

APEX Low Sulphur Fuel Oil Futures Contract Specifications

TABLE OF CONTENTS

| | | |
|-------|--|----|
| 1. | SCOPE OF CONTRACT SPECIFICATIONS | 3 |
| 2. | MAIN FEATURES OF THE CONTRACT | 4 |
| 2.1 | Quality Specifications | 4 |
| 2.2 | APEX Recognised LSFO Warehouses | 4 |
| 2.3 | Trading Specifications | 5 |
| 2.4 | Position Limits | 6 |
| 3. | RULES OF PHYSICAL DELIVERY | 6 |
| 3.1 | Delivery Obligations | 6 |
| 3.2 | Margin Requirements | 6 |
| 3.2.1 | Total Delivery Margin | 6 |
| 3.2.2 | First Delivery Margin | 7 |
| 3.2.3 | Second Delivery Margin | 7 |
| 3.2.4 | Special Margin | 7 |
| 3.2.5 | Release of Total Delivery Margin and Special Margin | 7 |
| 3.3 | Deliverable Quantity | 7 |
| 3.4 | Odd Lots Liquidation and Penalty | 7 |
| 3.4.1 | Definition of Odd Lots | 7 |
| 3.4.2 | Odd Lots Consolidation and Treatment | 7 |
| 3.5 | Final Settlement Price | 8 |
| 3.6 | Method of Delivery | 8 |
| 3.7 | Matching Process | 8 |
| 3.7.1 | Notice of Delivery | 8 |
| 3.7.2 | Nomination of Recognised Warehouse, Method of Delivery and Initial Loading Window 9 | |
| 3.7.3 | Matching Procedures | 9 |
| 3.8 | Delivery Fees | 9 |
| 4. | PHYSICAL DELIVERY PROCEDURES | 9 |
| 4.1 | Sales and Purchase Contract | 9 |
| 4.2 | Vessel/Barge/Tank Nomination | 10 |
| 4.2.1 | Nomination of Vessel/Barge/Tank | 10 |
| 4.2.2 | Vessel/Barge/Tank Compliance and Suitability | 10 |
| 4.2.3 | Acceptance of Vessel/Barge/Tank Nomination | 11 |
| 4.2.4 | Vessel/Barge Substitution | 11 |
| 4.3 | Prior to Delivery | 11 |
| 4.3.1 | Payment Arrangement (Buyer) | 11 |
| 4.3.2 | Delivery Instructions (Buyer) | 11 |
| 4.3.3 | Notice of Readiness | 11 |
| 4.4 | Determination of Quality and Quantity | 12 |

| | | |
|-------|--|----|
| 4.4.1 | General..... | 12 |
| 4.4.2 | Determination of Quality and Quantity | 12 |
| 4.5 | Taxes and Other Charges..... | 13 |
| 4.6 | Demurrage | 13 |
| 4.7 | Extension of Shipment | 14 |
| 4.8 | Delivery of Final Documents and Payment..... | 14 |
| 4.8.1 | Delivery of Final Documents | 14 |
| 4.8.2 | Release of Payment | 14 |
| 4.8.3 | Release of Remaining Margin..... | 14 |
| 4.9 | Risk and Property..... | 15 |
| 5. | DELIVERY DEFAULT | 15 |
| 5.1 | Events of Delivery Default..... | 15 |
| 5.2 | Penalty for Delivery Default..... | 15 |
| 5.3 | Liability of the Clearing House | 16 |
| 6. | EXCHANGE OF FUTURES FOR PHYSICALS | 16 |
| 6.1 | EFP Application..... | 16 |
| 6.2 | Documents for EFP | 16 |
| 6.3 | Settlement of the EFP Positions | 16 |
| 6.4 | EFP Information Publication..... | 17 |
| 7. | ALTERNATIVE DELIVERY PROCEDURE..... | 17 |
| 7.1 | ADP Application | 17 |
| 7.2 | Documents for ADP | 17 |
| 7.3 | Release and Indemnity to Clearing Members..... | 17 |
| 7.4 | Release and Indemnity to Exchange and Clearing House | 17 |
| 8. | MISCELLANEOUS..... | 17 |
| 8.1 | Force Majeure | 17 |
| 8.2 | Negotiations & Arbitration | 18 |
| 8.3 | Governing Law | 18 |
| 8.4 | Contract Modification | 18 |
| 8.5 | Obligations under Standard Practices of Fuel Oil Industry | 18 |
| 8.6 | Cumulative Rights | 18 |
| 8.7 | Compliance with Laws and Trade Sanctions | 18 |
| 8.8 | Severability and Waiver | 19 |
| 8.9 | Notices between Parties | 19 |
| 8.10 | Recognised Warehouses..... | 19 |
| 8.11 | Exclusion of Liability in Respect of APEX Recognised LSFO Warehouses | 20 |
| 9. | DEFINITIONS AND INTERPRETATIONS..... | 21 |
| 10. | ANNEXES | 26 |

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 Low Sulphur Fuel Oil 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 these Contract Terms shall have meanings as set forth in Clause 9 (*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 Low Sulphur Fuel Oil Futures Contract shall conform to APEX Low Sulphur Fuel Oil (“**Product**”) quality specifications and shall have the following physical and chemical properties (each a “**Characteristic**”).

