

APEX Fuel Oil 380cst Futures Contract Specifications

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APEX Fuel Oil 380cst Futures Contract Specifications

1. SCOPE OF CONTRACT SPECIFICATIONS

This document with the attached annexes set out the contracts specifications, trading parameters, delivery and settlement terms and other terms of the contracts in respect of APEX Fuel Oil 380cst Futures Contract Specifications ("**Contract Terms**") and shall, in conjunction with the Rules, be binding on all Clearing Members and Exchange Members and constituents trading and/or clearing through them.

Capitalized terms in this Contract Terms shall have meanings as set forth in Clause 8 (*Definitions and Interpretations*). Any capitalized terms undefined in these Contract Terms shall have the meaning ascribed to it under the Rules. In the event of inconsistency between these Contract Terms and the Rules, the Rules shall prevail. Any reference to any rights and/or obligations of the "**Buyer**" shall equally apply to the "**Buying Clearing Member**" and any reference to that of the "**Seller**" shall equally apply to the "**Selling Clearing Member**".

2. MAIN FEATURES OF THE CONTRACT

2.1 Quality Specifications

The grade for APEX Fuel Oil 380cst contract shall conform to APEX Fuel Oil 380cst ("**Product**") quality specifications and shall have the following physical and chemical properties at the time of Load-In and Load-Out:

Characteristic	Unit	Limit	RMG 380	Testing Method
Kinematic Viscosity (50°C)	mm ² /s	Max	380.0	ASTM D445
Density (15°C)	kg/m ³	Max	991.0	ASTM D1298
CCAI	-	Max	870	ISO8217:2017 (E)
Sulfur	mass %	Max	3.5	ASTM D4294
Flash Point	°C	Min	60.0	ASTM D93
Hydrogen Sulfide	mg/kg	Max	2.00	IP 570
Acid Number	mg KOH/g	Max	2.5	ASTM D664
Total Sediment - Aged	mass %	Max	0.10	ASTM D4870
Carbon Residue - Micro Method	mass %	Max	18.00	ASTM D4530
Pour Point (upper)	°C	Max	30	ASTM D97
Water	volume %	Max	0.50	ASTM D95
Ash	mass %	Max	0.100	ASTM D482
Vanadium	mg/kg	Max	350	IP 501
Sodium	mg/kg	Max	100	IP 501
Aluminium Plus Silicon	mg/kg	Max	60	IP 501
Net Calorific Value	cal/g	Min	9500	ASTM D240
Used Lubricating Oil(ULO): -Calcium and Zinc; or -Calcium and Phosphorus	mg/kg	-	The Fuel shall be free of ULO. The fuel oil shall be considered to contain ULO when either one of the following conditions is met:	IP 501

Characteristic	Unit	Limit	RMG 380	Testing Method
			Calcium>30 and Zinc >15 or Calcium >30 and Phosphorus >15	
Compatibility Rating	-	Max	2	ASTM D4740

The Exchange may require additional testing items other than the above listed as published on APEX website from time to time.

2.2 APEX Approved Fuel Oil Warehouses

The deliveries of Product shall take place at APEX Approved Fuel Oil Warehouses (“Warehouses”). An APEX Approved Fuel Oil Warehouse refers to any APEX Approved Fuel Oil Terminal or APEX Approved Fuel Oil Floating Storage located in Singapore, Malaysia, or Indonesia as listed in ANNEX A. The Exchange may list or de-list any APEX Approved Fuel Oil Warehouse from time to time as the Exchange may determine in its absolute discretion. All changes to the list of APEX Approved Fuel Oil Warehouses shall be published on APEX’s website.

2.3 Trading Specifications

Contract Code	FO
Contract Size	10 MT / Contract
Quote Currency	USD
Minimum Price Fluctuation	US \$0.10 / MT
Trading Hours	Singapore time trading sessions: Singapore Business Days Monday – Friday, Excluding Singapore public holidays 09:00am – 12:30pm (Morning Session/2 nd Session) 13:30pm – 18:00pm (Afternoon Session/3 rd Session) 20:55pm – 20:59pm (Pre-opening Session of the next Trading Day) 20:59pm – 21:00pm (Opening Match Session of the next Trading Day) 21:00pm – 23:00pm (Night Session/1 st Session of the next Trading Day) Trading of a Contract shall cease at 18:00pm on its Last Trading Day
Daily Price Limit	+/-10% of Last Settlement Price There shall be no Daily Price Limit in force for a Contract on its Last Trading Day (including the Night Session)
Contract Series	Monthly Contracts (12 consecutive months Contracts)
Last Trading Day	The last Business Day of the Front Contract Month
Delivery Method	Physically delivered at APEX Approved Fuel Oil Warehouses
Minimum Deliverable Size	1 Contract (i.e. 10 MT)
Initial Margin	Based on SPAN
Maximum Order Size	500 Contracts per order

2.4 Position Limits

A Person is deemed to have the beneficial interest in the positions of all accounts which are directly or indirectly owned or controlled by that Person. All such positions shall be treated as one position in calculating Position Limits.

Contract Month	Position Limits
All Contract series combined	For all Contract series combined, a Person shall not own or control more than 100,000 lots (i.e. 1,000,000 MT) net long or short
Individual Contract	For any individual Contract, a Person shall not own or control more than 10,000 lots (i.e. 100,000 MT) net long or short

A Person may apply for an increase in its Position Limits through its Clearing Member. The grant of any such increase shall be at the sole discretion of the Exchange.

3. RULES OF PHYSICAL DELIVERY

3.1 Delivery Obligations

Upon expiry of the Contract, Buyer(s) and Seller(s) with open positions shall be matched by the Clearing House in accordance with the Clearing House's powers under Chapter 5 of the Clearing Rules. The Buyer(s) and the Seller(s) shall perform their delivery obligations according to the procedures prescribed by the Clearing House in the Rules and these Contract Terms. No physical delivery shall be allowed for accounts which are held by an individual. The Clearing House shall liquidate the Parties' positions in the following order: (i) first, liquidation of position for individuals; and (ii) second, affected counterparties who hold positions for the shortest time shall be liquidated first on last in first out basis (LIFO).

