF TRADING~~

~~Trading shall cease on the last business day of the month preceding the delivery month.~~

~~600.09. RESERVED~~

~~600.10. DELIVERY PROCEDURES~~

~~(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS (BUYERS)~~

~~(1) NOTICE OF INTENTION TO ACCEPT~~

~~By 3:00 p.m. on the first business day of the delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept, in the form prescribed by the Exchange, shall include: the name of the Buyer's Customer, the number of contracts to be accepted, name of delivery facility, the names of three inspection companies, and any additional information required by the Exchange.~~

~~(2) BUYER'S INITIAL DELIVERY INSTRUCTIONS~~

As soon as possible after receipt from the Exchange of a Notice of Intention to Deliver, but not later than 4:30 p.m. on a business day not later than the fifth business day of the delivery month, the Buyer shall deliver to the Seller identified in such Notice of Intention to Deliver, with a copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:

- a) Name of Buyer's Customer;
- b) Tender Number;
- c) Number of Contracts;
- d) Names of three inspection companies, if so requested; © Copyright 2009 New York Mercantile Exchange, Inc. All rights reserved — Page 3 of 10
- e) Such additional information as may be required by the Exchange.

#### ~~(3) DELIVERY INSTRUCTIONS~~

~~The Buyer may tender, at the office of the Seller, Delivery Instructions on any business day prior to 10:30 a.m. Delivery Instructions given after 10:30 a.m. on any business day shall be deemed to have been given on the following business day. A Buyer may not tender Delivery~~

~~Instructions on the day on which Initial Delivery Instructions are tendered to the Seller under Rule 599.09(A)(2). The Buyer must give Delivery Instructions to the Seller not later than five calendar days prior to the time of the proposed delivery, or such earlier business day as is necessary to assure that the day on which Delivery Instructions are given is followed by a period that includes at least one business day and three subsequent calendar days ending on the day prior to the last business day of the delivery month. A copy of the Delivery Instructions must be given to the Exchange. Except as provided in Rule 599.09(A)(6) below, Delivery Instructions must conform to the Initial Delivery Instructions tendered by the Buyer to the Seller.~~

#### ~~(4) FORM OF DELIVERY INSTRUCTIONS~~

~~The Buyer's Delivery Instructions must be properly completed and signed, in such form as prescribed by the Exchange, and shall contain the following information:~~

- ~~(a) Name of Buyer's Customer;~~
- ~~(b) Tender Number;~~
- ~~(c) Number of Contracts;~~
- ~~(d) Name of terminal or warehouse;~~
- ~~(e) Names of three inspection companies, if so required;~~
- ~~(f) Such additional information as may be required by the Exchange.~~

#### ~~(5) AMENDMENT OF INITIAL DELIVERY INSTRUCTIONS OR OF DELIVERY INSTRUCTIONS~~

~~Neither initial delivery instructions nor delivery instructions may be amended after they have been given. However, upon mutual consent of the parties and upon written notice to the Exchange, the parties may change the delivery facility named by the Buyer, the method of delivery named by the Seller, or the delivery date named by the Seller.~~

#### ~~(6) ACCEPTANCE OF PRODUCT~~

~~The Seller shall schedule delivery of plastics during the delivery month so that delivery shall occur during the delivery window commencing on the seventh calendar day of the delivery month and not later than the 21st calendar day of the delivery month.~~

#### ~~(B) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS (SELLERS)~~

##### ~~(1) NOTICE OF INTENTION TO DELIVER~~

~~By 3:00 p.m. on the first business day of the delivery month, a Seller having an open short position shall file with the Exchange, a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form as prescribed by Exchange and shall include:~~

- ~~a) the name of the Seller's Customer;~~
- ~~b) the grade of Polypropylene to be delivered;~~
- ~~c) the number of contracts;~~
- ~~d) Method of Delivery (rail or truck);~~
- ~~e) date of delivery to take place between the 7th and 21st of the delivery month;~~
- ~~f) Selection of inspection company, if required;~~
- ~~g) Any additional information as may be required by the Exchange.~~

~~(C) SETTLEMENT PRICE. The last settlement price shall be the basis for delivery.~~

~~(D) NOTICE DAY. The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions to the extent possible. The Clearing House shall pass copies of the notices to the respective Clearing Members on the morning of the next business day. The day the notices are passed to the Clearing Members shall be referred to as the Notice Day. The Notice Day shall be the second business day of the delivery month.~~

~~(E) NON-TRANSFERABLE. The Clearing Member who receives a Notice of Intention to Deliver or Notice of Intention to Accept from the Clearing House shall have agreed to accept or deliver product. Notices of Intention to Deliver or Notices of Intention to Accept are not transferable.~~

#### ~~(F) DELIVERY DAY~~

~~(1) The Seller's Customer, upon receipt of payment, shall give the Buyer's Customer a bill of lading and the Certification of Analysis, or any other appropriate documents necessary to transfer ownership of the product to the Buyer's Customer. Shipment will be completed when product is delivered FAS the Buyer's Customer's warehouse or terminal; at such time the~~

~~Buyer's Customer shall bear the risk of loss.~~

~~(2) The Buyer's Customer shall pay the Seller's Customer at the office of the Seller's Customer by certified check by 12:00 noon of the business day following the receipt of the product, or by 12:00 noon on the last business day of the delivery month, whichever is earlier. The amount of payment shall be based on quantity delivered as determined in Rule 599.02. Should the inspector, appointed under Rule 599.12, be unable to supply quantitative results prior to the time established herein for payment of the product, a pro forma payment based on 47,000 U.S. pounds per contract shall be made. Payment adjustments based on actual quantity transferred shall be completed between Clearing Members by 12:00 noon of the first business day after receipt of the telexed Inspector's report but no later than the third business day after transfer of physical product. Alternatively, buyer and seller may mutually agree to effect payment or adjustment, as otherwise prescribed in this Rule, by federal funds money wire as a substitution for a certified check.~~

~~(a) If the Buyer requires multiple delivery dates, multiple payments shall be required for each portion of product transferred.~~

~~(3) The day the Buyer's Customer receives the product shall be referred to as the Delivery Day.~~

#### ~~600.11. VALIDITY OF DOCUMENTS~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, bill of lading, check or of any document or instrument delivered pursuant to these Rules.~~

#### ~~600.12. INSPECTION~~

~~(A) Inspection of product shall be made in accordance with Plastics industry practices.~~

~~(B) The Buyer shall notify the Seller in the Delivery Instructions that a grade and quality or quantity inspection is requested. The Seller's Customer shall initiate inspection of the product to be delivered 24 hours prior to the nominated time and date specified in the delivery instructions. The Buyer may request the tests for any or all grade and quality specifications for the stated product listed in Rule 599.04. The Buyer may request a quantity inspection for all deliveries. If the Buyer does not request a quantity inspection, the Seller may request such inspection.~~

~~(C) If the product meets quality specifications, the Buyer shall pay for the total cost of the inspection. If the product does not meet quality specifications, the Seller shall pay the cost of the inspection. The cost of verifying the quantity of product transferred shall be shared equally by Buyer and Seller.~~

~~(D) If the product does not meet quantity or quality specifications, the Buyer shall deliver to the Exchange, not later than 11:00 a.m. on the next business day, a copy of the report of the inspection company. Within one business day of receipt of the report by the Exchange a Panel of the Delivery Committee shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 599.15.(C).~~