| Characteristic | Unit | Limit | 0.5%S Fuel Oil | Testing Method | | |
|---|--------------------|-------|---|------------------|-------|-----|
| | | | | ISO | ASTM | IP |
| Kinematic Viscosity (50°C) | mm ² /s | Max | 380.0 | 3104 | D445 | - |
| Density (15°C) | kg/m ³ | Max | 991.0 | 3675 | D1298 | - |
| CCAI | - | Max | 870 | ISO8217:2017 (E) | | |
| Sulphur | mass % | Max | 0.5 | 8754 | D4294 | - |
| Flash Point | °C | Min | 60.0 | 2719 | D93 | - |
| Hydrogen Sulphide | mg/kg | Max | 2.00 | - | - | 570 |
| Acid Number | mg KOH/g | Max | 2.5 | - | D664 | - |
| Total Sediment - Aged | mass % | Max | 0.10 | 10307-2 | D4870 | - |
| Carbon Residue - Micro Method | mass % | Max | 18.00 | 10370 | D4530 | - |
| Pour Point (upper) | °C | Max | 30 | 3016 | D97 | - |
| Water | volume % | Max | 0.50 | 3733 | D95 | - |
| Ash | mass % | Max | 0.100 | 6245 | D482 | - |
| Vanadium | mg/kg | Max | 350 | - | - | 501 |
| Sodium | mg/kg | Max | 100 | - | - | 501 |
| Aluminium Plus Silicon | mg/kg | Max | 60 | - | - | 501 |
| Used Lubricating Oil(ULO): -Calcium and Zinc; or -Calcium and Phosphorus | mg/kg | - | The fuel oil shall be free of ULO. The fuel oil shall be considered to contain ULO when either one of the following conditions is met: Calcium>30 and Zinc >15 or Calcium >30 and Phosphorus >15 | - | - | 501 |

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

Additionally, the Product shall be free from any material at a concentration that causes the Product to be unacceptable for use in accordance with clause 5.2 of ISO 8217:2017 (E).

2.2 APEX Recognised LSFO Warehouses

The deliveries of the Product shall take place at APEX Recognised LSFO Warehouses appointed in accordance with Clause 3.7.2 (*Nomination of Recognised Warehouse, Method of Delivery and Initial Loading Window*) (“**Recognised Warehouses**”).

An APEX Recognised LSFO Warehouse shall refer to a specified terminal, refinery, or floating storage located in Singapore, Malaysia or Indonesia along the Straits of Malacca and Straits of Singapore as set out in ANNEX A or as published on the Exchange’s website. The Exchange may list or de-list any APEX Recognised LSFO Warehouse from time to time as the Exchange may determine in its absolute discretion. All changes to the list of APEX Recognised LSFO Warehouses shall be published on the Exchange’s website.

2.3 Trading Specifications

| | |
|---------------------------|--|
| Contract Code | LFO |
| Contract Size | 10 MT / Contract |
| Quote Currency | USD |
| Minimum Price Fluctuation | US \$0.10 / MT |
| Trading Hours | Singapore time trading sessions: Singapore Business Days 09:00am – 12:30pm (Morning Session) 13:30pm – 18:00pm (Afternoon Session) 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 |
| Contract Series | Monthly Contracts (12 consecutive months Contracts) |
| Last Trading Day | The last Business Day of the Front Contract Month |
| Last Delivery Day | The last Calendar Day of Contract Month |
| Delivery Method | Physical Delivery at Recognised Warehouses by FOB or inter-Tank transfer |
| Minimum Deliverable Size | 100 Contracts (i.e. a total of 1,000 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. |

| Contract | Aggregate Position Limit |
|--------------------------------------|--|
| LFO and LFA (all Contract Months) | A person shall not own or control any combination of LFO and LFA that exceed an equivalent of 1,000,000MT net long or short. |
| LFO and LFA (same Contract Month) | A person shall not own or control any combination of LFO and LFA that exceed an equivalent of 300,000MT 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, the Buyer(s) and the 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 House 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 Selling Clearing Member and the Buying Clearing Member shall liaise with their respective Seller(s) and Buyer(s) to ensure proper and smooth delivery of the Product as prescribed in the Rules and these Contract Terms. Notwithstanding the foregoing, the Selling Clearing Member and the Buying Clearing Member shall guarantee to the Clearing House the performance of their respective obligations in connection with the delivery as specified in these Contract Terms. In addition, the Selling Clearing Member shall ensure that the supplier of the Product is an APEX Approved Supplier (refer to *ANNEX B*). The Product delivered in fulfilment of obligations under each Contract shall be free from all liens, encumbrances and any other form of claim at the time of Physical Delivery.

The Physical Delivery shall be completed no later than the last Calendar Day of the Contract Month.

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 2nd 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 2nd 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 completion of Physical Delivery, 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 Margin and Special Margin

The Total Delivery Margin and Special Margin, if any, shall be held by the Clearing House and released only as follows:

- a) Upon satisfactory completion of the Physical Delivery process as contemplated in these Contract Terms in accordance with Clause 4.8 (*Delivery of Final Documents and Payment*);
- b) In the event of any dispute arising from or in connection with these Contract Terms, as directed by an Award; or
- c) In the event where the Buyer and the Seller elected for ADP, in accordance with Clause 7.3 (*Release and Indemnity to Clearing Members*).

3.3 Deliverable Quantity

The Product shall be delivered in a quantity no less than the Minimum Deliverable Size and in multiple(s) of 50 lots (i.e. 500MT) ("**Deliverable Quantity**"), and in addition, any incremental quantity which is not in multiples of 50 lots, as agreed between the Buyer and Seller and approved by the Clearing House at its discretion.