Any open positions in accounts held by an individual will be liquidated at the Final Settlement Price on the 2nd Business Day after the Last Trading Day. A penalty of 15% of the Contract Value of the aforesaid open position(s) with the Final Settlement Price as the Base Price shall be imposed on all defaulting Parties. Non-defaulting Parties who are prohibited to proceed with physical delivery due to the liquidation of such positions shall be correspondingly compensated with the penalty collected from the defaulting Parties.

The Selling Clearing Member and the Buying Clearing Member shall liaise with the Seller(s) and Buyer(s) respectively to ensure proper and smooth delivery of the Product as prescribed in the Rules and these Contract Terms. The Selling Clearing Member shall guarantee to the Clearing House the performance of the Seller's obligations and the Buying Clearing Member shall guarantee to the Clearing House the performance of the Buyer's obligations in connection with the delivery as specified in these Contract Terms.

The Seller shall issue commercial invoice(s) to the Buyer(s) should the Buyer(s) request for such in the Intention as per Clause 3.4.2 (*Submission of Delivery Intention and AFOWR*).

3.2 Margin Requirements

3.2.1 Total Delivery Margin

The "**Total Delivery Margin**" shall comprise the Initial Margin, the First Delivery Margin and Second Delivery Margin. The amount of Total Delivery Margin to be posted by each of the Buying Clearing Member and the Selling Clearing Member with the Clearing House by the 1st Business Day following the Last Trading Day shall be 15% of the Contract Value of the open position(s) held by any and each of the account, with the Final Settlement Price as the Base Price, that are to be settled by physical delivery through the Clearing House.

3.2.2 First Delivery Margin

By 17:00pm on the 25th Calendar Day (if the 25th Calendar Day is not a Business Day, then the immediately preceding Business Day) of the Front Contract Month ("**Delivery Margin Deadline**"), the Selling Clearing Member shall post a delivery margin that is equal to 3% of the Contract Value ("**First Delivery Margin**") of the position(s) in the Front Contract Month held by the Seller's account (if any) and the Buying Clearing Member shall post a First Delivery Margin of the position(s) in the Front Contract Month held by the Buyer's account (if any), with the Daily Settlement Price of the preceding Business Day as the Base Price, to the Clearing House. The aforementioned Delivery Margin requirements will apply to any newly opened Front Contract Month position(s) created after the preceding Trading Day of the applicable Delivery Margin Deadline.

3.2.3 Second Delivery Margin

By 17:00pm on the 1st Business Day following the Last Trading Day, the Selling Clearing Member and the Buying Clearing Member shall each post a delivery margin ("**Second Delivery Margin**") to make up the Total Delivery Margin such that it is equal to 15% of the Contract Value of the open position(s) held by each respective account, with the Final Settlement Price as the Base Price, to the Clearing House.

3.2.4 Special Margin

In the event of high volatility and heavy price fluctuations as may be determined by the Clearing House at its discretion from the Last Trading Day of the Contract until the Delivery Day, the Clearing House may require the Clearing Members to provide an additional margin at any time ("**Special Margin**") to safeguard the interests of both Parties. The Special Margin shall be in addition to the Total Delivery Margin contemplated in Clause 3.2.1 (*Total Delivery Margin*).

3.2.5 Release of Total Delivery Margins and Special Margin

The Seller's Total Delivery Margin, and Special Margin, if any, shall be held by the Clearing House and released on the Delivery Day, after transferring the title of the relevant AFOWR to the Buyer (for more information on the allocated AFOWR please refer to Clause 3.4 & Clause 3.5), to the Selling Clearing Member's account.

The Special Margin, if any in the Buyer's account, shall be released on the Delivery Day after assignment of AFOWR (refer to Clause 3.5) to the Buying Clearing Member's account.

3.3 Final Settlement Price

The "**Final Settlement Price**" shall be the price determined by the Clearing House at the expiry of the Contract according to the volume weighted average Daily Settlement Price during the last 3 Trading Days rounded to the nearest 10 cents, or by such other methodology as the Clearing House may determine and as set out in the Clearing Procedure.

3.4 APEX Fuel Oil Warehouse Receipt Assignment Process

3.4.1 APEX Fuel Oil Warehouse Receipt

An AFOWR is the bearer document issued by APEX for one lot (10 MT) of Product stored in a Warehouse. Any futures position left open upon expiry must be settled by the provision or receipt of an AFOWR. An AFOWR shall state its expiry date and any other information deemed necessary by the Clearing House.

3.4.2 Submission of Delivery Intention and AFOWR

The Buying Clearing Member(s) shall by 18:00pm on the 2nd Business Day after the Last Trading Day submit to the Clearing House the following information in the prescribed form set out in *ANNEX B (Notice of Delivery)*:

- a) The identity of the Buyer(s) and the Buying Clearing Member(s);
- b) Whether the Buyer(s) requires a commercial invoice and, if so, the details required to be stated in such commercial invoice;
- c) Other information that may be required as determined by the Clearing House, (collectively, "**Intentions**").

The Seller shall ensure that it performs all the prerequisite actions as stated in this Contract to obtain the AFOWR(s) for a Contract by 18:00pm of the 1st Business Day after the Last Trading Day of such Contract.

The Selling Clearing Member(s) shall by 18:00pm on the 2nd Business Day after the Last Trading Day surrender to the Clearing House their AFOWR, of which the total quantity is equal to the positions held in the Seller(s)' account upon expiry of the Contract.

3.4.3 AFOWR Allocation Procedures

On the 3rd Business day after the Last Trading Day by 18:00pm, the Clearing House shall allocate the AFOWR to the Buyer(s) in consideration of the Intentions as contemplated in Clause 3.4.2 (*Submission of Delivery Intention and AFOWR*) above and shall notify the respective Clearing Members on the same day (in the prescribed form set out in *ANNEX C*).