~~In addition, the Seller shall require its customer to post additional margin equal to 100% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the Seller with the Exchange not later than 11:00 a.m. on the next business day.~~

~~(E) The inspection company shall not be affiliated with the parties to delivery. The inspection company must be capable of performing the quantity or quality tests requested by the Buyer or Seller in such a manner so as to assure that the product delivered conforms to these Rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing industry practices in effect at the time of delivery of the Buyer's facility at which product is received.~~

#### ~~600.13. EXCHANGE OF FUTURES FOR PHYSICAL (EFP) AND EXCHANGE OF FUTURES FOR SWAPS (EFS)~~

~~Any exchange of futures for physical (EFP) or exchange of futures for swaps (EFS) involving the futures contract shall be governed by the provisions in Exchange Rules 538 and 538A, respectively.~~

#### ~~600.14. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or Seller's Customer with which it has been matched by the Clearing House under Rule 599.05(B) to make and take delivery under terms or conditions which differ from the terms and conditions described by this section. In such a case, Clearing Members shall execute an Alternate Notice of Intention to Deliver on the form prescribed by the Clearing House and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Clearing House from their respective obligations under the Clearing House contracts.~~

~~In executing such Notice, Clearing Members shall indemnify the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the~~

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Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.~~

600.15. ~~FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(A) DEFINITION. As used in this Rule 599.15 the following terms, as well as variations thereof, shall have the meanings described below.~~

~~1) "Late Performance" means the failure of a Party to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.~~

~~2) "Failure to Perform" means the failure of a Party to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~3) "Contract Value" means the amount equal to the Settlement Price in the contract times 47,000 the number of contracts to be delivered.~~

~~4) a) "Party" means a Buyer or Seller. For the avoidance of doubt, the Buyer and Seller are each responsible to the Clearing House for their obligations under these Rules and further responsible to the Clearing House for the obligations of their respective customers under the Rules of this section.~~

~~b) "Other Party" means the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Party was to have performed, provided however, with respect to the obligations of a Party to submit documents to the Clearing House pursuant to the Rules in this section, "Day of Late Performance" means the twenty-four hour period commencing immediately after the time specified in the Rules in this section for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a Day of Late Performance.~~

~~6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of a Party, and which prevents that Party from making or taking delivery of product when and as provided for in these Rules.~~

~~(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~1) The parties to a delivery shall make commercially reasonable efforts to perform their respective obligations at all times until a Party has failed to perform.~~

~~2) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that abuser which has failed to make a payment shall make such payment.~~

~~(C) DELIVERY COMMITTEE~~

~~1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Delivery Committee as set forth below. The Chairman of the Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, review a delivery:~~

~~a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a Party to the delivery is late;~~

~~b) upon the written request of both Parties;~~

~~c) when the President or any person designated by the President requests such appointment; or~~

~~d) when either Party of the delivery notifies the Clearing House that circumstances exist constituting Force Majeure.~~

~~2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The Clearing House Counsel shall serve as advisor to the Panel.~~

~~3) The Panel shall meet within one business day of notification as provided in these Rules.~~

~~Unless good cause for delay exists, within one business day the Panel shall determine whether Force Majeure exists, whether a Party is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the Parties to the delivery as expeditiously as possible.~~

~~4) Absent a declaration of a Force Majeure, the Panel may, with the consent of both Parties, take any one or combination of the following actions as it deems suitable:~~

~~a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;~~

~~b) change the delivery facility to a site in the Houston Area with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery; or,~~

~~c) modify the method of taking delivery.~~

~~Nothing in this Subsection shall preclude a Party or the Clearing House from seeking the remedies set forth in Sections (D) and (E) of this Rule.~~

~~5) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable:~~

~~a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;~~

- b) change the delivery facility to a site in the Houston Area with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery;
  - c) modify the method of taking delivery if such method is acceptable to the Buyer;
  - d) allocate deliveries; or,
  - e) refer to Board of Directors for emergency action as provided in Article 7.
- 6) The inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.

**(D) CLEARING HOUSE ACTION**

1) Whenever a Party is found by the Panel to be late in the performance of or to have failed to perform any of its obligations in relation to a delivery, the Clearing House, represented by its Compliance Department, shall issue a Notice of Assessment in accordance with subsections

(2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.

2) Either one or both Parties shall be assessed a penalty to be paid to the Clearing House for each Day of Late Performance as follows: — first Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — second Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — third Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — fourth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — fifth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — sixth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract; — seventh Day of Late Performance — 4% of Contract Value, but not less than \$1,500 per contract; — eighth Day of Late Performance — 5% of Contract Value, but not less than \$2,000 per contract;

Such penalties shall be cumulative for each Day of Late Performance.

3) When a Party has failed to perform any of its obligations in relation to a delivery, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the Contract Value, but not less than \$4,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Clearing House.

a) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Clearing House and by serving a copy of the same on the Clearing House's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Clearing House's Compliance Counsel.

b) The Compliance Department may file with the Appellant and the Hearing Register an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

c) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Clearing House. Failure to pay such penalties in accordance with this Rule shall subject the Party to the sanctions set forth in Bylaw 106. In the event a Party fails to appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Clearing House.

4) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant © Copyright 2009 New York Mercantile Exchange, Inc. All rights reserved — Page 9 of 10 shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Clearing House that are to be relied on by the Compliance Department or are otherwise relevant to the matter.

5) In the event of an appeal by a Party, the Chairman of the Clearing House, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Clearing House, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Clearing House outside counsel shall advise the Panel.

6) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

- e) ~~The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~
- f) ~~The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~
- g) ~~The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Clearing House and whose actions impede the progress of a hearing.~~
- h) ~~The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~
- i) ~~The decision of the Assessment Appeal Panel shall be a final decision of the Clearing House, and shall constitute a final disciplinary action of the Clearing House. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~
- 7) ~~The Assessment Appeal Panel shall consider, and make recommendations to the Board~~ © Copyright 2009 New York Mercantile Exchange, Inc. All rights reserved — Page 10 of 10 ~~concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Clearing House.~~

~~(E) ARBITRATION PROCEDURE~~

- 1) ~~Any claim for damages arising between the Parties as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.~~
- 2) ~~Notice of Intent to Arbitrate must be submitted to the Secretary of the Clearing House within three business days of the occurrence upon which the claim is based or the decision of the Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such delivery dispute under the special or Regular Arbitration Rules.~~
- 3) ~~The Arbitration will be governed by the Clearing House Arbitration Rules except that the Chairman of the Clearing House or his designee shall appoint an Arbitration Panel composed of three Members of the Clearing House, at least one of whom shall be a Member of the Board of Directors.~~

**Chapter 685**  
**Freight Route TD5 (Baltic) Futures**

**685.01. SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**685.02. FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TD5 Tanker Route (for 130,000 metric tons for West Africa to USAC) is published by the Baltic Exchange over the contract month. If for any reason the Baltic Exchange cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.

**685.03. CONTRACT QUANTITY AND VALUE**

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

**685.04. CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

**685.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton. There shall be no maximum price fluctuation.

**685.06. TERMINATION OF TRADING**

Trading shall cease on the last business day of the contract month.