3.4 Odd Lots Liquidation and Penalty

3.4.1 Definition of Odd Lots

"**Odd Lots**" refers to, at the end of the Last Trading Day, any and all open positions which are less than the Minimum Deliverable Size, or the most recent balance position after deducting the Deliverable Quantity held in a single account and/or customer.

3.4.2 Odd Lots Consolidation and Treatment

Any Odd Lots shall be closed out at Final Settlement Price on the 2nd Business Day following the Last Trading Day by the Clearing House.

The Clearing House shall liquidate the Parties' positions in the following manner:

- (i) First, Odd Lots of long and short positions will be liquidated against each other until a net long or a net short position is reached, with Parties holding positions for the longest period of time taking priority (i.e. first in first out).
- (ii) Thereafter, in the event that there are any remaining Odd Lots (i.e. either a net position of long or short), all such remaining Odd Lots shall be liquidated against positions of Deliverable Quantity of Parties who are unable to proceed with Physical Delivery due to the liquidation of Odd Lots. In this case, positions of Deliverable Quantity which are held for the shortest time shall be liquidated first (i.e. last in first out).

A penalty of 3% of the Contract Value of the Odd Lots with the Final Settlement Price as the Base Price shall be imposed on the Parties with all remaining Odd Lots in (ii), and paid to the Parties whose positions of Deliverable Quantity are liquidated herein.

The Clearing House shall, by 12:00pm on the 2nd Business Day after the Last Trading Day, notify the Clearing Members for the outcome of Odd Lots Liquidation.

3.5 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.

3.6 Method of Delivery

Physical Delivery shall take place with one of the following methods:

- a) Take delivery via Vessels at appointed Recognised Warehouse(s);
- b) Take delivery via Barges at appointed Recognised Warehouse(s); or
- c) Where there is a connecting pipeline deemed suitable by the appointed Recognised Warehouse, take delivery by inter-Tank transfer at the appointed Recognised Warehouse, (each a "**Method of Delivery**").

3.7 Matching Process

3.7.1 Notice of Delivery

The Clearing Members shall by 12:00pm on the 2nd Business Day after the Last Trading Day submit to the Clearing House their Physical Delivery intentions ("**Intentions**") by providing the following information in the prescribed form set out in *ANNEX E* to the Clearing House:

- (i) For Selling Clearing Member:
 - a) The identity of the Seller(s) and the Selling Clearing Member(s);
 - b) The quantity (in number of lots) of Product intended for Physical Delivery;
 - c) The preferred Recognised Warehouse(s) for delivery, the quantity at each Recognised Warehouse(s), with requirements in relation to the Vessel/Barge/Tank particulars; and
 - d) Other information as may be required by the Clearing House.
- (ii) For Buying Clearing Member:
 - a) The identity of the Buyer(s) and the Buying Clearing Member(s);
 - b) The quantity (in number of lots) of Product intended for Physical Delivery;
 - c) The preferred Recognised Warehouse(s) for delivery;
 - d) The preferred Method of Delivery, namely:
 - (i) Delivery via Vessel/Barge; or
 - (ii) Delivery by inter-Tank transfer;
 - e) A 5-Calendar Days loading window ("**Initial Loading Window**"); and
 - f) Other information as may be required by the Clearing House.

For those accounts with Odd Lots only, or with Deliverable Quantity but subject to liquidation according to Clause 3.4 (*Odd Lots Liquidation and Penalty*), the Clearing House shall waive the submission of Notice of Delivery for the positions which will be liquidated.

3.7.2 Nomination of Recognised Warehouse, Method of Delivery and Initial Loading Window

The nomination of Recognised Warehouse(s) for Physical Delivery shall be at the Seller's option. The Buyer's preference shall not be binding on the Clearing House and may be taken into account solely for the purposes of matching by the Clearing House. The Buyer is obliged to accept the nominated Recognised Warehouse(s) for Physical Delivery.

The Method of Delivery shall be at Buyer's option, provided the Method of Delivery is acceptable to the Recognised Warehouse(s) nominated by the Seller. The Seller is obliged to accept the Method of Delivery.

The Initial Loading Window for Physical Delivery shall be at Buyer's option, on the condition that the first day of the Initial Loading Window is

- a) at least 5 Business Days (for inter-Tank transfer and delivery via Barge); and
- b) at least 10 Business Days (for delivery via Vessel),

after the day of Notice of Delivery. The Seller is obliged to accept the nominated Initial Loading Window.

If the Initial Loading Window is not provided by the Buyer according to the above timeline, the Seller shall schedule the delivery on a best endeavours basis, subject to the approval of the Clearing House ("**Prompt Delivery**").

3.7.3 Matching Procedures

By 18:00pm on the 3rd Business Day after the Last Trading Day, the Clearing House shall match the Buyer(s) Intentions with the Seller(s) Intentions as contemplated in Clause 3.7.1 (*Notice of Delivery*) and shall notify their respective Clearing Member (in the prescribed form set out in *ANNEX F*).

For the matching process, the Clearing House shall assign Physical Delivery in accordance with the priority where larger quantity will be matched first followed by the principle of minimum number of matched pairs required between the Buyer(s) and the Seller(s). The Clearing House shall have the sole discretion for the matching process.

3.8 Delivery Fees

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

4. PHYSICAL DELIVERY PROCEDURES

By 18:00pm on the 4th Business Day following the Last Trading Day, the Buyer(s) and the Seller(s) who have been matched but have not elected an ADP, shall be deemed ready for Physical Delivery.

The Selling Clearing Member and the Buying Clearing Member shall have the obligation to notify their respective Seller(s) and Buyer(s) to take all necessary steps to ensure timely and proper delivery of the Deliverable Quantity.