3.4.4 Payment Arrangement

The delivery quantity multiplied by the Final Settlement Price shall be referred to in these Contract Terms as "**Product Value**". By 18:00pm of the 3rd Business day after the Last Trading Day, the Buyer shall remit the balance amount of the Product Value after deducting the Total Delivery Margin to the Clearing House through its Clearing Member.

3.5 Delivery Day

By 18:00pm of the 4th Business Day after the Last Trading Day ("**Delivery Day**"), the Clearing House shall release the details of the AFOWR to the Buying Clearing Member(s), and the title of the AFOWR shall be transferred to the Buyer with immediate effect. Meanwhile, the Clearing House shall transfer 100% of Product Value to the Selling Clearing Member on the condition that all obligations as stated in Clause 3 (*Rules Of Physical Delivery*) are fulfilled.

3.6 Delivery Fees

The Clearing House shall charge US\$0.50 per MT as delivery fees for physical delivery to the accounts of the Buying and Selling Clearing Members respectively ("**Delivery Fees**").

4. PHYSICAL DELIVERY TERMS AND CONDITIONS

With respect to each transaction to which a Buyer and AFOWR(s) are matched pursuant to Clause 3.4 (*APEX Fuel Oil Warehouse Receipt Assignment Process*), a Sales and Purchase Contract shall be deemed to have arisen between such Buyer and Seller which is collateral to a Contract, governed by and construed in accordance with the laws of Singapore and subject to the Rules. The terms of each Sales and Purchase Contract will be the obligations specified to or applied to the Seller and the Buyer

in these Contract Terms. The Seller and Buyer shall comply with the requirements of the Warehouse for the physical delivery as notified by the Clearing House.

The rights and obligations of a Buyer under this Clause 4 (*Physical Delivery Terms and Conditions*) will apply mutatis mutandis to a Seller who elects to Load-Out after the issuance of the AFOWR to the Seller by the Clearing House but prior to the matching process as set out in Clause 3 (*Rules of Physical Delivery*).

The Load-In process, Load-Out process and the related management of AFOWR in these Contract Terms shall be effected in the manner set out below:

4.1 Minimum Load-In / Load-Out Quantity

Save where the Seller/Buyer has otherwise established an agreement with the Clearing House, the minimum Load-In/Load-Out quantity into/from any of the Warehouse by any Seller/Buyer is required to be a minimum quantity of 2000MT.

4.2 APEX Fuel Oil Warehouse Receipt Management

The Clearing House shall issue AFOWRs to the Seller in accordance with Clause 4.2.4 (*Issuance of APEX Fuel Oil Warehouse Receipt*) after the Clearing House confirms that the Warehouse has received from the Seller the quantity of Product with quality in conformity to the requirements stipulated in Clause 2.1 (*Quality Specifications*) and Clause 4.1 (*Minimum Load-In / Load-Out Quantity*) for physical delivery purposes.

4.2.1 Load-In Application

A Seller with the intention to Load-In the Product shall submit a Load-In Application to the Clearing House at least 15 Calendar Days prior to the commencement of the Initial Load-In Laycan (or the immediate preceding Business Day if it is not a Business Day), indicating the preferred Warehouse, supplier information, quantity, and other specifications of the Product. The Clearing House shall, within 7 Calendar Days after receipt of the application, and subject to the Clearing House approving the application, assign the Seller a suitable Warehouse to Load-In the Product, taking into account the Seller's preferences and availability of Warehouse capacities. The assignment of such Warehouse by the Clearing House shall be final and binding. Notwithstanding the above, such Load-In Application is subject to the Clearing House's approval at its sole discretion.

The initial laycan stated in the Load-In Application ("**Initial Load-In Laycan**") shall be no longer than 7 Calendar Days. Upon the Clearing House's confirmation of the Load-In Application, the Seller shall submit the final laycan for Load-In ("**Final Load-In Laycan**") at least 7 Calendar Days prior to the commencement of the Initial Load-In Laycan. The Final Load-In Laycan shall be no longer than 3 consecutive Calendar Days within the Initial Load-In Laycan. Upon submission of the Final Load-In Laycan to the Clearing House, no further changes to the laycan by the Seller shall be allowed, unless otherwise agreed with the Clearing House.

Upon approval of the Load-In Application, the Selling Clearing Member shall post a Load-In Deposit of USD5.00 per MT to the Clearing House by the end of the following Business Day. Such deposit shall be refunded to the Selling Clearing Member on the condition that the Load-In takes place within the Initial Load-In Laycan as set out in the Load-In Application, and the actual Load-In quantity does not deviate from the intended Load-In quantity by more than 3%. In the case where, in violation of the approved application, no Load-In takes place within the Initial Load-In Laycan, the whole deposit or the proportional deposit of the shortage in quantity, as determined by the Clearing House, shall be forfeited and used as compensation towards the Clearing House.

Notwithstanding the above, the collection of Load-In Deposit and duration of the Initial Load-In Laycan are subject to situational requirements and the sole discretion of the Clearing House.

4.2.2 Load-In of Product

A Seller shall coordinate with the Clearing House for the purposes of loading-in and storing the Product for physical delivery under these Contract Terms. The Seller shall guarantee that, at the time of Load-In, the Product delivered in fulfilment of obligations under each Contract shall be free from encumbrances and that the Seller has full legal and equitable title to the Product. It shall be the Seller's sole responsibility to take all necessary actions to make sure the Product delivered to the Warehouse complies with the requirements in quality and quantity in conformity to Clause 2.1 (*Quality Specifications*) and Clause 4.1 (*Minimum Load-In/Load-Out Quantity*) or otherwise prescribed by the Clearing House. Additionally, the Seller shall ensure that the Product delivered to the Warehouse shall be free from any additive at the concentration used in the Product or any added substance of chemical waste that jeopardises the safety of the Vessel or adversely affects the performance of the machinery on the Vessel.

