To: Clearing Member Firms
   Brokers
   Customers

From: CME Clearing Europe Limited (the Clearing House)

Advisory No.: 13-20

Notice Date: 5 March 2013

New Products on CME Clearing Europe

1 New Products

1.1 The Clearing House will begin clearing the following additional products from 11 March 2013:

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Commodity Code</th>
<th>SPAN Code</th>
<th>CMECE Commodity Module Chapter Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Natural Gas Daily Forward</td>
<td>TTDE</td>
<td>TTDE</td>
<td>512</td>
</tr>
<tr>
<td>Dutch Natural Gas Calendar Month Forward</td>
<td>TTME</td>
<td>TTME</td>
<td>513</td>
</tr>
</tbody>
</table>

1.2 These products are for the physical delivery of natural gas in the Netherlands. Product specifications are summarised in the Appendix, and full details can be found in the Commodities Contract Module published on our website: www.cmeclearingeurope.com.

1.3 Clearing Members and their customers should note the following product characteristics:
   i) The contracts are forward contracts. Delivery will occur at the original trade price.
   ii) At the maturity of a monthly contract, positions in the monthly contract will be transformed into an equivalent strip of positions in the daily contract for each calendar day in the contract month.
   iii) All transactions will be held on a gross basis, unless closed out using the Clearing House’s early close out facility. Positions will be netted down prior to delivery, and delivery will occur on a net basis.
   iv) Payment of the delivery value will occur on the second UK banking day following the delivery day.

1.4 The Dutch TTF natural gas contracts will have the following margining regime:
   i) Initial margin will be applied to these contracts in the same way as other contracts at CMECE.
   ii) Variation margin will paid and collected in cash.
iii) Following the last trading day of a daily contract, full value margin will be applied to the resultant long net delivery positions and for the short net delivery positions a short delivery margin will be applied.

iv) As the delivery value is based on the original trade price, Clearing Members with a net variation margin credit will be required to return this amount to the Clearing House on the payment date. This amount will be paid by the Clearing House to Clearing Members with a net variation debit on the payment date.

v) Price alignment interest (‘PAI’) will be required from Clearing Members with a net variation margin credit, and paid to Clearing Members with a net variation debit. PAI will be paid and collected daily.

2 Clearing Member Requirements

2.1 Clearing Member firms wishing to hold positions in these contracts must be able to fulfil the delivery obligations that arise, and must be registered for UK VAT.

2.2 Prior to opening a position a Clearing Member needs to provide the Clearing House with the following information:

i) The details of their standard mechanism for the delivery and receipt of natural gas.

   a) Where a Clearing Member intends to make or take delivery of natural gas for its own account in order to fulfil a contractual obligation, the Clearing Member must provide the Clearing House with the details of its National Grid shipper code.

   b) Where a Clearing Member intends to appoint a third party Gas Transferor / Gas Transferee to make or take delivery of natural gas on its behalf in order to fulfil a contractual obligation, the Clearing Member must provide the Clearing House with details of the Gas Transferor / Gas Transferee by completing the Gas Transferor/Gas Transferee Notification Form in respect of Dutch TTF Natural Gas Contracts. Forms can be found at –


   ii) The Clearing Member’s UK VAT Registration number.

2.3 A Clearing Member may appoint a Gas Transferor / Gas Transferee in respect of each identifiable sub-account in its House or Customer accounts. To do this it must provide the Clearing House with details of the Gas Transferor / Gas Transferee by completing the Gas Transferor/Gas Transferee Notification Form in respect of Dutch TTF Natural Gas Contracts. Without a completed Gas Transferor/Gas Transferee Notification Form, delivery obligations will be allocated to the Clearing Member’s standard delivery mechanism.

3 Contract Delivery

3.1 For Dutch TTF Natural Gas Calendar Month Forwards, Commodity Code TTME, positions open at the close of business on the last trading day shall be replaced by a strip of positions in the Dutch TTF Natural Gas Daily Forwards, Commodity Code TTDE. This strip shall consist of an equivalent position for each calendar day in the contract month.

3.2 For Dutch TTF Natural Gas Daily Forwards, positions open at the close of business on the last trading day shall result in physical delivery of natural gas. Delivery shall be completed by the transfer of natural gas through the process of making Trade Nominations to the Gas Transmission System operated by GTS in the Netherlands.

3.3 At the close of business on the last trading day, the Clearing House shall determine the net delivery position for each identifiable sub-account, and provide Clearing Members with delivery instructions.
3.4 Delivery shall be performed according to the requirements set out in the Commodities Contract Module and in the Dutch TTF Natural Gas Delivery Procedures.

4 Valued Added Tax

4.1 Transactions in natural gas are subject to UK VAT. The Clearing House will require the payment of VAT from Clearing Members with long positions, and shall make payment of VAT to Clearing Members with short positions. VAT payments shall be made in conjunction with the payment of the delivery value.

4.2 The Clearing House shall process actual VAT payments based on a net delivery value. However, VAT must be accounted for on a gross basis. The Clearing House shall provide a VAT invoice on a monthly basis in arrears to Clearing Members with long positions going to delivery in a calendar month. Clearing Members with short positions are required to provide the Clearing House with a VAT invoice, conforming to the requirements for such documents described by HMRC, on a monthly basis.