Physical Delivery of the Product through the Clearing House shall be effected in the manner set out below:

4.1 Sales and Purchase Contract

With respect to each transaction to which a Buyer and Seller are matched pursuant to Clause 3.7 (*Matching 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 Singapore law and subject to the Rules. The final contract price of the Sales and Purchase Contract (the "**Final Contract Price**") is arrived at by adjusting the Final Settlement Price by all applicable premium /discount, if any (as set out in *ANNEX A*). The terms of each Sales and Purchase Contract will be the obligations specified to apply to the Seller and the Buyer in these Contract Terms. Please refer to *ANNEX G* for a sample of a Sales and Purchase Contract in relation to these Contract Terms.

4.2 Vessel/Barge/Tank Nomination

4.2.1 Nomination of Vessel/Barge/Tank

The Buyer shall submit to the Clearing House the Nomination of Vessel/Barge/Tank in such form as prescribed by the Clearing House (refer to *ANNEX L*) ("**Notice of Nomination**").

(i) For delivery via Vessel:

The Buyer shall issue the Notice of Nomination to the Clearing House and provide in the Notice of Nomination a narrowed down laycan of 3 Calendar Days falling within the Initial Loading Window. The Notice of Nomination shall be issued no less than 7 Business Days prior to the first day of the laycan specified in the Notice of Nomination, excluding the day of issuance of the Notice of Nomination. The Notice of Nomination shall provide details including Q88, appointed Recognised Warehouse(s), the qualities and quantities of Product required, the name and contact details of the Vessel's agents, and any other information as required by the Clearing House.

(ii) For delivery via Barge:

The Buyer shall issue a Notice of Nomination to the Clearing House to specify an ETA of the Barge no less than 5 Business Days prior to such ETA, excluding the day of issuance of the Notice of Nomination. The ETA shall fall within the Initial Loading Window. The Notice of Nomination shall provide details including Q88, appointed Recognised Warehouse(s), the qualities and quantities of Product required, and any other information as required by the Clearing House.

(iii) For delivery by inter-Tank transfer:

The Buyer shall issue a Notice of Nomination to the Clearing House at least 3 Business Days prior to the transfer, excluding the day of issuance of the Notice of Nomination. The Notice of Nomination shall provide details including the location of the receiving Tank(s), the day the Buyer proposes for pumping to commence ("**Transfer Day**"), and the qualities and quantities of Product required. The Transfer Day shall fall within the Initial Loading Window.

4.2.2 Vessel/Barge/Tank Compliance and Suitability

The Buyer shall comply with the requirements of the appointed Recognised Warehouse(s) and ensure that the Vessel(s)/Barge(s)/Tank(s) comply with these Contract Terms.

The Vessel/Barge/Tank nominated by the Buyer should comply at all times with all applicable requirements by the appointed Recognised Warehouse(s), 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/Barge/Tank for loading and carriage or receipt of the Product, and the presented Vessel/Barge/Tank shall be in all conditions ready for loading of the Products at the respective appointed Recognised Warehouse.

4.2.3 Acceptance of Vessel/Barge/Tank Nomination

The Seller shall within 24 hours, from receipt of the Notice of Nomination, provide written acceptance or rejection of the nomination to the Clearing House.

Rejection of the nomination must be due to unacceptable parameters as determined objectively in accordance with industry standards, and the Selling Clearing Member must furnish the explanation of the unacceptable parameters to the Clearing House. In the event of such rejection, the Buyer shall re-nominate a Vessel/Barge/Tank until the Seller accepts the nomination.

4.2.4 Vessel/Barge Substitution

The Buyer is allowed to substitute the nominated Vessel/Barge provided that the Vessel's laycan or Barge's ETA at the appointed Recognised Warehouse remains unchanged. However, the Buyer shall notify the Seller and the Clearing House of such substitution at least 48 hours before the arrival of the substituted Vessel/Barge, subject to the approval of the appointed Recognised Warehouse. Once the nominated Vessel/Barge is alongside the loading berth, no substitution of Vessel/Barge shall be allowed without the consent of the Seller, unless the substitution is necessitated due to factors beyond the Buyer's control. In the event of a substitution of Vessel/Barge by the Buyer, the Seller shall be entitled to claim additional costs, as incurred, from the Buyer.

4.3 Prior to Delivery

4.3.1 Payment Arrangement (Buyer)

By 18:00pm on the 3rd Business Day prior to the first day of laycan (for delivery via Vessel), ETA of Barge (for delivery via Barge) and Transfer Day (for delivery by inter-Tank transfer), the Buyer shall remit 101% of Contract Value by cash, with the Final Contract Price as the Base Price ("**Buyer Contract Payment**") less the Total Delivery Margin ("**Buyer Balance Payable**"), to the Clearing House through its Clearing Member.

In the event of Prompt Delivery, the aforementioned payment shall be made by 18:00pm on the 2nd Business Day prior to the first day of laycan (for delivery via Vessel), ETA of Barge (for delivery via Barge) and Transfer Day (for delivery by inter-Tank transfer).

4.3.2 Delivery Instructions (Buyer)

"**Delivery Instructions**" refers to the written instructions supplied by the Buyer to the Seller detailing the aspects of shipment details. The Buyer shall provide the Seller with Delivery Instructions as specified in *ANNEX K* at least 2 Calendar Days before the first day of laycan (for delivery via Vessel), ETA of Barge (for delivery via Barge) and Transfer Day (for delivery by inter-Tank transfer), including but not limited to:

- a) Name of the Vessel's agent and the Vessel's ETA
- b) Confirmation of the receiving rates;
- c) Exact location at the port of delivery for Vessel/Barge or exact Tank information for inter-Tank transfer;
- d) Time required for the Physical Delivery;
- e) Confirmation of the qualities and quantities of the Product to be delivered; and
- f) Such other information as the Clearing House may specify from time to time.

