

APPENDIX B

**Proposed Amendments to
Crude Palm Oil Futures (“CPO”) Contract Specifications**

Para	Current Specification	Para	Proposed Specifications	Reason
3.4	Option of Alternative Delivery Procedure	3.4	Option of Alternative Delivery Procedure	
3.4.1	<u>Deadline to Elect Alternative Delivery Procedure</u> By 4.00 p.m. on the fourth (4th) Business Day following the Last Trading Day of the matured CPO Contract, a Buyer and Seller who have been Matched may elect an Alternative Delivery Procedure, by serving notice thereof to the Clearing House in accordance with Clause 6.	3.4.1	<u>Deadline to Elect Alternative Delivery Procedure</u> By 2.00 p.m. on the fourth (4th) Business Day following the Last Trading Day of the matured CPO Contract, a Buyer and Seller who have been Matched may elect an Alternative Delivery Procedure, by serving notice thereof to the Clearing House in accordance with Clause 6.	To provide the Clearing House with additional time to initiate the performance deposit collection process.
3.5	Posting and Release of Performance Deposit with Clearing House	3.5	Posting and Release of Performance Deposit with Clearing House	
3.5.1	<u>Deadline for Posting Performance Deposit</u> The Buying Member and the Selling Member shall post Performance Deposits with the Clearing House no later than 12.00 noon on the fifth (5th) Business Day following the Last Trading Day of the matured CPO Contract and in accordance with the Clearing Rules.	3.5.1	<u>Deadline for Posting Performance Deposit</u> The Buying Member and the Selling Member shall post Performance Deposits with the Clearing House by the fifth (5th) Business Day following the Last Trading Day of the matured CPO Contract and in accordance with the Clearing Rules.	Change in timing for posting of performance deposit
3.5.3	<u>Quantum of Performance Deposit</u> The amount of the Performance Deposits to be posted with the Clearing House shall be as follows: (a) the Selling Member shall post thirty percent (30%) of the Deliverable Quantity Value; and (b) the Buying Member, shall post thirty percent (30%) of the Deliverable Quantity Value.	3.5.3	<u>Quantum of Performance Deposit</u> The amount of the Performance Deposits to be posted with the Clearing House shall be subject to the discretion of the Clearing House.	Amendment to provide for an adjustment of performance deposit quantum at the discretion of the Clearing House.
3.5.4	<u>Upon Posting of Performance Deposit – Clearing House Not Counterparty</u>	3.5.4	<u>Upon Posting of Performance Deposit – Clearing House Not Counterparty</u>	To clarify that where performance

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	<p>Upon the posting of the Performance Deposit by both the Buying Member and the Selling Member, the Clearing House ceases to be a central counterparty.</p>		<p>Upon the posting of the Performance Deposit by both the Buying Member and the Selling Member, the Clearing House ceases to be a central counterparty. For the avoidance of doubt, where Performance Deposit is 0% of the Delivery Quantity Value, the Clearing House shall cease to be central counterparty at the end of the fifth (5th) Business Day following the Last Trading Day.</p>	<p>deposit is 0%, the Clearing House ceases to be central counterparty at the end of the fifth Business Day following the Last Trading Day.</p>
5.2	<p>Delivery of Final Documents and Payment via Clearing House</p>	5.2	<p>Delivery of Final Documents and Payment via Clearing House</p>	
5.2.1	<p><u>Deadlines for Final Documents and Payment</u> Notwithstanding the lodging of any claim by a Buyer against a Seller in relation to any Cargo:-</p> <p>(a) the Buying Member shall pay to the Clearing House a sum of money equivalent to seventy percent (70%) of the Deliverable Quantity Value by 12.00 noon not later than the fourth (4th) Business Day before the ETA of the Vessel, as a prepayment towards the Cargo/Final Documents "Pre-Payment";</p> <p>...</p> <p>(d) the Buying Member shall pay to the Clearing House the sum of money stated in the Debit Note less the amount of Pre-Payment made pursuant to sub-Clause (a) above no later than 12.00 noon on the second (2nd) Business Day after its receipt of the Debit Note. The total amount paid by the Buying Member pursuant to sub-Clause (a) and this sub-Clause (d) shall be referred to herein as "Payment";</p>	5.2.1	<p><u>Deadlines for Final Documents and Payment</u> Notwithstanding the lodging of any claim by a Buyer against a Seller in relation to any Cargo:-</p> <p>(a) the Buying Member shall pay to the Clearing House a sum of money equivalent to one hundred percent (100%) of the Deliverable Quantity Value or as otherwise determined by the Clearing House by 12.00 noon not later than the fourth (4th) Business Day before the ETA of the Vessel, as a prepayment towards the Cargo/Final Documents (hereinafter referred to as the "Pre-Payment");</p> <p>..</p> <p>(d) the Buying Member shall pay to the Clearing House the amount due under the Debit Note less the amount of Pre-Payment made pursuant to sub-Clause (a) above no later than 12.00 noon on the second (2nd) Business Day after its receipt of the Debit Note. For the avoidance of doubt, if the Pre-Payment made pursuant to sub-Clause (a) exceeds the amount due under the Debit Note, the Clearing House shall return to the Buying Member the amount of Pre-Payment less the amount due under the Debit Note. The total</p>	<p>(a) Consequential change to the Clearing House's discretion on quantum of performance deposit. To collect the approximate full value of the cargo from the Buying Member by (ETA – 4) in either the form of Performance Deposit, Pre-Payment, or a combination of both.</p> <p>(d) To provide that any excess payment made to the Clearing House by</p>

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			<p>amount paid by the Buying Member pursuant to sub-Clause (a) and this sub-Clause (d) shall be referred to herein as "Payment";</p>	<p>the Buying Member will be returned.</p>