The Seller shall indemnify and hold harmless the Clearing House from and against any and all Losses suffered or incurred by the Clearing House arising out of or in connection with the Load-In (including any failure by the Seller to comply with this clause).

The Product shall be deemed Loaded-In:

- a) If the Product is loaded into the Warehouse from any vessel(s), immediately upon the Product passing the connecting flange of the pipeline at the storage terminal connected to the manifold of the vessel; or
- b) If the Product is delivered from the storage tank to another storage tank(s), immediately upon the Product passing the valve of the issuing storage tank.

4.2.3 Load-In Inspection

The Clearing House shall at its own costs, appoint an APEX Approved Surveyor (*ANNEX E*) to carry out inspection activities, including weighing, sampling, analysis and issuing certificates, in accordance with Clause 4.4 (*Weighing, Sampling, Analysis and Reports*) of these Contract Specifications. The inspection results by the appointed Surveyor shall be final and binding. Notwithstanding the above, the Seller is entitled to send its own representative as an observer during the inspection process.

4.2.4 Issuance of APEX Fuel Oil Warehouse Receipt

In order to be eligible for delivery under APEX Fuel Oil 380cst Futures Contract Specifications, the Product delivered by the Seller must comply with the requirements stipulated in Clause 2.1 (*Quality Specifications*). The Clearing House shall within 2 Business Days upon receipt of the Surveyor Report with inspection results satisfactory to the Clearing House, electronically issue AFOWRs to the Seller in accordance with the quantity certified by the Surveyor. The total quantity represented by the issued AFOWRs shall be equal to the quantity certified by the Surveyor rounded down or rounded up to nearest 10MT subject to the Clearing House's sole discretion. Each AFOWR shall represent the amount of one lot (10MT) of the Product. After issuance of AFOWR, the balance quantity of Product delivered by the Seller, which is less than 10MT, shall be settled between the Seller and the Clearing House based on the Final Settlement Price of the then-current Contract Month on the date of issuance of AFOWRs to the Seller.

The first payment to the Clearing House by the holder of AFOWR for insurance charges, rental charges and other charges if any, shall be for a minimum period of 30 days at a rate and payment date as determined by the Clearing House as published on the Exchange's website. The subsequent terms of payment to the Clearing House by the holder of AFOWR will be advised by the Exchange. The above payment shall be deducted from the respective Clearing Member's account on a monthly basis until the calendar month of deregistration or title transfer of the AFOWR held by the holder of the AFOWR.

An AFOWR shall be valid until the last Calendar Day of the next year after the year in which such AFOWR was issued. Any expired AFOWR shall be deregistered automatically and the Clearing House will assign a Warehouse to such holder of the expired AFOWR(s) for Load-Out purposes. The Product under such expired AFOWR shall be Loaded-Out by the holder within the next calendar month or, in the absence of any other arrangements between the holder and the Warehouse, the Clearing House shall have the right to sell off the Product under such expired AFOWR on terms at its discretion and reimburse to the holder of the AFOWR any balance value after deduction of any and all outstanding relevant charges and costs.

The Warehouse shall deal exclusively with APEX in respect of all matters relating to the Product delivered by the Seller, including but not limited to the Load-In, Load-Out and any inter-tank transfer.

4.2.5 Title Transfer of AFOWR

The title of an AFOWR is transferrable through the Clearing House (refer to *ANNEX F*), at a processing cost of USD0.50/MT payable by the current holder to the Clearing House.

4.2.6 Deregistration of AFOWR

Any deregistration of AFOWR before its expiration, unless approved by the Clearing House via a written application from the holder (*Annex F*) through its Clearing Member, shall be performed upon the completion of the Product Load-Out by the Clearing House. Such deregistered AFOWR might be re-registered in accordance with the conditions and procedures set forth in Clause 4.2 or otherwise with the exceptional approval of the Exchange if not in accordance with the requirements of Clause 4.2.

Upon the Clearing House's approval of such deregistration, the holder of the deregistered AFOWR shall take full responsibility for the rental charges, insurance coverage, and all other charges and risks associated with the Product represented by the deregistered AFOWR.

The Exchange and the Clearing House shall be indemnified by the holder of the AFOWR against any Losses that may arise hereafter for any reason in connection with the deregistration of the AFOWR and any subsequent agreement between the Warehouse and the holder.

4.3 Load-Out of Product

The Load-Out of Product shall be subject to requirements set out in these Contract Terms including Clause 4.1 (*Minimum Load-In / Load-Out Quantity*). The Warehouse and the Buyer shall collaborate and ensure that the Load-Out takes place smoothly and timely.

The Buyer shall comply with the requirements of the Warehouse and ensure that the Vessel(s) comply with the terms of the Contract. The Vessel nominated by the Buyer should comply at all times with all applicable requirements by the Warehouse, local authorities including the Maritime Port Authority of Singapore, or related maritime associations or organisations, conventions and/or codes (International Maritime Organization (IMO), International Ship and Port Facility Security (ISPS) Code, International Safety Management (ISM) Code, Safety of Life at Sea (SOLAS) Convention, Oil Companies International Marine Forum (OCIMF), etc.). It shall be the responsibility of the Buyer to supply a suitable

Vessel for Product Load-Out purposes at the Warehouse, and the presented Vessel shall be in all conditions ready for loading of Products at the respective country, territory, port and terminals where the Warehouse sites.

The Product shall be deemed Loaded-Out:

- a) If the Product is loaded out of the Warehouse into the Vessel(s), immediately upon the Product passing the connecting flange of the pipeline at the storage terminal connected to the manifold of the Vessel; or
- b) If the Product is loaded out of the storage tank to another storage tank(s), immediately upon the Product passing the valve of the issuing storage tank.

The Buyer shall indemnify and hold harmless the Clearing House from and against any and all Losses suffered or incurred by the Clearing House arising out of or in connection with the Load-Out (including any failure by the Buyer to comply with this clause).

The Exchange and the Clearing House shall not be liable for any Losses that may arise for any reason in connection with the Product after Load-Out.