4.3.3 Notice of Readiness

The Buyer shall give a notice of readiness of the Vessel/Barge/Tank to the Seller or the Seller's appointed representative.

The Seller shall, at least 2 Calendar Days before commencement of Physical Delivery, provide a written confirmation to the Buyer or to the Buyer's Vessel's agent if so advised by the Buyer, that the Product shall be ready to be loaded in all respects on the day of commencement of the Physical Delivery.

4.4 Determination of Quality and Quantity

4.4.1 General

APEX Approved Surveyors (as set out in ANNEX C or as published on the Exchange's website) shall be determined and listed by the Exchange as authorised to determine the quality and quantity of Product delivered at Physical Delivery.

The Surveyor shall be selected by the Seller from two of the APEX Approved Surveyors proposed by the Buyer. If the Seller objects to both of the Buyer's preferences and both parties cannot agree upon an alternative, the Clearing House shall nominate the Surveyor and this nomination shall be binding on both parties. The costs arising out of the appointment of the Surveyor shall be borne equally by the Seller and Buyer, and any such costs shall be settled directly between the parties involved and the Surveyor.

The testing method for each Characteristic as specified in Clause 2.1 (*Quality Specifications*) shall be agreed upon by both the Seller and the Buyer. In the event where both Parties cannot agree upon a testing method, the Clearing House shall nominate the testing method and this nomination shall be binding on both parties.

4.4.2 Determination of Quality and Quantity

4.4.2.1 *Quality inspection and sampling*

Prior to Physical Delivery, the Seller shall provide a quality analysis report by the Surveyor to the Buyer and the Clearing House. The quality analysis report shall be based on samples taken within the Seller's Tank before Physical Delivery begins. This sample should be in quadruplicate (1 for testing, 1 for Seller, 1 for Buyer, and 1 for the Vessel/Barge (if Method of Delivery is delivery via Vessel/Barge) or the appointed Recognised Warehouse(s) (if Method of Delivery is delivery by inter-Tank transfer)). Physical Delivery shall proceed only if the Product meets the quality specifications as set out in these Contract Terms.

During the Physical Delivery, the samples for the purpose of verification in the event of disputes shall be drawn by the Surveyor from the following sources:

For delivery via Vessel/Barge:

- a) Seller's Recognised Warehouse's Tank immediately before loading of the Product begins;
- b) Manifold dripping* during loading of the Product ("**Manifold Dripping Sample**"); and
- c) Buyer's Vessel's/Barge's Tank after loading of the Product.

* If the Manifold Dripping Sample is not retrievable, the Surveyor shall issue a statement of fact in respect of the same.

For delivery by inter-Tank transfer:

- a) Seller's Recognised Warehouse's Tank immediately before pumping of the Product begins;
- b) Buyer's Recognised Warehouse's Tank before pumping of the Product (if there is existing cargo inside); and
- c) Buyer's Recognised Warehouse's Tank after pumping of the Product.

Each type of above samples should be in quadruplicate (1 for testing in the event of disputes, 1 for Seller, 1 for Buyer, and 1 for the Vessel/Barge (if Method of Delivery is delivery via Vessel/Barge) or the appointed Recognised Warehouse(s) (if Method of Delivery is delivery by inter-Tank transfer)).

Any costs associated with either Party's requesting for more samples shall be the sole responsibility of the initiator.

4.4.2.2 *Quantity Inspection*

The actual delivered quantity means the total quantity of Product loaded into the Vessel/Barge/Tank and shall be ascertained from the calibrated Recognised Warehouse's Tanks at the completion of Physical Delivery and duly certified by the Surveyor ("**Actual Delivered Quantity**").

The Actual Delivered Quantity to the Buyer shall not deviate from the Deliverable Quantity as required of the Seller under the Contract by more than +/- 0.5 % or +/- 10 MT, whichever is greater. The Buyer and the Seller shall settle through the Clearing House any quantity surplus/deficit that deviates from the Seller's obligation based on the Final Contract Price.

4.4.2.3 *Quantity and Quality Disputes*

In the event of any disputes on quality or quantity due to the density, tests shall be conducted by a Surveyor on the retained Manifold Dripping Sample(s), and result of such tests shall be final and binding on both the Buyer and Seller in the absence of fraud and/or manifest error. In the situation where the Manifold Dripping Sample is not available, or the delivery method is by inter-Tank transfer, tests shall be conducted by the Surveyor on the samples from the Seller's Recognised Warehouse's Tank, and result of such tests shall be final and binding on both the Buyer and the Seller in the absence of fraud and/or manifest error.

The Buyer and/or Seller may appoint a representative to witness the sample seal-breaking and/or analysis at the independent laboratory. Any costs associated with the appointment shall be the sole responsibility of the initiating party.

Any disputes on quality or on quantity due to the density claimed by the Buyer must be submitted by the Buyer to the Clearing House in writing before the release of payment as set out in Clause 4.8.2 (*Release of Payment*).

Any disputes on quantity not due to density must be presented by Buyer before un-berthing of the Vessel/Barge at the appointed Recognised Warehouse (for delivery via Vessel/Barge), or upon completion of pumping (for delivery by inter-Tank transfer), failing which any such claim shall be deemed to be waived and forever barred.

