

**Amendments to the SGX-DC Rules – Chapters 1, 5, 6, 7 & 9**

| Current Rule                            |                                                                                                                                                                                                                                                                                                                                                                                                                                           | Proposed Changes |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <b>Chapter 1 – APPLICATION OF RULES</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>1.06</b>                             | <b>APPLICABLE LAW AND CONFLICT</b>                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1.06</b>      | <b>APPLICABLE LAW, AND CONFLICT AND JURISDICTION</b>                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1.06.3</b>    | <b>Save as provided in Chapter 5 of this Rules, the courts of Singapore shall have exclusive jurisdiction to determine any dispute arising from or in connection with this Rules.</b>                                                                                                                                                                                                                                                                    |
| <b>Chapter 5 – ARBITRATION</b>          |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>5.01.1</b>                           | <b><u>Dispute Resolution Involving Contracts (excluding Contracts traded on the JADE Market)</u></b>                                                                                                                                                                                                                                                                                                                                      | <b>5.01.1</b>    | <b><u>Dispute Resolution Involving Contracts (excluding Contracts traded on the JADE Market)</u></b>                                                                                                                                                                                                                                                                                                                                                     |
| <b>5.01.1.1</b>                         | Where any dispute arises in connection with a Contract (excluding Contracts traded on the JADE Market), other than a complaint of a disciplinary nature, the disputing Members shall attempt to settle the dispute through good faith negotiations, failing which the disputing Members may choose to settle the dispute, by such other means they elect, including arbitration before the SIAC in accordance with the rules of the SIAC. | <b>5.01.1.1</b>  | Where any dispute arises <b>from or</b> in connection with a Contract (excluding Contracts traded on the JADE Market), other than a complaint of a disciplinary nature, the disputing Members shall attempt to settle the dispute through good faith negotiations, failing which the disputing Members may choose to settle the dispute, by such other means they elect, including arbitration before the SIAC in accordance with the rules of the SIAC. |
| <b>5.01.2</b>                           | <b><u>Dispute Resolution Involving Contracts Traded on the JADE Market</u></b>                                                                                                                                                                                                                                                                                                                                                            | <b>5.01.2</b>    | <b><u>Dispute Resolution Involving Contracts Traded on the JADE Market</u></b>                                                                                                                                                                                                                                                                                                                                                                           |
| <b>5.01.2.1</b>                         | Where any dispute arises in connection with a Contract traded on the JADE Market, other than a complaint of a disciplinary nature, the parties shall attempt to settle the dispute, through the claim procedure set forth in the relevant Contract Specifications. In the absence of an applicable                                                                                                                                        | <b>5.01.2.1</b>  | Where any dispute arises <b>from or</b> in connection with a Contract traded on the JADE Market, other than a complaint of a disciplinary nature, the parties shall attempt to settle the dispute, through the claim procedure set forth in the relevant Contract Specifications. In the absence of an applicable                                                                                                                                        |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                               | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p>claim procedure, the parties shall attempt to settle the dispute through good faith negotiations, failing which, at the election of any disputing Member, the dispute shall be settled by arbitration before the SIAC in accordance with the rules of the SIAC.</p>                                                                                                                                     | <p>claim procedure, the parties shall attempt to settle the dispute through good faith negotiations, failing which, at the election of any disputing Member, the dispute shall be settled by arbitration before the SIAC in accordance with the rules of the SIAC.