**685.07. FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**685.08. RESERVED**

**685.10. DISCLAIMER**

The Baltic Exchange licenses The New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

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**Chapter 1056**  
**Gasoil (Euro Denominated) Financial Futures**

**1056.01. SCOPE**

The provisions of these Rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**1056.02. FLOATING PRICE**

The Floating Price for each contract month up to and including the December 2014 contract month is equal to the arithmetic average of the ICE Gasoil first nearby contract month settlement price for each business day that it is determined during the contract month, except as noted in (B) below. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

The Floating Price for each contract month for January 2015 and beyond is equal to the arithmetic average of the ICE Low Sulphur Gasoil first nearby contract month settlement price for each business day that it is determined during the contract month, except as noted in (B) below. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

(B) The settlement prices of the 1st nearby contract month will be used except on the last day of trading for the expiring ICE Gasoil or Low Sulphur Gasoil Futures contracts when the settlement prices of the 2nd nearby ICE Gasoil or ICE Low Sulphur Gasoil Futures contracts will be used.

**1056.03. CONTRACT QUANTITY AND VALUE**

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

**1056.04. CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

**1056.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in Euros and Euro cents per metric ton. The minimum price fluctuation shall be €0.001 per metric ton. There shall be no maximum price fluctuation.

**1056.06. TERMINATION OF TRADING**

Trading shall cease on the last business day of the contract month.

**1056.07. FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month. The final settlement price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

In the event where the ECB does not publish a reference rate for a relevant day, the first preceding published reference rate shall be used.

**1056.08. EXCHANGE FOR RELATED POSITION**

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

**1056.09. DISCLAIMER**

~~NYMEX AND ITS AFFILIATES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ICE GASOIL FIRST OR SECOND NEARBY CONTRACT MONTH SETTLEMENT PRICES, TRADING BASED ON THE ICE GASOIL FIRST OR SECOND NEARBY CONTRACT MONTH SETTLEMENT PRICES, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX AND ITS AFFILIATES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ICE GASOIL FIRST OR SECOND NEARBY CONTRACT MONTH SETTLEMENT PRICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX OR ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.~~

## Chapter 1057

### Mini 3.5% Fuel Oil Barges FOB Rdam (Platts) (Euro Denominated) Futures

#### 1057.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 1057.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts European MarketScan for 3.5% Fuel Oil under the heading "Barges FOB Rotterdam" assessment for each business day that it is determined during the contract month. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

#### 1057.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 100 metric tons. Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

#### 1057.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 1057.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per metric ton. The minimum price fluctuation shall be €0.001 per metric ton. There shall be no maximum price fluctuation.

#### 1057.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 1057.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

The final settlement price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

In the event where the ECB does not publish a reference rate for a relevant day, the first preceding published reference rate shall be used.

#### 1057.08. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

Any Exchange of Futures for Related Position (EFRP) transactions shall be governed by the provisions of Rule 538.

#### 1057.09. DISCLAIMER

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## Chapter 1059

### Mini ULSD 10ppm Cargoes CIF NWE (Platts) vs. Gasoil (Euro Denominated) Futures

#### 1059.01. SCOPE

The provisions of these Rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 1059.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for ULSD10ppm under the heading "Cargoes CIF NWE Basis ARA" minus the first line ICE Gasoil Futures settlement price for each business day during the contract month (using Non-common pricing), except as noted in (A) below. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

(A) The settlement prices of the 1st nearby ICE Gasoil Futures contract month will be used except on the last day of trading for the expiring ICE Gasoil Futures contract when the settlement prices of the 2nd nearby ICE Gasoil Futures contract will be used.

#### 1059.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 100 metric tons. Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

#### 1059.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 1059.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per metric ton. The minimum price fluctuation shall be €0.001 per metric ton. There shall be no maximum price fluctuation.

#### 1059.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 1059.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month. The final settlement price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate. In the event where the ECB does not publish a reference rate for a relevant day, the first preceding published reference rate shall be used.

#### 1059.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 1059.09. DISCLAIMER

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## Chapter 1060

### Mini Gasoil 0.1 Cargoes CIF NWE (Platts) vs. Gasoil (Euro Denominated) Futures

#### 1060.01. SCOPE

The provisions of these Rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 1060.02. FLOATING PRICE

The Floating Price for each contract month up to and including the December 2014 contract month is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for Gasoil 0.1% under the heading "Cargoes CIF NWE Basis ARA" minus the first line ICE Gasoil Futures settlement price for each business day during the contract month (using Non-common pricing), except as noted in (A) below. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate. The Floating Price for each contract month for January 2015 and beyond is equal to the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for Gasoil 0.1% under the heading "Cargoes CIF NWE Basis ARA" minus the first line ICE Gasoil Futures settlement price for each business day during the contract month (using Non-common pricing), except as noted in (A) below. The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

(A) The settlement prices of the 1st nearby ICE Gasoil or ICE Low Sulphur Gasoil Futures contract month will be used except on the last day of trading for the expiring ICE Gasoil or ICE Low Sulphur Gasoil Futures contract when the settlement prices of the 2nd ICE Gasoil or ICE Low Sulphur Gasoil Futures nearby contract will be used.

#### 1060.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 100 metric tons. Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

#### 1060.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 1060.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per metric ton. The minimum price fluctuation shall be €0.001 per metric ton. There shall be no maximum price fluctuation.

#### 1060.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 1060.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

The final settlement price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate. In the event where the ECB does not publish a reference rate for a relevant day, the first preceding published reference rate shall be used.

#### 1060.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 1060.09. DISCLAIMER

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## Chapter 1061

### Mini 1% Fuel Oil Cargoes FOB NWE (Platts) (Euro Denominated) Futures

#### 1061.01. SCOPE

The provisions of these Rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 1061.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts European MarketScan for 1% Fuel Oil under the heading "Cargoes FOB NWE" assessment for each business day that it is determined during the contract month.

The Floating Price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

#### 1061.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 100 metric tons. Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

#### 1061.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 1061.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per metric ton. The minimum price fluctuation shall be €0.001 per metric ton. There shall be no maximum price fluctuation.

#### 1061.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

#### 1061.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

The final settlement price shall be converted into Euros and Euro cents using the arithmetic average of the daily European Central Bank Euro/US Dollar foreign exchange reference rate.

In the event where the ECB does not publish a reference rate for a relevant day, the first preceding published reference rate shall be used.

#### 1061.08. EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

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## Chapter 1087

### NY 2.2% Fuel Oil (Platts) vs. Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Futures

#### 1087.01. SCOPE

~~The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.~~

#### 1087.02. FLOATING PRICE

~~The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from Platts Oilgram Price Report New York No.6 2.2%S Max Fuel Oil (Waterborne Cargo) minus the high and low quotations from Platts Oilgram Price Report for Gulf Coast No. 6 3.0%S (Waterborne) Fuel Oil price assessment for each business day that both are determined during the contract month.~~

#### 1087.03. CONTRACT QUANTITY AND VALUE

~~The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

#### 1087.04. CONTRACT MONTHS

~~Trading shall be conducted in contracts in such months as shall be determined by the Exchange.~~

#### 1087.05. PRICES AND FLUCTUATIONS

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.~~

#### 1087.06. TERMINATION OF TRADING

~~Trading shall cease on the last business day of the contract month.~~

#### 1087.07. FINAL SETTLEMENT

~~Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

#### 1087.08. EXCHANGE FOR RELATED POSITIONS

~~Any Exchange for Related Position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.~~

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## Chapter 1109

### Coal (API 6) fob Newcastle (ARGUS-McCloskey) Futures

#### 1109100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1109101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month shall be equal to the (API 6) fob Newcastle Monthly Coal Price Index published in the Argus/McCloskey's Coal Price Index Report (i.e., being the average of weekly prices during the contract month).