4.3.1 Load-Out Application

A Buyer with the intention to conduct Load-Out of the Product shall submit a Load-Out Application to the Clearing House at least 15 Calendar Days prior to the commencement of the Initial Load-Out Laycan (or the immediate preceding Business Day if it is not a Business Day) unless otherwise agreed with APEX. The Clearing House, within 7 Calendar Days after receipt of the application, shall assign the Buyer with a Warehouse to Load-Out the Product. The assignment of such Warehouse by the Clearing House shall be final and binding. Notwithstanding the above, such Load-Out Application is subject to the Clearing House approval at its sole discretion.

The initial laycan stated in the Load-Out Application ("**Initial Load-Out Laycan**") shall be no longer than 7 Calendar Days. Upon the Clearing House's confirmation of the Load-Out Application, the Buyer shall submit the final laycan for Load-Out ("**Final Load-Out Laycan**") at least 7 Calendar Days prior to the commencement of the Initial Load-Out Laycan. The Final Load-Out Laycan shall be no longer than 3 consecutive Calendar Days within the Initial Load-Out Laycan. Upon submission of the Final Load-Out Laycan to the Clearing House, no further changes to the laycan by the Buyer shall be allowed, unless otherwise agreed with the Clearing House.

In respect of any Load-Out from APEX Approved Fuel Oil Floating Storage, the Clearing House shall provide the Buyer an adjustment based on the total quantity of Product Loaded-Out to recognise the warehouse location, and such adjustment shall be published on the APEX's website.

4.3.2 Load-Out Inspection

The Clearing House shall appoint an APEX Approved Surveyor, at its own costs, during the Load-Out process, to carry out inspection activities, including weighing, sampling, analysis and issuing certificates, in accordance to Clause 4.4 (*Weighing, Sampling, Analysis and Reports*) of these Contract Specifications. The inspection results by the Surveyor shall be final and binding. Notwithstanding the above, the Buyer is entitled to send its own representative to observe the inspection process.

The actual Load-Out quantity shall not deviate from the total quantity of the Product represented by the AFOWRs held by the Buyer by a tolerance level of more than 0.5% or as otherwise notified by APEX in accordance with the requirements of the Warehouse. Upon completion of Load-Out, the Buyer shall

settle with the Clearing House any quantity deviation in excess of such tolerance level based on the Final Settlement Price of the then-current Contract Month.

4.4 Weighing, Sampling, Analysis and Reports

4.4.1 Weighing

The actual Load-In quantity or Load-Out quantity shall be ascertained from calibrated Warehouse tanks during the Load-In or Load-Out process.

4.4.2 Sampling

At the time of Load-In, representative composite samples in quintuplicate (1 for contractual analysis, 1 for Seller, 1 for Buyer, and 2 to be retained by the Surveyor) of the Product shall be drawn by the Surveyor from the following sources in accordance with the prevailing fuel oil sampling procedures in accordance with the standards set by ASTM or ISO from time to time:

- a) Individual ship's tank;
- b) Warehouse tanks before Load-In if there is existing cargo inside; and
- c) Warehouse tanks after Load-In.

The samples drawn from individual ship's tanks shall be analysed by an independent ASTM or ISO accredited laboratory appointed by APEX Approved Surveyor.

At the time of Load-Out, the Clearing House shall appoint an APEX Approved Surveyor for quantity and quality determination. If so appointed, the Surveyor shall draw representative composite samples in quintuplicate (1 for contractual analysis, 1 for Seller, 1 for Buyer, and 2 to be retained by the Surveyor) of the Product from Warehouse tanks before Load-Out in accordance with the prevailing fuel oil sampling procedures set in ASTM or ISO.

4.4.3 Analysis & Reports

The samples shall be analysed by an independent ASTM or ISO accredited laboratory appointed by the Surveyor, whose analysis shall be final and binding on the Seller and Buyer subject to the paragraph below.

The respective Surveyor involved in the processes above shall issue certificates of inspection, including but not limited to the following. subject to directions by the Clearing House from time to time:

- i. Certificate of Quality;
- ii. Certificate of Quantity; and
- iii. Other documents as required by the Clearing House.

4.5 Risk and Responsibility for Vessel Movement

The Clearing House shall not be liable for any Losses arising out of or in connection with any damage or loss to any vessel hired by or presented by the Buyer and/or Seller or any delay caused to any vessel or any delay, interruption or departure from the sequence of handling of any such vessel due to any cause whatsoever, including the non-availability for whatever reason of a berth or ancillary facilities at the Warehouse. Such Losses include any claim for any demurrage, detention or any other type of compensation for any temporary or permanent loss of use of any such vessel.

The Clearing House shall not be liable in any way, for any Losses (whether for demurrage, deadfreight or otherwise), brought against, suffered or incurred by or caused to any party whosoever due to or arising out of or in connection with any Party's use of the Warehouse, or any breakdown, deficiency,

malfunction or failure in respect of any equipment or system of the Warehouse howsoever caused and whenever arising.

4.6 Insurance

The holder of an AFOWR shall, at its own expense, throughout the duration of the planned storage or for so long as the Product remains in the Warehouse, and subject to the requirements of the Warehouse, maintain in full force and effect such sufficient insurance cover required under prevailing laws and regulations, which shall include, but not be limited to, liability arising from accidental pollution, workmen's compensation, damage to Warehouse, liability for employees and third parties, and the Products to-be or being stored in the Warehouse. Such insurance shall be arranged by the Clearing House with a reputable insurer on behalf of the holder of the AFOWRs as per Clause 4.2.4 and held in the name of the Clearing House.

The Clearing House shall have no liability to the holder of the AFOWR in relation to the insurance maintained pursuant to this Clause 4.6 and any Losses which are claimable thereunder ("Insurance Claim"), save that the Clearing House shall give the holder of the AFOWR such assistance as it reasonably requires (at the expense of the holder of the AFOWR) for any Insurance Claim against the insurer.