Any costs arising out of the abovementioned tests shall be settled directly between the Buyer and the Seller and the Surveyor. The costs of the second inspection shall be borne by the Seller if the Product is found by the second Surveyor to not meet the quality specifications or by the Buyer if the Product is found by the second Surveyor to meet the quality specification.

4.4.2.4 *Waiver of Test(s)*

The Buyer may waive any one or more tests for quality entirely at its own risk.

4.5 Taxes and Other Charges

The traded price for each Contract shall be exclusive of sales taxes and duties that may be or become payable on the sale or delivery of the Product. The Clearing House may from time to time require the Buying Clearing Member to provide additional payment(s) to fulfil such taxes and duties obligation based on the laws and rules in the applicable jurisdiction.

Any other charges related to the loading, including but not limited to, port dues, mooring fees, tugs including standby tugs charges, pilotage fee, agency fees etc. and any other charges imposed by relevant parties, if and where applicable, shall be for account of the Buyer. Such charges shall be settled directly between the Buyer and the relevant parties.

4.6 Demurrage

Demurrage fee, if any, shall be payable by the Party responsible for the relevant delay and shall be calculated in accordance with industry market practice.

4.7 Extension of Shipment

In the event that the Buyer has tendered its readiness to load and the Seller has made the Product ready for delivery, both within the agreed Initial Loading Window, but loading has not been completed by the last day of the Initial Loading Window, there shall be an extension of 24 hours or such period of time as agreed between the Buyer and the Seller for completion of Physical Delivery ("**Extended Loading Window**"), provided the Seller can show, supported by evidence from the appointed Recognised Warehouse(s) through which Physical Delivery is to be made, that it was through no fault of the Seller that the delivery of the Product was delayed beyond the Initial Loading Window. Such evidence shall simultaneously be provided to the Clearing House. In the event that the delay exceeds the Extended Loading Window, the Party responsible for the delay shall be in Delivery Default.

4.8 Delivery of Final Documents and Payment

Once loading of the cargo has been completed, the Seller should prepare all the drafts of the Final Documents in a timely manner and have them verified by Selling Clearing Member and Buying Clearing Member.

4.8.1 Delivery of Final Documents

The "**Final Documents**" shall refer to the originals in triplicate of the following documents, including but not limited to:

- a) The original quality and quantity report or faxes from the Surveyor confirming quality and quantity;
- b) If applicable a certificate of origin or a copy thereof;
- c) In the case of delivery via Vessel/Barge, the original set of original bills of lading; in the case of inter-Tank transfer, a document satisfactorily evidencing the movement of Product into the Buyer's Tank, issued by the operator of the Buyer's Tank and naming the supplier or the supplying Recognised Warehouse (where different from the receiving Recognised Warehouse) and the receiver;
- d) If applicable, Cargo Manifest;
- e) Commercial Invoice; and
- f) Such other documents as the Clearing House may specify from time to time.

No later than 10:30am on the 8th Business Day after completion of Physical Delivery, the Selling Clearing Member shall deliver all the Final Documents to the Clearing House. The Buying Clearing Member and/or the Buyer shall have the right to inspect the Final Documents after receipt of the Final Documents by the Clearing House, at the business premises of the Clearing House.

4.8.2 Release of Payment

Within 1 Business Day of receipt of the Final Documents, the Buying Clearing Member shall provide confirmation to the Clearing House that the Final Documents have been received and are in complete and satisfactory condition. Simultaneously, both the Buyer and the Seller shall submit to the Clearing House a Notification of Completion of Physical Delivery in such form as prescribed by the Clearing House (refer to *ANNEX H*). The Clearing House shall then transfer to the Selling Clearing Member the amount payable in accordance with the Commercial Invoice calculated based on the Actual Delivered Quantity of the Product multiplied by Final Contract Price, and adjusted for any applicable taxes, demurrage, and any other associated charges/fees involved in accordance with Clauses 4.5 (*Taxes and Other Charges*) and 4.6 (*Demurrage*). The payment shall be paid from the Total Delivery Margin and other payments collected from the Buying Clearing Member within 2 Business Days from the receipt of the above notification.

4.8.3 Release of Remaining Margin

Within 2 Business Days from the receipt of Notification of Completion of Physical Delivery from the Buyer and the Seller, the Clearing House shall release the Seller's Total Delivery Margin as well as the

Special Margin, if any, to the Selling Clearing Member. The Clearing House shall also release the Buyer's Buyer Contract Payment less the amount as set out to be payable by the Buyer in the Commercial Invoice, remaining Special Margin (if any), and excess payment that was collected in accordance with Clause 4.5 (*Taxes and Other Charges*) (if any) to the Buying Clearing Member.

4.9 Risk and Property

The risk and property shall pass from the Seller to the Buyer:

- a) in the case of delivery via Vessel/Barge, when the Product passes the Vessel/Barge's flange on loading; or
- b) in the case of delivery by inter-Tank transfer, when the Product passes the outlet valve of the Seller's Tank.