#### 1109102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

##### 1109102.A. Trading Schedule

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

##### 1109102.B. Trading Unit

The contract quantity shall be one thousand (1,000) metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

##### 1109102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per ton. The minimum price fluctuation shall be \$0.01 (1¢) per metric ton. The minimum final settlement is \$0.01 per metric ton.

##### 1109102.D. Position Limits and Position Accountability

In accordance with Rule 559, no person shall own or control positions in excess of 1,500 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all months accountability level shall be 5,000 contracts net long or net short in all months combined;
2. the any one month accountability level shall be 5,000 contracts net long or net short in any single contract month excluding the spot month.

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

##### 1109102.E. Termination of Trading

The contract shall terminate at the close of trading on the last Friday of the contract month. If such Friday is a UK holiday, the contract will terminate on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract shall terminate on the Exchange business day immediately prior.

#### 1109103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

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**Chapter 1116**  
**Micro Crude Oil Futures**

~~1116100. SCOPE OF CHAPTER~~

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

~~1116101. CONTRACT SPECIFICATIONS~~

~~The Floating Price is equal to the NYMEX Light Sweet Crude Oil futures 1st nearby contract settlement price on the penultimate trading day for the contract month.~~

~~1116102. TRADING SPECIFICATIONS~~

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

~~1116102.A. Trading Schedule~~

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

~~1116102.B. Trading Unit~~

~~The contract quantity shall be 1 U.S. barrel. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.~~

~~1116102.C. Price Increments~~

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.~~

~~1116102.D. Position Limits and Position Accountability~~

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in the Crude Oil Financial futures contract. Each position in Micro Crude Oil futures contract shall be deemed equivalent to 0.001 of the quantity of the Crude Oil Financial futures contract into which each Micro Crude Oil futures contract aggregates.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 2,000 Crude Oil Financial futures equivalent contracts (or 2,000,000 Micro Crude Oil futures contracts) net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

~~1. the all months accountability level shall be 20,000 Crude Oil Financial futures equivalent contracts (or 20,000,000 Micro Crude Oil futures contracts) net long or net short in all months combined;~~

~~2. the any one month accountability level shall be 20,000 Crude Oil Financial futures equivalent contracts (or 20,000,000 Micro Crude Oil futures contracts) net long or net short in any single contract month excluding the spot month.~~

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

~~1116102.E. Termination of Trading~~

~~Trading shall cease one business day prior to the termination date of the NYMEX Light Sweet Crude Oil futures contract for the contract month.~~

~~1116103. FINAL SETTLEMENT~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

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## Chapter 1125

### ULSD 10ppm Cargoes CIF MED (Platts) vs. ULSD 10ppm Cargoes CIF NEW (Platts) Futures

#### 1125100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### 1125101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point between the high and low quotations from Platts European Marketscan for ULSD 10ppm under the heading "Cargoes CIF MED Basis Genoa/Lavera" assessment minus the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for ULSD 10ppm under the heading "Cargoes CIF NWE Basis ARA" assessment for each business day during the contract month.

The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

#### 1125102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

##### 1125102.A. Trading Schedule

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

##### 1125102.B. Trading Unit

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

##### 1125102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

##### 1125102.D. Position Limits and Position Accountability

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in ULSD 10ppm (Platts) Cargoes CIF MED Swap futures and ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures. Each position in the contract will be calculated as a single position in the ULSD 10ppm (Platts) Cargoes CIF MED Swap futures contract and a single position in the ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

In accordance with Rule 559, no person shall own or control positions in excess of 500 (ULSD 10ppm (Platts) Cargoes CIF MED Swap futures)/150 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 5,000 (ULSD 10ppm (Platts) Cargoes CIF MED Swap futures)/1,000 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) futures equivalent contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 5,000 (ULSD 10ppm (Platts) Cargoes CIF MED Swap futures)/500 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) futures equivalent contracts net long or net short in any single contract month excluding the spot month.

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

##### 1125102.E. Termination of Trading

Trading shall cease on the last business day of the contract month. © Copyright 2009 New York Mercantile Exchange, Inc. All rights reserved. Page 2 of 2

#### 1125103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 1125104. DISCLAIMER

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## Chapter 1126

### ~~Diesel 10ppm Barges FOB Rdam (Platts) vs. ULSD 10ppm Cargoes CIF NWE (Platts) Futures~~

#### ~~1126100. SCOPE OF CHAPTER~~

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

#### ~~1126101. CONTRACT SPECIFICATIONS~~

~~The Floating Price for each contract month is equal to the arithmetic average of the mid-point between the high and low quotations from Platts European Marketscan for Diesel 10ppm under the heading "Barges FOB Rotterdam" assessment minus the arithmetic average of the mid-point between the high and low quotations from the Platts European Marketscan for ULSD10ppm under the heading "Cargoes CIF NWE Basis ARA" assessment for each business day during the contract month. The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.~~

#### ~~1126102. TRADING SPECIFICATIONS~~

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### ~~1126102.A. Trading Schedule~~

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

##### ~~1126102.B. Trading UnitS~~

~~The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

##### ~~1126102.C. Price Increments~~

~~Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.~~

##### ~~1126102.D. Position Limits and Position Accountability~~

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in European Diesel 10 ppm (Platts) Barges FOB Rdam Swap futures and ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures. Each position in the contract will be calculated as a single position in the in European Diesel 10 ppm (Platts) Barges FOB Rdam Swap futures contract and a single position in the ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures contract.~~

~~For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end. In accordance with Rule 559, no person shall own or control positions in excess of 500 (European Diesel 10 ppm (Platts) Barges FOB Rdam Swap futures)/150 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

- ~~1. the all-months accountability level shall be 5,000 (European Diesel 10 ppm (Platts) Barges FOB Rdam Swap futures)/1,000 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) futures-equivalent contracts net long or net short in all months combined;~~
- ~~2. the any one month accountability level shall be 5,000 (European Diesel 10 ppm (Platts) Barges FOB Rdam Swap futures)/500 (ULSD 10ppm (Platts) Cargoes CIF NWE Swap futures) futures-equivalent contracts net long or net short in any single contract month excluding the spot month.~~

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

##### ~~1126102.E. Termination of Trading~~

~~Trading shall cease on the last business day of the contract month.~~

#### ~~1126103. FINAL SETTLEMENT~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

#### ~~1126104. DISCLAIMER~~

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**Chapter 1157**  
**D4 Biodiesel RINs (Argus) 2012 Futures**

**1157100. SCOPE OF CHAPTER**

The provisions of these Rules shall apply to all futures contracts based on D4 Biodiesel RINs for vintage year 2012 bought or sold on the Exchange for cash settlement based on the Floating Price. The term "RIN" refers to the Renewable Identification Number (RIN) which is utilized to identify each gallon of renewable fuel that is produced or imported as mandated by the U.S. Environmental Protection Agency for compliance with the Renewable Fuels Standard (RFS2). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

**1157101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the monthly arithmetic average of the midpoint of the high and low daily closing prices from Argus Media for D4 Biodiesel RINs for vintage year 2012 for each business day during the contract month.