The Clearing House shall not be liable for the success or failure of any Insurance Claim or any Losses incurred by the holder of the AFOWR arising out of, or in connection to, such Insurance Claim. The holder of the AFOWR shall indemnify the Clearing House for any Losses incurred by the Clearing House arising out of, or in connection with, the assistance given to the holder of the AFOWR for any Insurance Claim.

5. DELIVERY DEFAULT

5.1 Events of Delivery Default

Any act or omission by a Party or any applicable intermediary with respect to delivery, payment or other obligations provided in the Rules and these Contract Terms which has in the opinion of the Clearing House a material adverse effect on the Contract or orderly delivery thereunder shall constitute a "**Delivery Default**" under the Rules and these Contract Terms. A "**Delivery Default**" shall be deemed to include but shall not be limited to the following events:

- a) Failure to post the Total Delivery Margin or Special Margin with the Clearing House when due in accordance with Clause 3.2 (*Margin Requirements*);
- b) Seller's failure, to present to the Clearing House valid AFOWR of required quantity as stipulated in Clause 3.4.2 (*Submission of Delivery Intention and AFOWR*); and/or
- c) Buyer's failure, to post payment to the Clearing House in accordance with Clause 3.4.4 (*Payment Arrangement*).

5.2 Penalty for Delivery Default

No Party shall be regarded as having committed a Delivery Default if the action or the performance of its obligations was contingent upon the opposite Party's performance, which was not performed or not performed in the manner as stipulated in the Rules.

Upon the occurrence of one or more events of Delivery Default and subject to the Clearing House's discretion, one or more of the following may take place:

- a) The Total Delivery Margin and Special Margin held by the Clearing House shall not be released to either the Buying Clearing Member or the Selling Clearing Member until the grant of an Award directing such release (whereupon such release shall be as directed in the Award);

- b) The Buying Clearing Member or the Selling Clearing Member which has committed a Delivery Default shall be liable under the Rules for disciplinary action or other sanctions;
- c) The Clearing House shall issue a notice of assessment to each of the Buying Clearing Member and Selling Clearing Member specifying the findings of the Clearing House. The notice of assessment to the defaulting Party shall specify the penalty imposed on it by the Clearing House which shall be the full amount of Total Delivery Margin and Special Margin deposited with the Clearing House by the defaulting Party, and the notice of assessment to the non-defaulting Party shall specify the compensation to be provided to it by the Clearing House. Such compensation of Delivery Default shall be assessed by the Clearing House. The Clearing House will review the loss incurred by the non-defaulting Party at its sole discretion, but under no circumstances shall such compensation exceed the amount of Total Delivery Margin and Special Margin deposited by the defaulting party; and/or
- d) Parties shall be released from further obligations under these Contract Terms except for any Losses arising from or in connection with the Delivery Default. All obligations that have accrued prior to occurrence of the Delivery Default shall survive such release from further obligations.

5.3 Liability of the Clearing House

Without prejudice to any other demarcation, limitation, or exclusion of the Clearing House's liability under the Rules or these Contract Terms, and notwithstanding anything stated in the Rules or these Contract Terms, the liability of the Clearing House to any Clearing Member under any Contract shall not at any time exceed the amount of Total Delivery Margin and Special Margin posted by the defaulting Clearing Member to the Clearing House.

6. EXCHANGE OF FUTURES FOR PHYSICALS

The Exchange of Futures for Physicals ("**EFP**") shall refer to the procedure by which the Parties who hold the contracts of the same delivery month enter into a physicals sales and purchase agreement through negotiations, close their respective futures positions at the price described therein and exchange the payments and physicals of the corresponding quantities.

6.1 EFP Application

Only institutional clients may apply for an EFP application, while an individual is not accepted.

The EFP term shall be as of the Contract listing date through the 3rd Business Day (inclusive) before the Last Trading Day, and before 18:00pm for each day. The application for EFP shall be approved before 18:00pm on the following Business Day upon receipt of necessary documents prescribed by the Exchange.

6.2 Documents for EFP

Once the Parties agree to the EFP procedure contemplated in this Clause 6, both Parties shall jointly deliver a notice of EFP to the Clearing House in the form substantially set out at *ANNEX G* or in such form as prescribed by the Clearing House.

In executing such EFP procedure, the Exchange and Clearing House shall be released from the obligations in relation to delivery under these Contract Terms and the Rules, and the Seller and the Buyer as may be prescribed shall jointly and severally indemnify the Exchange and the Clearing House against any Losses that may incur for any reason as a result of the execution, delivery, or performance of any agreement reached between the Buyer and the Seller as may be prescribed in the EFP Application Form pursuant to this Clause, or any breach thereof or Delivery Default under such agreement.

6.3 Settlement of the EFP Positions

Upon settlement on the EFP approval date, the Clearing House shall settle the EFP positions of the Parties at the agreed price after market closes, and release the margins, if any.

6.4 EFP Information Publication

The EFP positions shall be deducted from the then-current day positions, and the trading result shall not be included in the then-current Daily Settlement Price and trading volume. After ending of each Trading Day, the Exchange shall publish the EFP information of the then-current day.

7. MISCELLANEOUS

7.1 Force Majeure

Should the performance of the Contract be prevented by reason of fire, strikes, lock-outs, riots, civil commotion and/or any cause comprehended in the term force majeure at the Warehouse, the Contract period shall be extended for a period equal to the duration of the disabling circumstances but not exceeding a period of 60 Calendar Days. If the force majeure event ends within 21 Calendar Days preceding the end of the extended period, then a further 21 Calendar Days shall be allowed after the termination of the force majeure event.

Should the fulfilment of the Contract not be possible within the extended period, the Contract or any unfulfilled part thereof so affected shall be deemed to be null and void at the end of such extended period.

7.2 Negotiations & Arbitration

Parties shall first attempt to resolve any such disputes arising from or in connection with these Contract Terms by way of good faith negotiations, failing which such disputes shall be referred to the Exchange Delivery Committee (EDC) for resolution. The EDC may obtain expert advice from industry practitioners in its decision-making process. The EDC will determine administrative fees and any fines to be imposed on each Party.