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 notify and submit Intentions in accordance with Clause 3.7.1 (*Notice of Delivery*) as determined by the Clearing House;
- b) Failure to post the Total Delivery Margin or Special Margin with the Clearing House when due in accordance with Clause 3.2 (*Margin Requirements*);
- c) Buyer's failure, to post payment to the Clearing House in accordance with Clause 4.3.1 (*Payment Arrangement*) and Clause 4.5 (*Taxes and Other Charges*);
- d) Failure to deliver the Product in accordance with Clause 2.1 (*Quality Specifications*) and/or Clause 3.1 (*Delivery Obligations*);
- e) Failure to deliver the Deliverable Quantity within the permissible tolerances in accordance with Clause 4.4.2 (*Determination of Quality and Quantity*);
- f) Failure to deliver Final Documents to the designated Parties after the lapse of 5 Business Days from the time such documents are due in accordance with Clause 4.8.1 (*Delivery of Final Documents*);
- g) Seller's failure, in the ordinary course of business, to make delivery of the Deliverable Quantity by the Last Delivery Day, or the Extended Loading Window, as applicable; and
- h) Buyer's failure, in the ordinary course of business, to take delivery of the Deliverable Quantity by the Last Delivery Day, or the Extended Loading Window, as applicable.

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, Special Margin and additional payment collected in accordance with Clause 4.5 (*Taxes and Other Charges*) (if any) 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 Contract Month enter into a physical 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 I* 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. ALTERNATIVE DELIVERY PROCEDURE

"ADP" is a bilateral agreement between the Seller(s) and the Buyer(s) who wish to take their matched position off the Exchange after the completion of the matching process. The terms and conditions of the agreement may differ from these Contract Terms and the Rules.

7.1 ADP Application

By 18:00pm on the 4th Business Day following the Last Trading Day, the Seller(s) and the Buyer(s) who have been matched may elect an ADP, by serving notice thereof to the Clearing House.

7.2 Documents for ADP

Once the Buyer(s) and the Seller(s) agree to an ADP, both Parties shall jointly write a notice of ADP on such form as prescribed by the Clearing House (refer to *ANNEX J*). The Buyer(s) and the Seller(s) on their respective Clearing Member, shall deliver the ADP Application Form to the Clearing House.

7.3 Release and Indemnity to Clearing Members

The Buyer and the Seller shall jointly lodge an ADP Application Form (in the form prescribed in *ANNEX J*) and a Notice of Release (in the form prescribed in *ANNEX D*) to the Clearing House. If the Clearing House receives such ADP Application Form and Notice of Release to its satisfaction, the Clearing House will issue an approval to the Buyer and the Seller on the 2nd Business Day upon receipt of the ADP Application Form and Notice of Release ("**ADP Approval**").

Upon ADP Approval, the following shall take place:

- a) The Clearing House shall release the Total Delivery Margin and the Special Margin (if any) to the Clearing Members on the same day the ADP Approval has been issued;
- b) The Buying Clearing Member and the Selling Clearing Member shall be released from their respective delivery obligations under these Contract Terms and the Rules; and
- c) The Buyer and the Seller may proceed with ADP upon ADP Approval and the Buyer and the Seller as prescribed in the ADP Application Form shall be jointly and severally responsible for completing delivery.

7.4 Release and Indemnity to Exchange and Clearing House

Upon ADP Approval, the Exchange and Clearing House shall be released from their obligations in relation to delivery under these Contract Terms and Rules. The Seller and the Buyer shall, by issuing the Notice of Release, jointly and severally indemnify the Exchange and the Clearing House against all Losses arising 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 ADP Application Form pursuant to this Clause, or any breach thereof or Delivery Default under such agreement.

8. MISCELLANEOUS

8.1 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 Recognised 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.

8.2 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.

8.3 Governing Law

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

8.4 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.

8.5 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.

8.6 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.

8.7 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 jurisdiction or body, 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 the 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 Buyer and the Seller 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 from time to time.

8.8 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.

8.9 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.

8.10 Recognised Warehouses

In recognising an APEX Recognised LSFO Warehouse, apart from those criteria as set out in Clause 2.2, the Exchange does not undertake any due diligence or inspections of the APEX Recognised LSFO Warehouse in relation to its suitability, fitness for purpose, condition, environmental standards, liabilities or controls, arrangements for conferring property or contractual entitlements, arrangements or timings for loading or delivery, rights in respect of fractional entitlements, property co-mingling, insolvency protections, insurance cover or otherwise. The Buyers or the Sellers should make their own enquiries to satisfy themselves as to the suitability of any APEX Recognised LSFO Warehouse, including but not limited to any of the above matters as they relate to any APEX Recognised LSFO Warehouse. The Buyers or the Sellers should not rely in any way on any action taken by the Exchange in relation to the recognition process. The Exchange may, at any time, and without giving reason, upon such notice as considered appropriate by Exchange, withdraw the recognition of any APEX Recognised LSFO Warehouse.

8.11 Exclusion of Liability in Respect of APEX Recognised LSFO Warehouses

The Exchange shall have no liability whatsoever for the condition of APEX Recognised LSFO Warehouse, for their availability or suitability for the storage of Product or for the performance by operators of such APEX Recognised LSFO Warehouse of any responsibilities they may assume towards the Buyers or the Sellers or other persons pursuant to the Contract Terms except for liability for fraud or bad faith on the part of the Exchange or any liability on the part of the Exchange which cannot lawfully be excluded. Persons placing Product into APEX Recognised LSFO Warehouse or taking delivery of Product from the same shall accordingly have no claim against the Exchange for any Losses thereby incurred or suffered, however such Losses may be caused.