**1157102. TRADING SPECIFICATIONS**

The number of months open for trading at a given time shall be determined by the Exchange.

**1157102.A. Trading Schedule**

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

**1157102.B. Trading Unit**

The contract quantity shall be 50,000 RINs. Each contract shall be valued as the contract quantity (50,000) multiplied by the settlement price.

**1157102.C. Price Increments**

Prices shall be quoted in dollars and cents per RIN. The minimum price fluctuation shall be \$.0001 (.01 cents) per RIN.

**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 last business day of the contract month.

**1157103. FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**1157104. DISCLAIMER**

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**Chapter 1160**  
**D5 Advanced Biofuel RINs (Argus) 2012 Futures**

~~1160100. SCOPE OF CHAPTER~~

~~The provisions of these Rules shall apply to all futures contracts based on D5 Advanced Biofuel RINs for vintage year 2012 bought or sold on the Exchange for cash settlement based on the Floating Price. The term "RIN" refers to the Renewable Identification Number (RIN) which is utilized to identify each gallon of renewable fuel that is produced or imported as mandated by the U.S. Environmental Protection Agency for compliance with the Renewable Fuels Standard (RFS2). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

~~1160101. CONTRACT SPECIFICATIONS~~

~~The Floating Price for each contract month is equal to the monthly arithmetic average of the midpoint of the high and low daily closing prices from Argus Media for D5 Advanced Biofuel RINs for vintage year 2012 for each business day during the contract month.~~

~~1160102. TRADING SPECIFICATIONS~~

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

~~1160102.A. Trading Schedule~~

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

~~1160102.B. Trading Unit~~

~~The contract quantity shall be 50,000 RINs. Each contract shall be valued as the contract quantity (50,000) multiplied by the settlement price.~~

~~1160102.C. Price Increments~~

~~Prices shall be quoted in dollars and cents per RIN. The minimum price fluctuation shall be \$.0001 (.01 cents) per RIN.~~

~~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.E. Termination of Trading~~

~~Trading shall cease on the last business day of the contract month.~~

~~1160103. FINAL SETTLEMENT~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

~~1160104. DISCLAIMER~~

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**Chapter 1163**  
**D6 Ethanol RINs (Argus) 2012 Futures**

~~1163100. SCOPE OF CHAPTER~~

~~The provisions of these Rules shall apply to all futures contracts based on D6 Ethanol RINs for vintage year 2012 bought or sold on the Exchange for cash settlement based on the Floating Price. The term "RIN" refers to the Renewable Identification Number (RIN) which is utilized to identify each gallon of renewable fuel that is produced or imported as mandated by the U.S. Environmental Protection Agency for compliance with the Renewable Fuels Standard (RFS2). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

~~1163101. CONTRACT SPECIFICATIONS~~

~~The Floating Price for each contract month is equal to the monthly arithmetic average of the midpoint of the high and low daily closing prices from Argus Media for D6 Ethanol RINs for vintage year 2012 for each business day during the contract month.~~

~~1163102. TRADING SPECIFICATIONS~~

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

~~1163102.A. Trading Schedule~~

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

~~1163102.B. Trading Unit~~

~~The contract quantity shall be 50,000 RINs. Each contract shall be valued as the contract quantity (50,000) multiplied by the settlement price.~~

~~1163102.C. Price Increments~~

~~Prices shall be quoted in dollars and cents per RIN. The minimum price fluctuation shall be \$.0001 (.01 cents) per RIN.~~

~~1163102.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.~~

~~1163102.E. Termination of Trading~~

~~Trading shall cease on the last business day of the contract month.~~

~~1163103. FINAL SETTLEMENT~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

~~1163104. DISCLAIMER~~

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## Chapter 1257

### European Union Aviation Allowance (EUAA) Futures

#### 1257100. SCOPE OF CHAPTER

This chapter is limited in application to European Union Aviation Allowance (EUAA) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7B shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all European Union Aviation Allowances bought or sold for future delivery on the Exchange with delivery at the Registry (UK).

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively. The seller's clearing member and buyer's clearing member may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the Registry (UK).

The term "EU ETS" shall mean the European Union Emission Trading Scheme established pursuant to the Directive.

The term "Directive" shall mean Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emissions allowance trading and amending Council Directive 96/61/EC, as amended from time to time.

The term "EUTL" shall mean the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in the Registries Regulation.

The term "Community Independent Transaction Log" or "CITL" shall mean the predecessor log to the EUTL provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAAs under the Scheme and established, operated and maintained pursuant to Article 5 of the Registries Regulation.

The term "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL or EUTL, which in any case is necessary to facilitate a transfer.

The term "Registry (UK)" shall mean the Registry under the jurisdiction of the United Kingdom (collectively being the holding accounts within the Union Registry that are under the jurisdiction of the United Kingdom).

The term "Registry" shall mean the registry established by a Member State or the EU pursuant to the Directive or the Registries Regulation, in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of allowances (including EUAAs). For the avoidance of doubt, references to a Registry shall include (i) the Union Registry and (ii) collectively the holding accounts within the Union Registry that are under the jurisdiction of a single Member State. In the case of (ii), such holding accounts will together be deemed to be a Registry for that Member State.

The term "Registries Regulation" shall mean the EU regulation no. 1193/2011 of 18 November 2011 establishing a Union Registry for the trading period commencing on 1 January 2013, and subsequent trading periods, of the Union emissions trading scheme pursuant to the Directive 2003/87/EC and Decision 280/2004/EC of the European Parliament and of the Council and amending Commission Regulations (EC) No. 2216/2004 and (EU) No. 920/2010.

The term "Union Registry" shall mean the Registry referred to as the "Community registry" in Article 19(1) of the Directive.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in the United Kingdom.

#### 1257101. CONTRACT SPECIFICATIONS

The contract specifications for delivery on futures contracts shall apply to all European Union Aviation Allowances with delivery at the Registry (UK).

An "EUAA" or "European Union Aviation Allowance" shall mean a unit of account that is an "allowance" as defined in the Directive and is issued pursuant to Chapter II thereof.

#### 1257102. TRADING SPECIFICATIONS

Trading in European Union Aviation Allowance (EUAA) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

##### 1257102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

##### 1257102.B. Trading Unit

The contract unit shall be one thousand (1,000) EUAAs for a delivery made by transfer through the Registry (UK).

##### 1257102.C. Price Increments

The minimum price fluctuation shall be €0.01 per EUAA (€10.00 per contract). Prices shall be quoted in Euros and Euro cents per EUAA.

