To: Clearing Member Firms; Brokers; Customers

From: CME Clearing Europe Limited (the Clearing House)

Advisory No.: 14-75

Notice Date: 18th December 2014

Asset Classes: CME Europe Exchange futures

CME Europe Physically Delivered Natural Gas Futures

1 New Physically Delivered Natural Gas Products

1.1 The Clearing House will begin clearing the following natural gas products from 19th January 2015;

<table>
<thead>
<tr>
<th>CMECE Code</th>
<th>Product Name</th>
<th>Settlement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>TME</td>
<td>Dutch Natural Gas Calendar Month Future</td>
<td>Physically Delivered</td>
</tr>
<tr>
<td>TDE</td>
<td>Dutch Natural Gas Daily Future</td>
<td>Physically Delivered</td>
</tr>
<tr>
<td>NDE</td>
<td>UK Natural Gas Daily Future</td>
<td>Physically Delivered</td>
</tr>
<tr>
<td>NME</td>
<td>UK Natural Gas Calendar Month Future</td>
<td>Physically Delivered</td>
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</table>

1.2 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) There will be two sets of contracts – for delivery at the UK National Balancing Point and at the Netherlands Title Transfer Facility. There will be both monthly and daily contracts, where the monthly contract is for gas delivered for every calendar day in the specified month and the daily contract is for gas delivered for a specific calendar day.

ii) For the UK NBP contracts: the product codes are NME for monthly and NDE for daily;

GBP denominated, 1 contract = 1,000 UK therms per day.
Quoted in pence per therm, to a precision of 0.005 pence per therm.
Contract multiplier is 10.0 times the number of days.
Delivers in kilowatt-hours (29.3071 kilowatt hours per therm)

iii) For the Netherlands TTF contracts: the product codes are TME for monthly and TDE for daily;

EUR denominated, 1 contract = 1 megawatt-hour per hour.
Quoted in EUR per megawatt-hour, to a precision of 0.005 EUR per MWhr.
Contract multiplier is 24 (hours per day) times the number of days.

iv) The monthly contracts deliver into a strip of dailies, each at the final settlement price of the monthly. The monthly contract matures on the third London business day prior to the contract month. On its last day of trading, it is marked to market and the next morning open positions in the monthly are replaced with a strip of positions in the daily contracts, at the final settlement price of the monthly.

v) The daily contracts go into physically delivery. The maturity process for the daily contracts may be summarised as follows:

a) The last day of trading is the second London business day prior to the gas delivery date. The final price is determined on that date.
   Delivery margin requirement is calculated in the end-of-day clearing cycle.
   Nominations for physical delivery are transmitted to the delivery agent.

b) Morning of the first London business day prior to gas delivery date;
   Any deficit associated with the delivery margin requirement is collected.

c) Gas Delivery Day (may be a weekend or holiday).

d) First London business day after gas delivery date;
   Clearing settlement date.

1.4 The natural gas contracts will have the following margin regime;

i) The daily contracts are designed so that delivery margin is posted at the last possible moment before gas delivery, and then the margin is release and the gas is paid for at the earliest possible moment after gas has been delivered and it is confirmed that there is no delivery fail.

ii) In particular, the delivery margin requirement is applied at end-of-day on the last day of trading. Hence the margin is posted on the morning of the London business day immediately preceding the gas delivery date. Net short positions are margined on an outright basis, with no offsets against any other contracts. Net long positions are margined on the full invoice amount.

iii) The margin requirement then goes to zero, and the invoice amount is realised, at end-of-day on the business day immediately following the gas delivery date,
and the money will move at the bank the next morning. This is accomplished in the standard way by making the “clearing settlement date” be equal to that first subsequent date.

For the long, if you had posted the delivery margin in cash, there’s no net cash flow – the release of the delivery margin cash is offset by the payment of the invoice amount. If you posted a security to cover the delivery margin, you pay the cash on the morning of the second business day following gas delivery, and can have your security returned.