In the event that either Party is unsatisfied with the decision made by the EDC, a Buying Clearing Member or Selling Clearing Member may appeal any decision, direction and/or fine made by EDC by filling a notice within 10 Business Days following deemed receipt of the EDC's written decision to the Singapore International Arbitration Centre.

The dispute may be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference to this Clause. The seat of the arbitration shall be Singapore. The Tribunal shall consist of three arbitrator(s). The language of the arbitration shall be English.

7.3 Governing Law

These Contract Terms shall be governed by and construed in all respects in accordance with the laws of Singapore.

7.4 Contract Modification

Save for material terms relating to the Parties' delivery obligations which are deemed incorporated into the Rules, the Exchange may amend these Contract Terms from time to time as it deems fit, in

accordance with the provisions in the Exchange Rules, including, without limitation, Rules 705, 712, 713 and 714.

7.5 Obligations under Standard Practices of Fuel Oil Industry

As determined by the Clearing House, a Seller and Buyer shall perform such obligations that are imposed by the practices and conventions of the Fuel Oil industry for local delivery contracts, provided always that in the event of any inconsistency between the terms and conditions in these Contract Terms and the such practices and conventions of the Fuel Oil industry for local delivered contracts, the former shall prevail in the event of such inconsistency.

7.6 Cumulative Rights

Any specific right or remedy provided in these Contract Terms:

- a) Shall not prejudice any other remedies available to the Parties under law or equity; and
- b) Shall be cumulative upon all other rights and remedies set forth in these Contract Terms and allowed under applicable laws.

7.7 Compliance with Laws and Trade Sanctions

The Parties shall comply with all applicable Singapore and foreign laws and regulations including administrative orders, rulings, directives and notices of all relevant authorities and regulatory bodies (including the Monetary Authority of Singapore, the Exchange and the Clearing House). Provided that if at any time any such order, ruling, directive, notice, statute or regulation conflicts with or adds to the requirements of these Contract Terms, such order, ruling, directive, notice, statute or regulation shall be construed to take precedence over and become part of these Contract Terms which shall be deemed modified to such extent as may be necessary to incorporate or give effect to the same, and all open and new Contracts shall be subject to such order, ruling, directive, notice, statute or regulation.

The Buyer shall not request the Seller to deliver the Product to a person or entity listed on, or owned or controlled by a person or entity who is subject to trade sanctions imposed by the United States of America, the United Nations, and/or any or all other applicable country, and as amended from time to time (collectively, the "**Trade Sanctions**") or located in a country or territory which is subject to the Trade Sanctions. Both the Buyer and Seller represent and warrant that each respective Party is itself is not subject to the Trade Sanctions. Any refusal by a Party to perform its obligations hereunder on account of compliance with the Trade Sanctions or other legal requirements shall not constitute a breach of any obligation under these Contract Terms.

The Selling Clearing Member and the Buying Clearing Member shall guarantee that the final destination where the Product is shipped to shall not be any destination prohibited by the government of the country of origin during as amended from time to time.

7.8 Severability and Waiver

If any provision of these Contract Terms is held by a court or other tribunal of competent jurisdiction to be invalid or unenforceable for any reason, the remaining provisions shall continue in full force and effect without being impaired or invalidated in any way, and the Parties agree to replace any invalid provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision. The waiver by a Party of a breach of or Delivery Default under any provision of these Contract Terms shall not be effective unless in writing and shall not be construed as a waiver of any subsequent breach of or Delivery Default under the same or any other provision of these Contract Terms. Further, any failure or delay on the part of any Party to exercise or avail itself of any right or

remedy that it has or may have hereunder shall not operate as a waiver of any such right or remedy or preclude other or further exercise thereof or of any other right or remedy.

7.9 Notices between Parties

Save as specifically provided in these Contract Terms, all notices, documents and communication under or in connection with these Contract Specifications between the Parties shall be transmitted through the Clearing House, or only if instructed by the Clearing House, delivered by hand or courier service within the time limit specified herein. All notices, documents and communication under or in connection with these Contract Specifications between the Parties shall be under reserve for errors and omissions in transmission or delivery. Unless otherwise provided herein, any notices, documents and communication received after 18:00pm on a Business Day shall be deemed to have been received on the following Business Day.

8. DEFINITIONS AND INTERPRETATIONS

In these Contract Terms, unless the context otherwise requires, the following words or expressions shall have the following meanings:

Words or Expressions	Definition
AFOWR	Means APEX Fuel Oil Warehouse Receipt which shall have the features as set out in Clause 3.4.1
APEX	Shall mean Exchange and/or Clearing House
APEX Approved Fuel Oil Terminal	Means any fuel oil terminal approved by APEX for the purposes of storing APEX Fuel Oil 380cst
APEX Approved Fuel Oil Floating Storage	Means any fuel oil floating storage approved by APEX for the purposes of storing APEX Fuel Oil 380cst
APEX Approved Surveyor	Means any one of the surveyors listed in <i>Annex E</i>
Award	Means any final decision, made by an arbitral tribunal in accordance with Clause 7.2
Base Price	Means the Daily Settlement Price, Final Settlement Price or any given price determined by the Clearing House
Business Day	Means a 24-hour day, on all days except Saturdays, Sundays, and public holidays (within the meaning of the Holidays Act (Chapter 126 of Singapore)) in Singapore
Buyer	Means the direct counterparty responsible for taking delivery of the underlying in a Contract
Buying Clearing Member	Means a Clearing Member who has accepted responsibilities through an agreement to clear and settle Contracts traded by a Buyer of such Contract, or a Clearing Member in respect of Contracts traded by the Clearing Member as a Buyer for itself
Calendar Day	Means a 24-hour day in Singapore
Clause	Means a clause in these Contract Terms
Clearing House	Means Asia Pacific Clear Pte. Ltd and its successors (if any)
Clearing House Rules	means the rules of the Clearing House in force and as amended from time to time
Clearing Member	Shall have the meaning ascribed to it in the Exchange Rules
Clearing Procedure	Means the clearing procedures established by the Clearing House from time to time
Contract	Means the Contract for APEX Fuel Oil 380cst Futures
Contract Month	Refers to the month within which the physical delivery takes place)
Contract Terms	Shall have the meaning ascribed to it in Clause 1
Contract Series	Shall have the meaning ascribed to it in Clause 2.3
Contract Value	The Contract Value is equal to the Base Price multiplied by 10 multiplied by the number of Contracts to be delivered
Daily Price Limit	Shall have the meaning ascribed to it in Clause 2.3