9. 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 |
|---------------------------------------|---|
| Actual Delivered Quantity | Shall have the meaning ascribed to it in Clause 4.4.2.2 |
| ADP | Shall have the meaning ascribed to it in Clause 7 |
| ADP Application Form | Mean the duly executed document in the prescribed form as set out in <i>ANNEX J</i> |
| ADP Approval | Shall have the meaning ascribed to it in Clause 7.3 |
| APEX Approved Supplier | Means any one of the suppliers listed in <i>ANNEX B</i> |
| APEX Recognised LSFO Warehouse | Means any one of the warehouse listed in <i>ANNEX A</i> |
| APEX Approved Surveyor | Means any one of the surveyors listed in <i>ANNEX C</i> |
| Award | Means any final decision, made by an arbitral tribunal in accordance with Clause 8.2 |
| Barge | Means any Vessel that holds the SB license issued by the Maritime and Port Authority of Singapore |
| 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 |
| Buyer Balance Payable | Shall have the meaning ascribed to it in Clause 4.3.1 |
| Buyer Contract Payment | Shall have the meaning ascribed to it in Clause 4.3.1 |
| 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 |
| Characteristic | Shall have the meaning as ascribed to it in Clause 2.1 |
| 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 |
| Commercial Invoice | Means the invoice issued by the Seller to the Buyer setting out, inter alia, a description of the delivered Product and the amount due to the Seller. |
| Contract | Means the contract for APEX Low Sulphur Fuel Oil Futures |
| Contract Month | Refers to the month within which 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 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 House Rules |
| 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 3.8 |
| Delivery Instructions | Shall have the meaning ascribed to it in Clause 4.3.2 |
| 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 |
| Deliverable Quantity | Shall have the meaning ascribed to it in Clause 3.3 |
| EFP | Shall have the meaning ascribed to it in Clause 6 |
| EFP Application Form | Means the duly executed document in the prescribed form set out in <i>ANNEX I</i> |
| ETA | Means estimated time of arrival |
| 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) |
| Exchange Rules | Means the rules of the Exchange in force and as amended from time to time |

| | |
|---------------------------------|--|
| Extended Loading Window | Shall have the meaning ascribed to it in Clause 4.7 |
| Final Contract Price | Shall have the meaning ascribed to it in Clause 4.1 |
| Final Documents | Shall have the meaning ascribed to it in Clause 4.8.1 |
| Final Settlement Price | Shall have the meaning ascribed to it in Clause 3.5 |
| 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 Loading Window | Shall have the meaning ascribed to it in Clause 3.7.1 |
| Initial Margin | Shall have the meaning ascribed to it in Clause 2.3 |
| Intention(s) | Shall have the meaning ascribed to it in Clause 3.7.1 |
| 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 |
| LFA | Means the contract listed on the Exchange as "APEX Argus Bunker Index (ABI) Singapore LSFO 0.5%S Futures Contract" as amended from time to time |
| 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)) |
| LSFO | Means Low Sulphur Fuel Oil |
| Manifold Dripping Sample | Shall have the meaning ascribed to it in Clause 4.4.2 |
| Members | Shall have the meaning ascribed to it in the Exchange Rules |
| Method of Delivery | Shall have the meaning ascribed to it in Clause 3.6 |
| Minimum Deliverable Size | Shall have the meaning ascribed to it in Clause 2.3 |
| MT | Means metric tonnes |
| Notice of Delivery | Means the duly executed document completed in accordance with Clause 3.7.1 in the prescribed form as set out in <i>ANNEX E</i> |
| Notice of Nomination | Shall have the meaning ascribed to it in Clause 4.2.1 |

| | |
|------------------------------------|---|
| Notice of Release | Means the duly executed document in the prescribed form as set out in <i>ANNEX D</i> |
| Odd Lots | Shall have the meaning ascribed to it in Clause 3.4 |
| 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 |
| Physical Delivery | Means the process commencing from the loading/pumping of the Deliverable Quantity of the Product to the Vessel/Barge/Tank via one of the methods set out at Clause 3.6 to the completion of loading/pumping of the Deliverable Quantity of the Product to the Vessel/Barge/Tank |
| 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 |
| Prompt Delivery | Shall have the meaning ascribed to it in Clause 3.7.2 |
| Recognised Warehouse | Shall have the meaning ascribed to it in Clause 2.2 |
| 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 selected in accordance with Clause 4.4.1 who shall prepare the quality analysis report or other documents as required in Clause 4.4.2 |
| Special Margin | Shall have the meaning ascribed to it in Clause 3.2.4 |
| Tank | Means the storage tank and their ancillary equipment for the purposes of Physical Delivery of the Product |
| 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 |
| Transfer Day | Shall have the meaning ascribed to in Clause 4.2.1(iii) |

| | |
|------------------------|--|
| Trade Sanctions | Shall have the meaning ascribed to it in Clause 8.7 |
| Vessel | Means any oil tanker hired and presented by the Buyer for the purposes of taking the delivery of the Product and accepted by the Recognised Warehouse(s) |

10. ANNEXES

| | |
|----------------|--|
| Annex A | APEX RECOGNISED LSFO WAREHOUSES |
| Annex B | APEX APPROVED SUPPLIERS |
| Annex C | APEX APPROVED SURVEYORS |
| Annex D | NOTICE OF RELEASE FOR REFUND OF DELIVERY MARGIN & SPECIAL MARGIN |
| Annex E | NOTICE OF DELIVERY |
| Annex F | NOTICE OF MATCHING RESULTS |
| Annex G | SAMPLE SALES & PURCHASE CONTRACT |
| Annex H | NOTIFICATION OF COMPLETION OF PHYSICAL DELIVERY |
| Annex I | EFP APPLICATION FORM |
| Annex J | ADP APPLICATION FORM |
| Annex K | DELIVERY INSTRUCTIONS |
| Annex L | NOTICE OF NOMINATION |