2 Clearing Member Requirements

2.1 Clearing firms need not build any special processing to support the “cascading” of positions in the maturing monthly contract into the strip of dailies, and there will be no associated fees. Positions will be maintained in clearing for each end customer, and the clearing system will feed confirmation messages to the firm’s bookkeeping system to automatically create the open positions in the dailies with the correct account number. The firm will simply remove expired positions in the monthly contract as with any matured future.

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 fulfill 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 fulfill 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. Without a completed Gas Transferor/Gas Transferee Notification Form, delivery obligations will be allocated to the Clearing Member’s standard delivery mechanism.

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

3 Further Information

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

<table>
<thead>
<tr>
<th>Date:</th>
<th>New Product Summary for Clearing Firms, Bookkeeping Software Providers, ISVs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing Date</td>
<td>January 19th, 2015</td>
</tr>
<tr>
<td>Product Exchange</td>
<td>CME Europe</td>
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</tbody>
</table>
| Product Name / Clearing Code | Dutch Natural Gas Daily Future  TDE  
Dutch Natural Gas Calendar Month Future  TME  
UK Natural Gas Daily Future  NDE  
UK Natural Gas Calendar Month Future  NME |
| Description | Physically settled daily and monthly UK and Dutch natural Gas Products |
| SPAN Code | As above |
| Instrument Type | Futures |
| Sub-Type | TDE, NDE = Daily; TME,NME = Monthly |
| Venue | CME ClearPort (CPC) |
| Hours | CPC and Globex – Sunday – Friday, 23:00 - 22:15, London time. |
| Product Size | TDE: 1 MWh per hour in the contract period x 23, 24 or 25 hours (DST adjusted)  
TME: 1 MWh per hour during the calendar month (a total of 672 MWh for a 28-day month up to 745 MWh for a 31-day month including DST adjustment)  
NDE: 1000 Therms  
NME: 1000 therms per calendar day (28,000 to 31,000 therms per lot) |
| Series Listing Convention | TDE, NDE: Daily contracts will be listed for all calendar days for the current month and the next month  
TME, NME: Monthly contracts listed for the current year and the next five calendar years |
| Initial Contract Months | TDE, NDE: Mar 15  
TME, NME: Mar 15 |
| Rollover Schedule | TDE, NDE: Monthly  
TME, NME: Annually |
| Minimum Price Intervals | TDE: CME Globex and Clearport - Quoted in multiples of Euro 0.005 per MWh (Euro 0.120 per lot).  
TME: CME Globex and Clearport - Quoted in multiples of Euro 0.005 per MWh (Euro 3.360 to Euro 3.725 per lot).  
NDE: CME Globex - Quoted in multiples of 0.01 pence per therm (£0.10 per lot). CME Clearport quoted in multiples of 0.005 pence per therm (£0.05 per lot).  
NME: Quoted in multiples of 0.01 pence per therm (£2.80 - £3.10 per lot). CME Clearport quoted in multiples of 0.005 pence per therm (£1.40 to £1.55 per lot) |
| Value Per Tick / Currency | TDE: 0.115 to 0.125 Euro cents  
TME: 3.36 to 3.725 Euros  
NDE: 0.05 Pence per lot  
NME: 1.40 to 1.55 Pence per lot |
| Block Eligible / Minimum Block Quantity | TDE, TME: 5  
NDE, NME: 25 |
| Termination of Trading | TDE, NDE: Trading shall cease two London business days prior to the contract day.  
TME, NME: Trading shall cease three London business days prior to the contract month. Open positions at maturity of the monthly contract are then replaced with a strip of dailies |
| Final Settlement Price | TDE, TME: 0.005 Euro per MWh  
NDE, NME: 0.005 per Therm |
| Final Settlement Date | Last Day of Trading for monthly TME and NME: First London business day after gas delivery day for daily contracts TDE and NDE. |
| Clearing DPL | All: 3 |
| Settlement DPL | All: 3 |
| Delivery | Physical |