

CME EUROPE

CONTRACT MODULE

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Chapter C01

Scope, Definitions and Interpretation

C01.1 Scope of Contract Module

C01.1.1 Contract Module sets out the terms of Transactions capable of being executed on the Exchange and capable of being novated to the Clearing House for clearing in relation to the Products.

C01.2 Definitions

C01.2.1 Capitalised terms used in this Contract Module not otherwise defined in this Contract Module shall have the same meaning as in the Exchange Rules.

C01.2.2 Unless the context otherwise requires, for the purposes of this Contract Module, the following words shall have the meanings specified:

American Style means, in relation to an option, that the option may be exercised at any time up to and including the expiration date;

Asian Style means, in relation to an option, that the amount payable on expiration depends on the average price of the underlying instrument over a pre-defined period before the expiration date, and that the option may only be exercised on the expiration date;

Cabinet Trade means, in relation to an option, a transaction in an out-of-the-money position at a nominal price made by one or both parties for the purpose of closing out an existing open position;

Cash Settlement or **Cash Settled** means that the obligation on expiration or settlement is to make or receive a net payment in cash in a single currency rather than to make or receive delivery of a physical commodity or instrument;

Contract Day, **Contract Week** and **Contract Month** means one of such days, weeks and months in which each Product is available for trading as set out in the Contract Specification;

Daily Settlement Price means the price at which the Exchange establishes the value of a Contract which has not yet expired or settled at the close of a Trading Session, as described in the Trading Procedure;

European Style means, in relation to an option, that the amount payable on expiration depends on the price of the underlying instrument at the expiration date and that the option may only be exercised on the expiration date;

Final Settlement Price means the price established by the Exchange in respect of a Contract for the purpose of Physical Delivery or Cash Settlement as the case may be;

Physical Delivery means that the obligation on expiration or settlement of a Contract is to make delivery of an amount of physical commodity and to receive payment in cash in a single currency;

TARGET Business Day means a day on which the Trans-European Automated Real Gross Settlement Express Transfer is open for business;

Transaction Price means the price at which each Transaction is executed, which shall be in the denomination set out in the Contract Specification;

Transaction Size means the size in which each Transaction is executed, which shall be in multiples of the contract size set out in the relevant Contract Specification.

C01.3 Interpretation

C01.3.1 Each Contract Specification shall be subject to the Exchange Rules, which shall form a part of and be incorporated by reference into, the Contract Specifications save that, in the event of any inconsistency between this Contract Module and the Exchange Rules, this Contract Module shall prevail insofar as the inconsistency relates to the Contract Specification for a Product within this Contract Module. In the event of any inconsistency between the Contract Module and the Clearing House Rules, the Clearing House Rules shall prevail.

Chapter C02

General Transactions Terms

C02.1 Terms of Transactions and Contracts

C02.1.1 Each Transaction executed on the Exchange in relation to a Product covered by this Contract Module and any Back-off Transaction shall satisfy the terms of the relevant Contract Specification as set out in this Contract Module. Once novated to the Clearing House in accordance with the Exchange Rules and the Clearing House Rules, the Contract formed in place of such Transaction shall include such terms. Bids and Offers made in respect of a Product shall be made to satisfy the terms of the relevant Contract Specification.

C02.2 Economic Terms

C02.2.1 Each Transaction executed on the Exchange and the resulting Contract and Back-off Transaction shall also include the following economic terms:

- (a) identity of each Clearing Member which is party;
- (b) the Product which is the subject of the Transaction;
- (c) Contract Size;
- (d) Transaction Size;
- (e) Contract Day, Contract Week or Contract Month (as appropriate);
- (f) Transaction Price;
- (g) Termination of trading date;
- (h) settlement or delivery date (where applicable);
- (i) exercise date (where applicable);
- (j) exercise style (i.e. American Style, European Style or other, where applicable); and
- (k) exercise price (where applicable).

C02.2.2 The Member may be required to provide additional information about the economic terms of the Transaction to the Exchange or the Clearing House.

C02.3 General Terms

C02.3.1 In addition, the following general terms shall be deemed to be included in, or apply to, each Contract Specification:

- (a) No Transaction or Contract or Back-off Transaction shall be required to be in writing (including electronic) nor any document be required to be signed, delivered or executed or other entry made in any record or book in order for it to become binding on the parties. Notwithstanding the foregoing, if at any time the Exchange or the Clearing House considers it is necessary or desirable to better implement or protect the rights and obligations of any party to a Contract, the Clearing Member shall, at its own expense, use all reasonable endeavours to enter into and execute all documents reasonably required to so implement or protect. In such circumstances, each party shall also procure that any necessary third party including a Non-Clearing Member or a Customer shall promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to any Transaction or Contract or Back-off Transaction.