</p>                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Chapter 6 – DELIVERY AND RELATED MATTERS</b>                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>6.02A <u>CLEARING HOUSE MERELY FACILITATES DELIVERY</u></b></p>                                                                                                                                                                                                                                                                                                                                      | <p><b>6.02A <u>CLEARING HOUSE MERELY FACILITATES DELIVERY</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>6.02A.6 <b><u>No Physical Delivery Obligations on Clearing House</u></b></p> <p>Except as otherwise provided in this Rules, the Clearing House accepts no and is to have no liability either to effect or ensure or guarantee the discharge or satisfactory discharge of any obligation under a delivery contract. For the avoidance of doubt, Rule 7.04 does not apply to any delivery contract.</p>   | <p>6.02A.6 <b><u>No Physical Delivery Obligations on Clearing House</u></b></p> <p>Except as otherwise provided in this Rules, the Clearing House accepts no and is to have no liability either to effect or ensure or guarantee the discharge or satisfactory discharge of any obligation under a delivery contract. <b><u>The obligations of the Clearing House with respect to the delivery contract shall be limited only to the discharge of its escrow obligations (where applicable) in accordance with this Rules and/or the relevant Contract Specifications.</u></b> For the avoidance of doubt, Rule 7.04 does not apply to any delivery contract.</p> |
| <p>6.02A.7 <b><u>Matching and Re-novation</u></b></p> <p>The obligations of the Clearing House shall be limited only to effecting any required matching by reference to a Seller and a Buyer through their respective Members or matching of a Seller or Buyer for whom an insolvent Member acts and the opposite counterparty through its Member, for the performance as between such matched parties</p> | <p>6.02A.7 <b><u>Matching and Re-novation</u></b></p> <p><b><u>The contract between a Selling Member or Buying Member and the Clearing House shall be novated and a new contract shall arise between the Seller and Buyer to whom it is matched, through their respective Members (such process being described as “re-novation”) upon the later of the following events:</u></b></p>                                                                                                                                                                                                                                                                             |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p>and the discharge of the Clearing House's escrow obligations (if any) with respect to the Contract and delivery contract in accordance with this Rules. Upon the effecting of any such matching, the contract between the Selling Member or Buying Member and the Clearing House shall be novated and a new contract shall arise between the Seller and Buyer to whom it is matched, through their respective Members (such process being described as "re-novation"). This new contract shall simultaneously discharge and replace pro tanto the Contract between the Selling Member or Buying Member and the Clearing House.</p> | <p>a. <u>the Clearing House effecting matching by reference to the Seller and the Buyer through their respective Members, or matching of the Seller or Buyer for whom an insolvent Member acts and the opposite counterparty through its Member, for the performance of delivery obligations as between such matched parties. Matching shall take place at such time as provided in the relevant Contract Specifications; or</u></p> <p>b. <u>the posting of Performance Deposits (where applicable) by the Selling Member and the Buying Member.</u></p> <p><u>The new contract arising from the re-novation shall simultaneously discharge and replace pro tanto the Contract between the Selling Member or Buying Member and the Clearing House, and the Clearing House shall be released from its obligations as a central counterparty. For the avoidance of doubt, re-novation only applies to matched open positions relating to lot sizes equal to or more than the minimum size prescribed under the relevant Contract Specifications for physical delivery.</u></p> |

| Current Rule | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|              | <p><del>The obligations of the Clearing House shall be limited only to effecting any required matching by reference to a Seller and a Buyer through their respective Members or matching of a Seller or Buyer for whom an insolvent Member acts and the opposite counterparty through its Member, for the performance as between such matched parties and the discharge of the Clearing House's escrow obligations (if any) with respect to the Contract and delivery contract in accordance with this Rules. Upon the effecting of any such matching, the contract between the Selling Member or Buying Member and the Clearing House shall be novated and a new contract shall arise between the Seller and Buyer to whom it is matched, through their respective Members (such process being described as "renovation"). This new contract shall simultaneously discharge and replace pro tanto the Contract between the Selling Member or Buying Member and the Clearing House.</del></p> |