5 Further Information

5.1 For further information please contact Clearing Support on +44 (0)20 3379 3131 or email: ClearingSupport_London@cme.clearingeurope.com
## Appendix: Summary of Contract Specifications

**Dutch Natural Gas Daily Forward**

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Daily forward for the physical delivery of Dutch natural gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing Code</td>
<td>TTDE</td>
</tr>
<tr>
<td>Commodities Contract Chapter</td>
<td>512</td>
</tr>
<tr>
<td>Trading Hours (London Time)</td>
<td>Sunday 11:00 PM – 10:15 PM Friday, with a 45-minute maintenance break each day beginning at 10:15 PM</td>
</tr>
<tr>
<td>Contract Size</td>
<td>1 MWh per hour</td>
</tr>
<tr>
<td>Available Contract Months</td>
<td>Daily contracts will be listed for all calendar days for the current month and the next month</td>
</tr>
<tr>
<td>Price Quotation</td>
<td>Euros per MWh</td>
</tr>
<tr>
<td>Minimum Fluctuation</td>
<td>0.01 Euros per MWh</td>
</tr>
<tr>
<td>Last Trade Submission Day</td>
<td>Two CMECE business days prior to the contract day</td>
</tr>
<tr>
<td>Settlement Type</td>
<td>Physical</td>
</tr>
<tr>
<td>Physical Delivery</td>
<td>Each daily contract will result in the delivery of natural gas on the gas flow day commencing at 06:00 hours on the contract day through the submission of Trade Nominations into the Dutch Gas Transmission System (operated by GTS). Such Trade Nominations shall conform to the Transmission Service Conditions (TSC).</td>
</tr>
<tr>
<td>Payment</td>
<td>Payment occurs on the second UK banking day following the contract day</td>
</tr>
<tr>
<td>Clearing House Rules</td>
<td>These contracts are cleared subject to the rules and regulations of CME Clearing Europe</td>
</tr>
<tr>
<td>Value Per Tick / Currency</td>
<td>TTDE - 0.01 x # of Hours per Day = €0.24 (€0.23 &amp; €0.25 for clock change days)</td>
</tr>
<tr>
<td>Cabinet Value</td>
<td>n/a</td>
</tr>
<tr>
<td>Block Eligible / Minimum Block Quantity</td>
<td>No</td>
</tr>
<tr>
<td>Exercise Style</td>
<td>n/a</td>
</tr>
<tr>
<td>Exercise Price Intervals &amp; Listings</td>
<td>n/a</td>
</tr>
<tr>
<td>Allow Negative Price</td>
<td>Yes</td>
</tr>
<tr>
<td>Allow Negative Strike Price</td>
<td>n/a</td>
</tr>
<tr>
<td>Termination of Trading</td>
<td>TTDE - Trading will close two CMECE business days prior to the contract day</td>
</tr>
<tr>
<td>Final Settlement Price</td>
<td>0.01</td>
</tr>
</tbody>
</table>
### Dutch Natural Gas Calendar Month Forward

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Calendar month forward for the physical delivery of Dutch natural gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing Code</td>
<td>TTME</td>
</tr>
<tr>
<td>Commodities Contract Chapter</td>
<td>513</td>
</tr>
<tr>
<td>Trading Hours (London Time)</td>
<td>Sunday 11:00 PM – 10:15 PM Friday, with a 45-minute maintenance break each day beginning at 10:15 PM</td>
</tr>
<tr>
<td>Contract Size</td>
<td>1 MWh per hour</td>
</tr>
<tr>
<td>Available Contract Days</td>
<td>Daily contracts for each calendar day in the current month and the next calendar month</td>
</tr>
<tr>
<td>Price Quotation</td>
<td>Euros per MWh</td>
</tr>
<tr>
<td>Minimum Fluctuation</td>
<td>0.01 Euros per MWh</td>
</tr>
<tr>
<td>Last Trade Submission Day</td>
<td>Two CMECE business days prior to the first calendar day of the contract delivery month</td>
</tr>
<tr>
<td>Settlement Type</td>
<td>Physical</td>
</tr>
<tr>
<td>Physical Delivery</td>
<td>Each monthly contract is transformed into a strip of daily contracts – CMECE Commodity Code TTDE – for each calendar day in the contract month.</td>
</tr>
<tr>
<td>Clearing House Rules</td>
<td>These contracts are cleared subject to the rules and regulations of CME Clearing Europe</td>
</tr>
<tr>
<td>Value Per Tick / Currency</td>
<td>TTME - 0.01 x # of Hours per delivery period = €6.72, €6.96, €7.20, €7.43, €7.44 or €7.45</td>
</tr>
<tr>
<td>Cabinet Value</td>
<td>n/a</td>
</tr>
<tr>
<td>Block Eligible / Minimum Block Quantity</td>
<td>No</td>
</tr>
<tr>
<td>Exercise Style</td>
<td>n/a</td>
</tr>
<tr>
<td>Exercise Price Intervals &amp; Listings</td>
<td>n/a</td>
</tr>
<tr>
<td>Allow Negative Price</td>
<td>Yes</td>
</tr>
<tr>
<td>Allow Negative Strike Price</td>
<td>n/a</td>
</tr>
<tr>
<td>Termination of Trading</td>
<td>TTME - Trading will close two CMECE business days prior to the first calendar day of the contract month</td>
</tr>
<tr>
<td>Final Settlement Price</td>
<td>0.01</td>
</tr>
<tr>
<td>Final Settlement Date</td>
<td>LTD</td>
</tr>
<tr>
<td>Clearing DPL</td>
<td>2</td>
</tr>
<tr>
<td>Settlement DPL</td>
<td>2</td>
</tr>
</tbody>
</table>