Daily Settlement Price	The Daily Settlement Price of a given day shall be the volume-weighted average of all transactions occurred during the last 30 minutes of the given day's Afternoon Session or other methodology as set forth in the Clearing Rules
Delivery Day	Shall have the meaning ascribed to it in Clause 3.5
Delivery Default	Shall have the meaning ascribed to it in the Rules and shall also include the events set out at Clause 5.1
Delivery Fees	Shall have the meaning ascribed to it in Clause 3.6
Delivery Margin	Means the margin collected by the Clearing House for the purposes of safeguarding the physical delivery process
Delivery Margin Deadline	Shall have the meaning ascribed to it in Clause 3.2.2
EFP Application Form	Mean the duly executed document in the prescribed form set out in <i>Annex G</i>
Exchange	Means Asia Pacific Exchange Pte. Ltd. and its successors (if any)
Exchange Delivery Committee or EDC	Means the exchange delivery committee consisting of at least three senior management personnel who shall be the CEO of the Exchange, CEO of the Clearing House and the Chief Regulatory Officer (or their delegates)
Final Settlement Price	Shall have the meaning ascribed to it in Clause 3.3
Final Load-In Laycan	Shall have the meaning ascribed to it in Clause 4.2.1
Final Load-Out Laycan	Shall have the meaning ascribed to it in Clause 4.3.1
First Delivery Margin	Shall have the meaning ascribed to it in Clause 3.2.2
Front Contract Month	Means the month before the Contract Month of a Contract
Initial Margin	Shall have the meaning ascribed to it in Clause 2.3
Initial Load-In Laycan	Shall have the meaning ascribed to it in Clause 4.2.1
Initial Load-Out Laycan	Shall have the meaning ascribed to it in Clause 4.3.1
Intentions	Shall have the meaning ascribed to it in Clause 3.4.2
Last Settlement Price	Means Daily Settlement Price of the last Business Day
Last Trading Day	Shall have the meaning ascribed to it in Clause 2.3
Load-In	Means the process in which the Seller loads the Product under a Load-In Application into a Warehouse; and " Loaded-In " shall mean the completion of such process in respect of the relevant quantity of the Product.
Load-In Application	Means the application by a Seller to load-in the Product as set out in a duly completed application form in the form substantially in the form set out at <i>Annex D</i> or such other form prescribed by the Clearing House.
Load-Out	Means to the process in which the Warehouse loads the Product under the assigned AFOWR out to the Buyer receiving Vessels from the Warehouse(s); and " Loaded-Out " shall mean the completion of such process in respect of the relevant quantity of the Product

Load-Out Application	Means the application by the Buyer to Load-Out the stipulated Product as set out in a duly completed application form in the form substantially in the form set out at <i>Annex D</i> or such other form prescribed by the Clearing House
Losses	means all damages, liabilities, demands, costs, expenses, claims, actions and proceedings (including all consequential, direct, indirect, special or incidental loss or punitive damages or loss, legal and other professional fees, cost and expenses, fines, penalties, interest and loss of profit or any other form of economic loss (including loss of reputation))
Maximum Order Size	Shall have the meaning ascribed to it in Clause 2.3
Members	Shall have the meaning ascribed to it in the Exchange Rules
Minimum Deliverable Size	Shall have the meaning ascribed to it in Clause 2.3
Minimum Price Fluctuation	Shall have the meaning ascribed to it in Clause 2.3
MT	Means metric tonnes
Party	Means a Buyer or Seller
Person	Means any individual, corporation, partnership, statutory body, government ministry, association, trust or entity as the context admits or requires
Position Limits	Means the maximum permitted holding in a designated Contract either by a single account or across multiple accounts that the Exchange and/or Clearing House may from time to time impose in respect of any Contract as set forth in Clause 2.4
Product	Shall have the meaning ascribed to it in Clause 2.1
Product Value	Shall have the meaning ascribed to it in Clause 3.4.4
Rules	Means the Exchange Rules and/or the Clearing House Rules, as the context requires
Sales and Purchase Contract	Shall mean the contract entered into between the Buyer and the Seller for the Product
Second Delivery Margin	Shall have the meaning ascribed to it in Clause 3.2.3
Seller	Means the direct counterparty responsible for making delivery of the underlying in a Contract
Selling Clearing Member	Means a Clearing Member who has accepted responsibilities through an agreement to clear and settle Contracts traded by a Seller of such Contract, or a Clearing Member in respect of Contracts traded by the Clearing Member as a Seller for itself
Surveyor	Means the APEX Approved Surveyor appointed by APEX
Special Margin	Shall have the meaning ascribed to it in Clause 3.2.4
Total Delivery Margin	Shall have the meaning ascribed to it in Clause 3.2.1
Trading Day	Means any day during which the Contract is available for trading on the Exchange
Vessel	Means the oil tanker or barge hired and presented by the Buyer for the purposes of Load-Out from a Warehouse

Warehouse(s)	Shall have the meaning ascribed to it in Clause 2.2
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9. ANNEXES

Annex A	APEX Approved Warehouses
Annex B	Notice of Delivery
Annex C	Notice of AFOWR Assignment Results
Annex D	Application for Load-In / Load-Out
Annex E	APEX Approved Surveyors
Annex F	AFOWR Management Procedures
Annex G	EFP Application Form