|              | <p><b><u>6.02A.7A Cash Settlement</u></b></p> <p><b><u>Without prejudice to Rule 6.09, unless otherwise provided in the relevant Contract Specifications, matched positions of lot sizes less than the minimum size prescribed under the relevant Contract Specifications for physical delivery existing after the matching process in Rule 6.02A.7 has been effected, shall be cash-settled in accordance with the relevant Contract Specifications.</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p>6.02A.11 <b><u>Cessation of Collection of Margins</u></b></p> <p>The Clearing House shall cease to collect margins for a Contract after the matching and re-novation process referred to in Rule 6.02A.7 has occurred.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>6.02A.11 <b><u>Cessation of Collection of Margins</u></b></p> <p>The Clearing House shall cease to collect margins for a Contract after <b>such time as it ceases to act as a central counterparty pursuant to Rule 6.02A.7 or Rule 6.09.3.</b> <del>the matching and re-novation process referred to in Rule 6.02A.7 has occurred</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>6.02A.13.1 to investigate, verify or guarantee the authenticity, validity, accuracy, or completeness of any form or document required by it for the required matching of a Seller and Buyer through their respective Members or matching of a Seller or Buyer for whom an insolvent Member acts and the opposite counterparty through its Member, to effect delivery as between such matched parties as are consistent with the Delivery Rules. Nonetheless, the Clearing House reserves the right at its discretion and in good faith to reject any form or accompanying documents submitted by a Member for such matching purposes if in its good faith view, the form or accompanying documents (or, where relevant, payment) as submitted are not in compliance with its stated requirements or otherwise indicate that the delivery to be effected or accepted are not in compliance with the Delivery Rules;</p> | <p>6.02A.13.1 to investigate, verify or guarantee the authenticity, validity, accuracy, or completeness of:-</p> <p><b>(a)</b> any form or document required by it for the required matching of a Seller and Buyer through their respective Members or matching of a Seller or Buyer for whom an insolvent Member acts and the opposite counterparty through its Member; <b>or</b></p> <p><b>(b)</b> <b><u>any Title Documents received by the Clearing House under the relevant Contract Specifications,</u></b></p> <p>to effect delivery as between such matched parties as are consistent with the Delivery Rules. Nonetheless, the Clearing House reserves the right at its discretion and in good faith to reject any form or accompanying documents submitted by a Member for such matching, <b>delivery or any other</b> purposes if in its good faith view, the form or</p> |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>accompanying documents (or, where relevant, payment) as submitted are not in compliance with its stated requirements or otherwise indicate that the delivery to be effected or accepted are not in compliance with the Delivery Rules;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>6.02A.14 <b><u>Clearing House does not Check and is not Liable for Approved Delivery Facility</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>6.02A.14 <b><u>Clearing House does not Check and is not Liable for <del>Approved</del> Designated Delivery Facility</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>The Clearing House shall have no responsibility or liability to any person:</p> <p>6.02A.14.1 to check the availability, suitability or quality of any approved delivery facility, producer, factory, port, grader, surveyor, sampler, analyst or any other organization that may be involved with delivery of any Commodity as identified in the relevant Contract Specifications; and</p> <p>6.02A.14.2 for the acts, omissions, default or insolvency of any approved delivery facility, producer, factory, port, grader, surveyor, sampler, analyst or any other organization that may be involved with delivery of any Commodity as identified in the relevant Contract Specifications.</p> | <p>The Clearing House shall have no responsibility or liability to any person:</p> <p>6.02A.14.1 to check the availability, suitability or quality of any <del>approved</del> <b>designated</b> delivery facility, producer, factory, port, grader, surveyor, sampler, analyst or any other organization that may be involved with delivery of any Commodity as identified in the relevant Contract Specifications; and</p> <p>6.02A.14.2 for the acts, omissions, default or insolvency of any <del>approved</del> <b>designated</b> delivery facility, producer, factory, port, grader, surveyor, sampler, analyst or any other organization that may be involved with delivery of any Commodity as identified in the relevant Contract Specifications.</p> |
| <p>6.02A.15 <b><u>Disclaimers</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>6.02A.15 <b><u>Disclaimers</u></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>6.02A.15.1 <b><u>Title Documents and Transfer of Title</u></b></p> <p>The Clearing House disclaims any liability arising from or in connection with the delivery or non-delivery of Title Documents by any Member and any irregularities in the transfer of title in the underlying</p>                                                                                                                                                                                                                                                                                                                                                                                                          | <p>6.02A.15.1 <b><u>Title Documents and Transfer of Title <del>or Possession</del></u></b></p> <p>The Clearing House disclaims any liability arising from or in connection with the delivery or non-delivery of Title Documents by any Member and any irregularities in the transfer of title <b>and/or possession</b> in the</p>                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| Commodity from the Seller to the Buyer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | underlying Commodity from the Seller to the Buyer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>6.05 CONSOLIDATION OF POSITIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>6.05 CONSOLIDATION OF POSITIONS AND OTHER POWERS OF THE CLEARING HOUSE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>6.05.1 If at any time the Clearing House becomes aware of opposite open positions held by different Members for the account of the same Seller or Buyer, the Clearing House may (but is not obliged to) direct such Members to take steps to liquidate the offsetting positions.