##### 1257102.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.

##### 1257102.E. Termination of Trading

No trades in European Union Aviation Allowance (EUAA) futures in the expiring contract month shall be made after the last Monday of the delivery month for such expiring contract. If the last Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the penultimate Monday of the delivery month. If the penultimate Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the penultimate Monday of the delivery month, trading shall cease on the antepenultimate Monday of the delivery month. Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery which shall take place in accordance with Rule 1258105; or

(b) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract at any time before 6:00 p.m. on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

#### 1257103. DELIVERY

EUAA delivery shall comply with all requirements for the electronic transfer of EUAAs on the Registry (UK). Notwithstanding the use of a designee, all clearing members will remain ultimately responsible for performance of all applicable contract terms specific to the sellers' clearing members and the buyers' clearing members.

#### 1257104. DELIVERY PROCEDURES

The Exchange is a party to all deliveries under this contract and will receive EUAAs from the seller's clearing member into the Clearing House Holding Account of the Registry (UK). Following receipt from the seller's clearing member, the Exchange will deliver EUAAs to the buyer's clearing member from the Clearing House Holding Account to the Registry (UK) Holding Account nominated by the buyer's clearing member.

The seller's clearing member shall comply with such requirements and obligations imposed by, or under, applicable Registries Regulation in all respects material to the submission of the forms noted in this rule. The buyer's clearing member shall comply with such requirements and obligations imposed by, or under, the Registries Regulation in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the rules of this Chapter or the Exchange rules is inconsistent with a provision of the Registries Regulation, the provision of the rules of this Chapter and the Exchange rules shall prevail as between the buyer's clearing member, seller's clearing member, and the Exchange to the extent of such inconsistency and to the extent permitted by law.

By transferring EUAAs to the Exchange, the seller's clearing member represents and warrants that, at the time of delivery, it has good and marketable title to such EUAAs, and that such EUAAs are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

#### 1257104.A. Responsibilities of Clearing Members

##### 1. Notice of Intention to Accept

Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must be properly completed and indicate the name of the buyer, the number of contracts to be accepted, the Registry (UK) Account Number, the name, telephone number and e-mail address of the Authorized Representative(s) for that Registry Account, and any additional information as may be required by the Exchange.

##### 2. Notice of Intention to Deliver

Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Deliver must be in the form prescribed by the Exchange and must be properly completed and indicate the name of the seller, the number of contracts to be delivered, the Registry (UK) Account Number, the name, telephone number and e-mail address of the Authorized Representative(s) for that Registry Account, and any additional information as may be required by the Exchange.

#### 1257104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

#### 1257104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver by matching positions, to the extent possible.

The Clearing House shall provide Assignment Notice Reports to the respective clearing members on the final day of trading of the delivery month.

#### 1257105. TIMING OF DELIVERY

1. The seller's clearing member shall transfer EUAAs subject to delivery to the Clearing House Holding Account of the Registry (UK) by 6:30 p.m. on the first business day after the final day of trading of the delivery month.

2. For each buyer's clearing member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall initiate the process of transferring the EUAAs to the buyer's clearing member's account at the Registry (UK) by 7:00 p.m. on the first business day after the final day of trading of the delivery month.

3. The buyer's clearing member shall receive EUAAs from the Clearing House Holding Account of the Registry (UK) by 3:00 p.m. the second business day after the final day of trading of the delivery month.

4. The buyer's clearing member shall deposit/transfer Euro currency equal to the full value of the product to the designated Clearing House bank account by 2:00 p.m. on the business day following the last day of trading of the delivery month.

~~5. For each seller's clearing member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall pay the seller's clearing member the full contract value by 3:00 p.m. on the second business day following the last day of trading of the delivery month.~~

~~1257106. DELIVERY MARGINS AND PAYMENT~~

~~1257106.A. Definitions~~

~~For purposes of this Rule 1257106,~~

~~"Payment Date" shall mean the date on which the Clearing House transfers Payment in connection with a delivery to a seller's clearing member.~~

~~"Payment" shall include the final settlement price times the number of contracts times 1,000.~~

~~1257106.B. Margin~~

~~The buyer's clearing member and seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins shall be returned on the business day following notification to the Exchange that delivery and Payment have been completed.~~

~~1257106.C. Payment~~

~~Any Payment made on the Payment Date shall be based on EUAs that the seller's clearing member is obligated to deliver pursuant to the applicable delivery.~~

~~1257107. VALIDITY OF DOCUMENTS~~

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

~~1257108. ALTERNATIVE DELIVERY PROCEDURE~~

~~A seller and buyer matched by the Exchange under Rule 1257104.C. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.~~

~~In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.~~

**Chapter 1261**  
**Climate Action Reserve (CAR) Futures**

~~1261100. SCOPE OF CHAPTER~~

~~This chapter is limited in application to Climate Action Reserve (CAR) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7B shall be governed by the general rules of the Exchange.~~

~~The provisions of these rules shall apply to all Climate Reserve Tonnes™ (CRT™) bought or sold for future delivery on the Exchange with delivery at the "Reserve" which shall mean the Climate Action Reserve accredited system, by which a Climate Reserve Tonne is issued, held, transferred or retired.~~

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

~~The "Climate Action Reserve" ("CAR") is a private non-profit organization originally formed by the State of California. CAR serves as a voluntary greenhouse gas (GHG) registry to protect and promote early actions to reduce GHG emissions by organizations.~~

~~For purposes of this rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1261101. CONTRACT SPECIFICATIONS~~

~~The contract specifications for delivery on futures contracts shall apply to all "Climate Reserve Tonne" or "CRT" as being equal to an emission reduction that is equivalent to one metric tonne of verified greenhouse gas emission reductions, as defined by CAR, with delivery at the Reserve.~~

~~The "Carbon Dioxide Equivalent" or "CO<sub>2</sub>e" is the universal unit of measurement used to indicate the global warming potential of each of the six greenhouse gases. Carbon dioxide a naturally occurring gas that is a byproduct of burning fossil fuels and biomass, land-use changes, and other industrial processes is the reference gas against which the other greenhouse gases are measured. For contracts without a specified vintage year, CRTs acceptable for delivery are those having a vintage 2009 or later.~~

~~For contracts with a specified vintage year, CRTs acceptable for delivery are those having a vintage corresponding to the specified vintage year.~~

~~1261102. TRADING SPECIFICATIONS~~

~~Trading in Climate Action Reserve (CAR) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.~~

~~1261102.A. Trading Schedule~~

~~The hours for trading shall be determined by the Exchange.~~

~~1261102.B. Trading Unit~~

~~The contract unit shall be one thousand (1,000) CRT for a delivery made by transfer through the Reserve.~~

~~1261102.C. Price Increments~~

~~Prices shall be quoted in U.S. dollars and cents per CRT. The minimum price fluctuation shall be \$0.01 per CRT (\$10.00 per contract).~~

~~1261102.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.~~

**Chapter 1262**  
**Climate Action Reserve (CAR) Option**

**1262100. SCOPE OF CHAPTER**

~~This chapter is limited in application to put and call options on Climate Action Reserve (CAR) futures contracts. In addition to the rules of this chapter, transactions in options on Climate Action Reserve (CAR) futures shall be subject to the general rules of the Exchange insofar as applicable.~~

**1262101. OPTION CHARACTERISTICS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

**1262101.A. Trading Schedule**

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

**1262101.B. Trading Unit**

~~A Climate Action Reserve (CAR) put or call option traded on the Exchange represents an option to assume a short or long position in the underlying Climate Action Reserve (CAR) futures contract at the strike price.~~