- (b) The Exchange may amend any Contract Specification, after consultation with the Clearing House, at any time in accordance with Exchange Rule 2.3.5 and any such amendments may apply to Transactions and resulting Contracts and Back-off Transactions entered into from the date on which such amendments take effect. The Clearing House may amend any Contract as provided in the Clearing House Rules.
- (c) The Exchange may, in its absolute discretion, take such action in relation to the Transactions and Back-off Transactions as it considers necessary in order to protect the integrity of the Exchange. The Clearing House may, by giving reasonable notice to the Exchange, take such action in relation to Contracts as provided in the Clearing House Rules, as it considers necessary to protect the integrity of the Clearing House.
- (d) Each of the terms in each Contract Specification is severable and distinct from the others. It is intended that every such term shall be and remain valid and enforceable to the fullest extent permitted by law. If any term is or at any time becomes to any extent invalid, illegal or unenforceable for any reason, it shall to that extent be deemed not to form part of the Contract Specification or the resulting Transaction or Contract but the validity, legality and enforceability of the remaining terms in the Contract Specification or the resulting Transaction or Contract shall not be thereby affected or impaired.
- (e) No waiver of any term of a Transaction, Contract or Back-off Transaction shall be effective unless the same shall be given by the Exchange (in relation to a Transaction or Back-off Transaction) or the Clearing House (in relation to a Contract) in writing, and then such waiver shall be effective only in the specific instance, for the purpose for which the same is given, and such waiver shall not operate as a waiver of any future application of such term or part thereof. The waiver of any right, and the failure to exercise any right or to insist on the strict performance of any term of the Transaction, or Contract or Back-off Transaction, shall not operate as a waiver of, or preclude any further or other exercise or enforcement of that or any other right.
- (f) No person who is not a party to the Transaction or Back-off Transaction shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of a Transaction or Back-off Transaction save that the Exchange shall have such rights as are set out in the Exchange Rules.
- (g) No person who is not a party to the Contract shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of the Contract.
- (h) Each Transaction, Contract and Back-off Transaction shall be governed by and construed in accordance with the laws of England and Wales.

C02.4 Disclaimer

C02.4.1 The following disclaimer shall apply in respect of each Contract Specification in this Contract Module save that, in the event of any inconsistency between the following disclaimer and any disclaimer set out in such a Contract Specification, the latter shall take precedence:

“CME Europe Limited and CME Clearing Europe Limited (together, “**CME**”) does not guarantee the accuracy and/or completeness of any index referred to, or data included in or used in connection with, the Contract Specification. CME makes no warranties, express or implied, as to the results to be obtained by any person or entity from use of or

reliance on any such index or data, any trading or clearing based on any such index or data, or any other use of the Contract Specification. CME hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any such index or data.”

C02.5 Performance of Contracts

- C02.5.1 Open positions outstanding at the close of trading on the last trading day shall be performed either by Physical Delivery or Cash Settlement, as specified within each Contract Specification.
- C02.5.2 The day or days on which Physical Delivery or Cash Settlement shall be made shall be specified within each Contract Specification.
- C02.5.3 The price at which Physical Delivery or Cash Settlement will be performed shall be specified within each Contract Specification.
- C02.5.4 Delivery, either by Physical Delivery or Cash Settlement, shall comply with the Exchange Rules, this Contract Module and the Clearing House Rules, and shall be subject to the Clearing House Rules.

C02.6 Cash Settlement Arrangements

- C02.6.1 Where a Contract Specification specifies contract delivery shall be performed through Cash Settlement, delivery shall follow the applicable requirements set out in the Clearing House Rules.
- C02.6.2 Cash Settlement shall occur at the Final Settlement Price as specified within the relevant Contract Specification.

C02.7 Delivery Infractions

Delivery infractions, with respect to either Physical Delivery or Cash Settlement, including but not limited to late or inaccurate delivery and delivery obligation failures, shall be addressed in accordance with the applicable provisions of the Clearing House Rules.

C02.8 General

- C02.8.1 Subject to paragraph C02.3.1(b) above, Contract Specifications shall be fixed as of the first day of trading of a Contract Day, Contract Week or Contract Month (as appropriate), except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of this Contract Module, such order, ruling, directive or law shall be construed to take precedence and become part of this Contract Module and all open and new Transactions shall be subject to such government orders.
- C02.8.2 If a determination is made by the Clearing House in accordance with the Clearing House Rules that delivery or final settlement of any Contract cannot be completed due to a Force Majeure Event or other emergency, the Clearing House shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the Contract and the Exchange shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the Back-Off Transaction.
- C02.8.3 It shall be the duty of Members to notify the Exchange of any circumstances wherein a delivery or acceptance or any precondition or requirement thereof is prevented by a Force Majeure Event. The parties to a Transaction, Contract or Back-off Transaction shall use reasonable endeavours to minimise the effects of the Force Majeure Event on the

performance of its obligations under the relevant Transaction, Contract or Back-off Transaction and resume full performance of such obligations without avoidable delay.