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>6.05.1 Where a Seller or Buyer has open positions with more than one Member after the prescribed time on the first Business Day of the Delivery Month, the Clearing House may (but is not obliged to) consolidate all of the open positions held by all the Members for the same Seller or Buyer in such manner as it deems fit including, without limitation, effecting the following:</p> <p>6.05.1.1 appointing one (1) or more of these Members to whom all such positions shall be transferred to be handled for such Seller or Buyer, where such appointment shall be binding;</p> <p>6.05.1.2 setting-off any opposite open positions held by the appointed Member(s) for the account of the same Seller or Buyer; and/or</p> <p>6.05.1.3 taking such other actions or giving such other directions to the appointed Member(s) as it deems fit.</p> | <p>6.05.<del>1</del><b>2</b> Where a Seller or Buyer has open positions with more than one Member <del>after the prescribed time</del> on the first Business Day <del>of the Delivery Month</del> <b>following the Last Trading Day</b>, the Clearing House may (but is not obliged to) consolidate all <del>of the such</del> open positions held by all the Members for the same Seller or Buyer in such manner as it deems fit including, without limitation, effecting the following:</p> <p>6.05.<del>1</del><b>2</b>.1 appointing one (1) or more of these Members to whom all such positions shall be transferred to be handled for such Seller or Buyer, where such appointment shall be binding;</p> <p>6.05.<del>1</del><b>2</b>.2 setting-off any opposite open positions held by the appointed Member(s) for the account of the same Seller or Buyer; and/or</p> <p>6.05.<del>1</del><b>2</b>.3 taking such other actions or giving such other directions to the appointed Member(s) as it deems fit.</p> |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p>6.05.2 Notwithstanding that the Clearing House is entitled to consolidate the open positions of the Members with reference to the account of the Seller or Buyer, nothing in Rule 6.05.1 shall imply or be construed to mean that a Seller or Buyer (who is not a Member) shall have any right against the Clearing House with regard to its open positions which have been so consolidated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>6.05.2<del>3</del> Notwithstanding that the Clearing House is entitled to consolidate the open positions of the Members with reference to the account of the Seller or Buyer, nothing in Rule 6.05.1<del>2</del> shall imply or be construed to mean that a Seller or Buyer (who is not a Member) shall have any right against the Clearing House with regard to its open positions which have been so consolidated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>6.07 DELIVERIES INVOLVING CLEARING HOUSE AS ESCROW AGENT AND TREATMENT OF PERFORMANCE DEPOSITS</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>6.07 DELIVERIES INVOLVING CLEARING HOUSE AS ESCROW AGENT AND TREATMENT OF PERFORMANCE DEPOSITS</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>6.07.1 A Selling Member or Buying Member in a delivery contract, as the Clearing House may require, shall, unless otherwise provided by the relevant Contract Specifications, prior to the matching and re-novation process referred to in Rule 6.02A.7 cause its respective Seller or Buyer (the “depositing party”) to post with the Clearing House as escrow agent a Performance Deposit or other payment as may be prescribed under the relevant Contract Specifications as security for the benefit of the Buyer or Seller who is the counterparty under the delivery contract for the performance of the depositing party’s obligations under the delivery contract. For the avoidance of doubt, posting of Performance Deposits by the depositing party are to be made without any set-off or withholding.</p> | <p>6.07.1 <u>If so required under the relevant Contract Specifications, —Aa</u> Selling Member <u>and/or</u> Buying Member in a delivery contract, <del>as the Clearing House may require,</del> shall, <del>unless otherwise provided by the relevant Contract Specifications, prior to the matching and re-novation process referred to in Rule 6.02A.7</del> cause its respective Seller or Buyer (the “depositing party”) to post with the Clearing House as escrow agent a Performance Deposit or other payment as may be prescribed under the relevant Contract Specifications, <u>at such time as provided under the relevant Contract Specifications,</u> as security for the benefit of the Buyer or Seller who is the counterparty under the delivery contract for the performance of the depositing party’s obligations under the delivery contract. For the avoidance of doubt, posting of Performance Deposits by the depositing party are to be made without any set-</p> |



| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | off or withholding.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>6.07.2 A Selling Member or Buying Member shall collect Performance Deposits from its respective Seller or Buyer within such time as prescribed in the relevant Contract Specifications, or by the Clearing House.</p>                                                                                                                                                                                                                                             | <p>6.07.2 A Selling Member or Buying Member shall collect Performance Deposits <b>and other Escrow Assets (where applicable)</b> from its respective Seller or Buyer within such time as prescribed in the relevant Contract Specifications, or by the Clearing House.</p>                                                                                                                                                                                                          |
| <p>6.07.3 No Member shall grant, whether directly or indirectly, any advance, loan or credit facility to any Seller or Buyer for the purpose of posting Performance Deposits with the Clearing House.</p>                                                                                                                                                                                                                                                            | <p>6.07.3 No Member shall grant, whether directly or indirectly, any advance, loan or credit facility to any Seller or Buyer for the purpose of posting Performance Deposits <b>or other Escrow Assets (where applicable)</b> with the Clearing House.</p>                                                                                                                                                                                                                          |
| <p>6.07.5 The Clearing House shall be entitled to physically commingle Performance Deposits with all margins and Security Deposits subject always to its obligations under the SFA to segregate monies received for House Contracts and Customer Contracts.</p>                                                                                                                                                                                                      | <p>6.07.5 The Clearing House shall be entitled to physically commingle Performance Deposits <b>and other Escrow Assets (where applicable)</b> with all margins and Security Deposits subject always to its obligations under the SFA to segregate monies received for House Contracts and Customer Contracts.</p>                                                                                                                                                                   |
| <p>6.07.7 The Clearing House shall credit all Performance Deposits which a Member has posted with the Clearing House pursuant to this Rules with interest, dividends, and any other returns or entitlements on the full amount at such rate as prescribed by the Clearing House except for:</p> <p>6.07.7.1 money continued to be held consequent or subsequent to a delivery default; and</p> <p>6.07.7.2 any administrative fees payable to the Clearing House</p> | <p>6.07.7 The Clearing House shall credit all Performance Deposits <b>and other Escrow Assets (where applicable)</b> which a Member has posted with the Clearing House pursuant to this Rules with interest, dividends, and any other returns or entitlements on the full amount at such rate as prescribed by the Clearing House except for:</p> <p>6.07.7.1 money continued to be held consequent or subsequent to a delivery default; and</p> <p>6.07.7.2 any administrative</p> |

| Current Rule                                                                                                                                                                                                                                                    | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| pursuant to Rule 6.07.6.                                                                                                                                                                                                                                        | fees payable to the Clearing House pursuant to Rule 6.07.6.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                 | <p><b><u>6.07.9 Release of Escrow Assets Other than Performance Deposits</u></b></p> <p><b><u>The Clearing House shall release the Escrow Assets other than the Performance Deposits (less any administrative fees payable) to the respective Selling Member and/or Buying Member, as the case may be, only as provided in the relevant Contract Specifications. For the avoidance of doubt, upon the release of such Escrow Assets, the Clearing House shall be released from its obligations as an escrow agent in relation to such Escrow Assets, and from any liabilities in relation thereto.</u></b></p> |
| <b>6.09 ALTERNATIVE DELIVERY PROCEDURE</b>                                                                                                                                                                                                                      | <b>6.09 ALTERNATIVE DELIVERY PROCEDURE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6.09.3 Notwithstanding Rule 6.02A.2, the Selling Member and Buying Member shall be released from their respective Delivery Obligations, and the Clearing House from its obligations as an escrow agent, upon the election of an Alternative Delivery Procedure. | 6.09.3 Notwithstanding Rule 6.02A.2, the Selling Member and Buying Member shall be released from their respective Delivery Obligations, and the Clearing House from its obligations as <b><u>a central counterparty and/or an escrow agent, and from any liabilities in relation thereto,</u></b> upon the election of an Alternative Delivery Procedure.                                                                                                                                                                                                                                                      |