**1262101.C. Price Increments**

~~The minimum price fluctuation is \$0.01 per CRT. Prices shall be quoted in Dollars (\$) and cents (¢) per CRT. A cabinet trade may occur at a price of \$1.00 per contract, however, if it results in the liquidation of positions for both parties to the trade.~~

**1262101.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.~~

**1262101.E. Termination of Trading**

~~The option contract shall expire at the close of trading three business days prior to the expiration of the underlying Climate Action Reserve (CAR) futures contract.~~

**1262101.F. Type Option**

~~The option is a European-style option which can only be exercised into the underlying futures on expiration day.~~

**1262102. EXERCISE PRICES**

~~Trading shall be conducted for option contracts with strike prices in increments as set forth below.~~

~~1. On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for Climate Action Reserve (CAR) futures contract in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price, (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in subsection (i) of this rule, and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in subsection (i) of this rule.~~

~~2. Thereafter, on any business day prior to the expiration of the option contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.~~

~~3. Notwithstanding the provisions of subsections (1) and (2) of this rule, if the Exchange determines that trading in the option contracts will be facilitated thereby, the Exchange may change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of an option contract in which no new strike prices may be introduced.~~

## Chapter 1263

### Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures

#### 1263100. SCOPE OF CHAPTER

This chapter is limited in application to Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7B shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all Regional Greenhouse Gas Initiative (RGGI) Carbon Dioxide (CO2) allowances bought or sold for future delivery on the Exchange with delivery through the RGGI CO2 Allowance Tracking System, which shall mean the system by which the RGGI CO2 allowances are allocated, deducted, or transferred.

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

The "Regional Greenhouse Gas Initiative" ("RGGI") is a regional cap-and-trade program by Northeast and Mid-Atlantic states to limit carbon dioxide, i.e., CO2 emissions from regional power plants.

For purposes of this rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

#### 1263101. CONTRACT SPECIFICATIONS

The contract specifications for delivery on futures contracts shall apply to all Regional Greenhouse Gas Initiative (RGGI) Carbon Dioxide (CO2) allowances or "RGGI CO2 Allowance(s)" which shall mean a limited authorization under RGGI program to emit up to one ton of CO2.

Contracts without a specific vintage year: RGGI CO2 Allowances acceptable for delivery are those having a vintage usable for compliance in the control period associated with the calendar year of the contract expiration month or allowances having a vintage usable for compliance in any prior control period.

~~Contracts with a specific vintage year: RGGI CO2 Allowances acceptable for delivery are allowances with a vintage corresponding to the specified vintage year.~~

All RGGI CO2 Allowances acceptable for delivery must be eligible for compliance in participating RGGI states at the time of delivery.

#### 1263102. TRADING SPECIFICATIONS

Trading in Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange. Trading shall be conducted in contract months ~~with and~~ without specific vintage years providing for delivery in such periods as shall be determined by the Exchange.

##### 1263102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

##### 1263102.B. Trading Unit

The contract unit shall be one thousand (1,000) RGGI CO2 Allowances for a delivery made by transfer through the RGGI CO2 Allowance Tracking System.

##### 1263102.C. Price Increments

The minimum price fluctuation shall be \$0.01 per allowance (\$10.00 per contract). Prices shall be quoted in U.S. dollars and cents per allowance.

##### 1263102.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.

##### 1263102.E. Termination of Trading

No trades in Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures in the expiring contract month shall be made after the last business day of the contract month for such expiring contract. Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery no later than the third business day after the final day of trading; or

(b) Liquidated by means of a bona fide Exchange for Related Position (EFRP) pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract at any time no later than two hours after trading terminates on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

#### 1263103. DELIVERY

RGGI CO2 Allowances delivery shall comply with all requirements for the electronic transfer of CO2 allowances on the RGGI CO2 Allowance Tracking System.

#### 1263104. DELIVERY PROCEDURES

By transferring RGGI CO2 Allowances to the Exchange, the seller's clearing member represents and warrants that, at the time of delivery, it has good and marketable title to such RGGI CO2 Allowances, and that such RGGI CO2 Allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

If a provision of the rules of this Chapter or the Exchange rules is inconsistent with a provision of the RGGI CO2 Allowance Tracking System regulations, the provision of the rules of this Chapter and the Exchange rules shall prevail as among the buyer's clearing member, seller's clearing member, and the Exchange to the extent of such inconsistency and to the extent permitted by law.

#### 1263104.A. Responsibilities of Clearing Members Having Open Long Positions

##### Notice of Intention to Accept

Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 4:30 p.m. on the first business day after the final day of trading. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must be properly completed and indicate the name of the buyer, the number of contracts to be accepted, The RGGI CO2 Allowance Tracking System account number, the name, telephone number and e-mail address of the authorized account representative for that RGGI CO2 Allowance Tracking System account, and any additional information as may be required by the Exchange.

#### 1263104.B. Responsibilities of Clearing Members Having Open Short Positions

Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 4:30 p.m. on the first business day after the final day of trading. The Notice of Intention to Deliver must be in the form prescribed by the Exchange, and must be properly completed and indicate the name of the seller, the number of contracts to be delivered, the RGGI CO2 Allowance Tracking System account number, the name, telephone number and e-mail address of the authorized account representative for that RGGI CO2 Allowance Tracking System account and any additional information as may be required by the Exchange.

#### 1263104.C. Final Settlement Price

The final settlement price shall be the basis for delivery.

#### 1263104.D. Notice Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver by matching size of positions, to the extent possible.

The Clearing House shall provide Tender Allocation Notices to the respective clearing members on the second business day after the final day of trading.

The day the Tender Allocation Notices are provided to the clearing members shall be referred to as "Notice Day".

Tender Allocation Notices are not transferable.

#### 1263105. TIMING OF DELIVERY

Delivery shall take place on the third business day after the final day of trading.

#### 1263106. DELIVERY MARGINS AND PAYMENT

##### 1263106.A. Definitions

For purposes of this Rule 1263106,

"Payment Date" shall mean the business day after the buyer's receipt of proper notification from the RGGI CO2 Allowance Tracking System that allowances have been transferred from the seller's account to the buyer's account, provided documentation is supplied to the buyer by no later than 2:00 p.m. Documentation supplied to buyer after 2:00 p.m. on any Exchange business day shall be considered received on the following Exchange business day.

"Payment" shall include the settlement price times the number of Contracts times 1,000.

##### 1263106.B. Margin

The buyer's clearing member and seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins shall be returned on the business day following notification to the Exchange that delivery and Payment have been completed.

On the 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. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Exchange.

##### 1263106.C. Payment

The buyer's clearing member shall pay the seller's clearing member at the office of the seller's clearing member by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the Payment Date.

On the Payment Date, the seller's clearing member shall deliver a Notice of Payment to the buyer's clearing member and the Exchange by 4:30 p.m. Upon receipt of such notice, the delivery shall be complete.

Any Payment made on the Payment Date shall be based on RGGI CO2 Allowances actually delivered.

#### 1263107. VALIDITY OF DOCUMENTS

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

#### 1263108. ALTERNATIVE DELIVERY PROCEDURE



A seller and buyer matched by the Exchange under Rule 1263104.D. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery. In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.