Chapter CA01

Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar Future

CA01.1 Description

- CA01.1.1 The Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar future is a cash settled future referencing the CBOT Soy Bean Oil Future contract and the ICE Gasoil Futures and Low Sulphur Gasoil Future contracts.
- CA01.1.2 The Exchange Product code shall be BOG.
- CA01.1.3 Transactions shall be construed within the terms of this Chapter CA01 this Contract Module and the Clearing House Rules.

CA01.2 Contract Size

- CA01.2.1 The Contract size shall be 100 metric tons.

CA01.3 Contract Months

- CA01.3.1 Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar futures shall be available in such months as determined by the Exchange.

CA01.4 Trading Hours

- CA01.4.1 Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar futures shall be available for trading during such hours as determined by the Exchange and as published on the Website from time to time.

CA01.5 Prices

- CA01.5.1 Prices shall be quoted in U.S. Dollars and cents per metric ton.
- CA01.5.2 The minimum price fluctuation shall be \$0.25 per metric ton, equivalent to \$25 per Contract, in respect of Bids, Offers and Transactions for individual Contract months on CME Globex.
- CA01.5.3 The minimum price fluctuation shall be \$0.001 per metric ton, equivalent to \$0.10 per Contract, in respect of Transactions for individual Contract months submitted through CME ClearPort, Daily Settlement Prices, and the Final Settlement Price.
- CA01.5.4 There shall be no maximum price fluctuation.

CA01.6 Daily Settlement Prices

- CA01.6.1 The Exchange shall establish Daily Settlement Prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Trading Procedure.

CA01.7 Termination of Trading

- CA01.7.1 In respect of a Contract month, trading shall terminate on the second to last Chicago Board of Trade Business Day of the Contract month.
- CA01.7.2 On the last trading day, as described in CA01.7.1, the trading shall terminate at 16:30 hours London time.

CA01.8 Floating Price

- CA01.8.1 For Contract months up to and including December 2014, the Floating Price shall be equal to the arithmetic average of the settlement price for the CBOT Soybean Oil Futures contract delivery month which is the first delivery month available immediately following the Contract month for each Business Day that it is determined during the settlement period minus the arithmetic average of the ICE Gasoil Futures first nearby

contract settlement price for each Business Day that it is determined during the Contract month (using non-common pricing), except as noted below.

CA01.8.2 For Contract months from January 2015 and onwards, the Floating Price shall be equal to the arithmetic average of the settlement price for the CBOT Soybean Oil Futures contract delivery month which is the first delivery month available immediately following the Contract month for each Business Day that it is determined during the settlement period minus the arithmetic average of the ICE Low Sulphur Gasoil Futures first nearby contract settlement price for each Business Day that it is determined during the Contract month (using non-common pricing), except as noted below.

CA01.8.3 The settlement prices of the first nearby ICE Gasoil Futures Contract month or first nearby ICE Low Sulphur Gasoil Futures Contract month, as appropriate, will be used except on the last day of trading for the expiring gasoil futures contract when the settlement prices of the second nearby ICE Gasoil Futures Contract month or second nearby ICE Low Sulphur Gasoil Futures Contract month, as appropriate, will be used.

CA01.8.4 For the purposes of determining the Floating Price, the CBOT Soybean Oil Futures settlement price will be converted each day to U.S. dollars and cents per metric ton. The conversion factor will be 2,204.623 pounds per metric ton.

CA01.9 Delivery

CA01.9.1 Open positions outstanding at the close of trading on the last trading day shall be performed by Cash Settlement.

CA01.9.2 The Final Settlement Price shall be equal to the Floating Price.

CA01.9.3 Where the Final Settlement Price exceeds the Transaction Price, a buyer of a Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar future shall receive from the Clearing House the difference between the Final Settlement Price and the Transaction Price, multiplied by the Contract size. Where the Transaction Price exceeds the Final Settlement Price, a buyer of a Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar future shall pay to the Clearing House the difference between the Final Settlement Price and the Transaction Price, multiplied by the Contract size.

CA01.9.4 Where the Final Settlement Price exceeds the Transaction Price, a seller of a Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar future shall pay to the Clearing House the difference between the Final Settlement Price and the Transaction Price, multiplied by the Contract size. Where the Transaction Price exceeds the Final Settlement Price, a seller of a Soybean Oil (CBOT) vs. European Gasoil (ICE) Modified Calendar future shall receive from the Clearing House the difference between the Final Settlement Price and the Transaction Price, multiplied by the Contract size.

CA01.9.5 Cash Settlement shall comply with this paragraph CA01.9, paragraph C02.6, and the Clearing House Rules.