| <b>Chapter 7 - CLEARING AND MARGINS</b>                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>7.04 SUBSTITUTION</b>                                                                                                                                                                                                                                        | <b>7.04 SUBSTITUTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 7.04.1 Except with respect to trades made pursuant to Rule 7.27 (other than a Relevant Trade as defined in Rule 7.27.3), Exchanges for Physicals/Spot                                                                                                           | 7.04.1 Except with respect to trades made pursuant to Rule 7.27 (other than a Relevant Trade as defined in Rule 7.27.3), Exchanges for Physicals/Spot                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Current Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Proposed Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>("EFPs"), Exchanges for Swaps ("EFSs"), Negotiated Large Trades ("NLTs") and transfers of open positions to an appointed Member for the purpose of consolidation pursuant to Rule 6.05.1 or as otherwise provided by this Rules, if the Clearing House accepts the clearing memoranda in respect of one or more Contracts executed on a Relevant Market and matched on a Relevant Market to be cleared through the Clearing House or accepted by the Clearing House pursuant to an Mutual Offset System, or if the Clearing House accepts an Eligible OTC transaction registered for clearing pursuant to Rule 7.02A.2, the Clearing House shall be substituted as and shall assume the position of selling Member to the buying Member and buying Member to the selling Member and thereupon the Clearing House shall have all the rights and be subject to all the liabilities with respect to such transaction of the Members who were the parties to such transaction. Such substitution shall be effective in law for all purposes.</p> | <p>("EFPs"), Exchanges for Swaps ("EFSs"), Negotiated Large Trades ("NLTs") and transfers of open positions to an appointed Member for the purpose of consolidation pursuant to Rule 6.05.1<del>2</del> or as otherwise provided by this Rules, if the Clearing House accepts the clearing memoranda in respect of one or more Contracts executed on a Relevant Market and matched on a Relevant Market to be cleared through the Clearing House or accepted by the Clearing House pursuant to an Mutual Offset System, or if the Clearing House accepts an Eligible OTC transaction registered for clearing pursuant to Rule 7.02A.2, the Clearing House shall be substituted as and shall assume the position of selling Member to the buying Member and buying Member to the selling Member, <u>thereby becoming the central counterparty</u>, and thereupon the Clearing House shall have all the rights and be subject to all the liabilities with respect to such transaction of the Members who were the parties to such transaction. Such substitution shall be effective in law for all purposes.</p> |
| <p>7.04.3A With regard to transfers of open positions to an appointed Member for the purpose of consolidation pursuant to Rule 6.05.1, the Clearing House shall be substituted only as at the time of:</p> <p>7.04.3A.1 payment of the first Settlement Variation, maintenance margin due for such open positions pursuant to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>7.04.3A With regard to transfers of open positions to an appointed Member for the purpose of consolidation pursuant to Rule 6.05.1<del>2</del>, the Clearing House shall be substituted only as at the time of:</p> <p>7.04.3A.1 payment of the first Settlement Variation, maintenance margin due for such open positions pursuant to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Current Rule                                                                                                                                                                                                                                                                                             | Proposed Changes                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Rule 7.12 as confirmed by the appropriate settlement bank for the appointed Member; and/or</p> <p>7.04.3A.2 posting of Performance Deposits, due for such open positions pursuant to Rule 6.07.1 or the relevant Contract Specifications by the appointed Member,</p> <p>whichever is applicable.</p> | <p>Rule 7.12 as confirmed by the appropriate settlement bank for the appointed Member; and/or</p> <p>7.04.3A.2 posting of Performance Deposits, due for such open positions pursuant to Rule 6.07.1 or the relevant Contract Specifications by the appointed Member,</p> <p>whichever is applicable.</p> |
| <b>Chapter 9 – DEFINITIONS AND INTERPRETATION</b>                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                          |
| <p><b>“delivery contract”</b> means the contract which arises directly between a Seller and a Buyer when the Clearing House effects the matching pursuant to Rule 6.02A.7.</p>                                                                                                                           | <p><b>“delivery contract”</b> means the contract which arises directly between a Seller and a Buyer, <b><u>through their respective Members, upon the re-novation process referred to in Rule 6.02A.7.</u></b><del>when the Clearing House effects the matching pursuant to Rule 6.02A.7.</del></p>      |