**Chapter 1269**  
**European Union Allowance (EUA) Futures**

~~1269100. SCOPE OF CHAPTER~~

~~This chapter is limited in application to European Union Allowance (EUA) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7B shall be governed by the general rules of the Exchange.~~

~~The provisions of these rules shall apply to all European Union Allowances bought or sold for future delivery on the Exchange with delivery at the Registry (UK).~~

~~The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively. The seller's clearing member and buyer's clearing member may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the Registry (UK).~~

~~In January 2005, the European Union Emissions Trading Scheme ("EU ETS") commenced operation as the largest multi-country, multi-sector Greenhouse Gas emission trading scheme world wide. It covers over 11,500 energy-intensive installations across the EU, which represent approximately half of Europe's emissions of CO<sub>2</sub>. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. The scheme is based on Directive 2003/87/EC, which entered into force on 25 October 2003.~~

~~The term "EUTL" shall mean the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in the Registries Regulation.~~

~~The term "ITL" shall mean the International Transaction Log. All transactions between registries are maintained by transaction logs which verify the validity of transactions.~~

~~The term "Community Independent Transaction Log" or "CITL" shall mean the predecessor log to the EUTL provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAs under the EU ETS and established, operated and maintained pursuant to Article 5 of the Registry Regulations. The EU Commission has established and is the Administrator of the CITL for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of EUAs between national registries.~~

~~The term "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL or EUTL, and/or (3) by which CITL or EUTL communicates with the ITL (where applicable), and/or (4) by which a Registry communicates with the ITL (where Applicable).~~

~~The term "Registry (UK)" shall mean the Registry under the jurisdiction of the United Kingdom (collectively being the holding accounts within the Union Registry that are under the jurisdiction of the United Kingdom).~~

~~The term "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold EUAs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of EUAs under the EU ETS, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this futures contract. For the avoidance of doubt, references to a Registry shall include (i) the Union Registry and (ii) collectively the holding accounts within the Union Registry that are under the jurisdiction of a single Member State. In the case of (ii), such holding accounts will together be deemed to be a Registry for that Member State.~~

~~The term "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007.~~

~~The term "Union Registry" shall mean the Registry referred to as the "Community registry" in Article 19(1) of the Directive.~~

~~For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in the United Kingdom.~~

~~1269101. CONTRACT SPECIFICATIONS~~

~~The contract specifications for delivery on futures contracts shall apply to all European Union Allowances with delivery at the Registry (UK).~~

~~The term "EUA" or European Union Allowance shall be granted under a National Allocation Plan of an EU member state.~~

~~1269102. TRADING SPECIFICATIONS~~

~~Trading in European Union Allowance (EUA) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.~~

~~1269102.A. Trading Schedule~~

~~The hours for trading shall be determined by the Exchange.~~

~~1269102.B. Trading Unit~~

~~The contract unit shall be one thousand (1,000) EUAs for a delivery made by transfer through the Registry (UK).~~

~~1269102.C. Price Increments~~

~~The minimum price fluctuation shall be €0.01 per EUA (€10.00 per contract). Prices shall be quoted in Euros and Euro cents per EUA.~~

#### 1269102.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.

#### 1269102.E. Termination of Trading

No trades in European Union Allowance (EUA) futures in the expiring contract month shall be made after the second business day prior to the first business day of the delivery month for such expiring contract. Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery which shall take place in accordance with Rule 1269105; or

(b) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract at any time before 6:00 p.m. on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

#### 1269103. DELIVERY

EUA delivery shall comply with all requirements for the electronic transfer of EUAs on the Registry (UK). Notwithstanding the use of a designee, all clearing members will remain ultimately responsible for performance of all applicable contract terms specific to the sellers' clearing members and buyers' clearing members.

#### 1269104. DELIVERY PROCEDURES

The Exchange is a party to all deliveries under this contract and will receive EUAs from the seller's clearing member into the Clearing House Holding Account of the Registry (UK). Following receipt from the seller's clearing member, the Exchange will deliver EUAs to the buyer's clearing member from the Clearing House Holding Account to the Registry (UK) Holding Account nominated by the buyer's clearing member.

The seller's clearing member shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to the submission of the forms noted in this rule. The buyer's clearing member shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the rules of this Chapter or the Exchange rules is inconsistent with a provision of the Registry Regulations, the provision of the rules of this Chapter and the Exchange rules shall prevail as between the buyer's clearing member, seller's clearing member, and the Exchange to the extent of such inconsistency and to the extent permitted by law.

By transferring EUAs to the Exchange, the seller's clearing member represents and warrants that, at the time of delivery, it has good and marketable title to such EUAs, and that such EUAs are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

#### 1269104.A. Responsibilities of Clearing Members

##### 1. Notice of Intention to Accept

Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must be properly completed and indicate the name of the buyer, the number of contracts to be accepted, the Registry (UK) Account Number, the telephone number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

##### 2. Notice of Intention to Deliver

Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Deliver must be in the form prescribed by the Exchange, and must be properly completed, indicate the name of the seller, the number of contracts to be delivered, the Registry (UK) Account Number, the telephone number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

#### 1269104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

#### 1269104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver by matching positions, to the extent possible.

The Clearing House shall provide Assignment Notice Reports to the respective clearing members on the final day of trading of the delivery month.

#### 1269105. TIMING OF DELIVERY

1. The seller's clearing member shall transfer EUAs subject to delivery to the Clearing House Holding Account of the Registry (UK) by 6:30 p.m. on the first business day after the final day of trading of the delivery month.

~~2. For each buyer's clearing member that has satisfied its obligations under subsection (4) of this rule, the Clearing House shall initiate the process of transferring the EUAs to the buyer's clearing member's account at the Registry (UK) by 7:00 p.m. on the first business day after the final day of trading of the delivery month.~~

~~3. The buyer's clearing member shall receive EUAs from the Clearing House Holding Account of the Registry (UK) by 3:00 p.m. on the second business day after the final day of trading of the delivery month.~~

~~4. The buyer's clearing member shall deposit/transfer Euro currency equal to the full value of the product to the designated Clearing House bank account by 2:00 p.m. on the business day following the last day of trading of the delivery month.~~

~~5. For each seller's clearing member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall pay the seller's clearing member the full contract value by 3:00 p.m. on the second business day following the last day of trading of the delivery month.~~

~~1269106. DELIVERY MARGINS AND PAYMENT~~

~~1269106.A. Definitions~~

~~For purposes of this Rule 1269106,~~

~~"Payment Date" shall mean the date on which the Clearing House transfers Payment in connection with a delivery to a seller's clearing member.~~

~~"Payment" shall include the final settlement price times the number of contracts times 1,000.~~

~~1269106.B. Margin~~

~~The buyer's clearing member and seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins shall be returned on the business day following notification to the Exchange that delivery and Payment have been completed.~~

~~1269106.C. Payment~~

~~Any Payment made on the Payment Date shall be based on EUAs that the seller's clearing member is obligated to deliver pursuant to the applicable delivery.~~

~~1269107. VALIDITY OF DOCUMENTS~~

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

~~1269108. ALTERNATIVE DELIVERY PROCEDURE~~

~~A seller and buyer matched by the Exchange under Rule 1269104.C. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.~~

~~In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.~~

**APPENDIX B**

**NYMEX Rulebook Chapter 5 Position Limit Table**

(Attached Under Separate Cover)