

Notice: 02/2005
Issued: 1st December 2005

AMENDMENTS TO THE RULEBOOK FOR TRADING AT IMAREX AND CLEARING WITH NOS.

Imarex and NOS have made amendments to the Rulebook and Appendix 5 due to the introduction of bunker fuel oil contracts. In addition, the clause related to Flat Rate Settlements has been adjusted/extended to reflect current practice. No material changes to Contracts have been made.

In Appendix 5, a new Annex 5D sets out the Product Specification Summary for the new oil products. In addition, amendments have been made to the text in Appendix 5, with the aim to simplify the appendix. These amendments do not represent material changes.

The material changes are only related to oil products

Members not trading oil products are not affected by the changes.

The amendments will take effect from 5th December 2005.

Rulebook

1.1.1 Old:
IMAREX operates an online electronic exchange ("Trayport") for electronic trading in maritime derivatives contracts.

New:
IMAREX operates an online electronic exchange ("Trayport") for electronic trading in ~~maritime~~ derivatives contracts.

1.3 Old:
"Futures Contract"

financial freight Contract which entitles the Seller and Buyer to Mark-to-Market Settlement and Delivery Period Settlement in accordance with the Product Specification.

New:

“Futures Contract”

financial ~~freight~~ Contract which entitles the Seller and Buyer to Mark-to-Market Settlement and Delivery Period Settlement in accordance with the Product Specification.

Old:

“Option Contract”

financial freight Contract which entitles (obligates) the Seller (Buyer) to receive (pay) Premium Settlement and obligates (entitles) the Seller (Buyer) to pay (receive) Exercise Settlement in accordance with the Product Specification and consisting of call options and put options respectively.

New:

“Option Contract”

financial ~~freight~~ Contract which entitles (obligates) the Seller (Buyer) to receive (pay) Premium Settlement and obligates (entitles) the Seller (Buyer) to pay (receive) Exercise Settlement in accordance with the Product Specification and consisting of call options and put options respectively.

3.2.1

Old:

The underlying product shall be standardised freight contracts for shipment of commodities. The Spot Price shall be an estimated daily rate. Further details of each Listed Product and Spot Price are set out in the Product Specifications.

New:

The underlying product shall be standardised [oil products or](#) freight contracts for shipment of commodities. The Spot Price shall be an estimated daily rate. Further details of each Listed Product and Spot Price are set out in the Product Specifications

5.8.1

New: (old 5.8.1 becomes new 5.8.2)

[All Contracts are initially valued based on the prevailing Flat Rate for the Contract at the time of the trade.](#)

5.8.2 Old: (old 5.8.1)
NOS shall following the introduction of a new Flat Rate, calculate and perform Adjusted Flat Rate Settlement for all Contracts with Final Settlement Day on or subsequent to the day of the introduction of a new Flat Rate.

New:

NOS shall following the introduction of a new Flat Rate, calculate and perform Adjusted Flat Rate Settlement for all Contracts with Final Settlement Day on or subsequent to the day of the introduction of a new Flat Rate. [Adjusted Flat Rate settlement shall be performed for the part of the Delivery Period following the introduction of the new Flat Rate.](#)

5.8.3 New:
[The Adjusted Flat Rate Settlement is calculated as the difference between the Contract Value/Premium Value based on the new Flat Rate and the Contract Value/Premium Value based on the preceding Flat Rate. Following the Flat Rate adjustment, all Contracts are valued based on the new Flat Rate for the relevant part of the Delivery Period. The Contract Value/Premium Value is calculated according to the Product Specification.](#)

Note For the sake of good order, please note that the following minor typos have been corrected in the Rulebook:

Clause 1.2.7

Reference to clause 9.6 is corrected to clause 9.5

Clause 1.3.5

Reference to clause 1.4.1 is corrected to clause 1.3.1

Reference to clause 1.4.4 is corrected to clause 1.3.4

Appendix 5 Product Specification

1.2:

Old:

"Baltic Exchange"

the Baltic Exchange Limited or any Successor thereto.

New:

"Baltic Exchange"

[indices published by](#) the Baltic Exchange Limited or any Successor thereto.

New:

["Bunkerworld"](#)

[means Bunkerworld Benchmark Price or any successor thereto.](#)

Old:

"Index"

the index of ocean freight rates, calculated in respect of each Underlying Product published by the Baltic Exchange or Platts.

New:

"Index"

the index of ocean freight rates or [oil products](#), calculated in respect of each Underlying Product published by the Baltic Exchange, [Bunkerworld](#) or Platts.

New

["Index Provider"](#)

[Baltic Exchange, Bunkerworld or Platts](#)

Old:

"Platts"

means Platts Clean Tanker Fax or any successor thereto.

New:

"Platts"

means Platts Clean Tanker [Wire, Platts Market Scan - Market on Close \(MOC\)](#), or any successor thereto.

Old:

"Underlying Product"

the freight of crude oil, fuel oil or clean petroleum product, or a mineral, grain or time charter as basis for freight derivative Products.

New:

"Underlying Product"

the freight of crude oil, fuel oil, ~~or~~ clean petroleum product, ~~or a~~ mineral, grain or time charter as basis for freight derivative Products, and oil products as basis for oil derivative Products.

4.1

Old:

The last Trading Day of a Product shall be displayed on Freight Match.

New:

The last Trading Day of a Product ~~shall be displayed on Freight Match~~ as per Product Specification.

5.3

Old:

IMAREX shall calculate the Spot Price for each Underlying Product in the Delivery Period on the basis of the quotation issued by the Baltic Exchange or Platts.

New:

IMAREX shall calculate the Spot Price for each Underlying Product in the Delivery Period on the basis of the quotation issued by the ~~Baltic Exchange or Platts~~ Index Provider.

NOTE: The expression “Baltic Exchange or Platts” is replaced by “Index Provider” in all Clauses throughout Appendix 5 where the expression was previously used.

5.4

New:

If for any reason an Index is not published within the end of Trading Hours, NOS may use the Spot Price for the preceding Index Day in calculation of settlements. NOS will correct settlements the next Trading Day based on the correct Spot Price.

- 6.7 New:
If for any reason the Index Provider after the Final Settlement Day correct an Index, NOS will adjust the Settlement Price and effect settlements to correct the Delivery Period Settlement and the Exercise Settlement of relevant Contracts to reflect such corrections. NOS will correct settlements for corrections published within 10 Index Days after the Final Settlement Day.
- 6.8 Old 6.7 becomes new 6.8
 Old (6.7):
 If for any reason the Baltic Exchange or Platts cannot provide any Index required for establishing the Closing Price, then IMAREX shall form a panel to establish the Closing Price, which will be binding on all parties. In this event, the parties hereto agree to indemnify and hold harmless this panel and IMAREX against all actions, claims, demands, liabilities, damages, costs and expenses consequently to panellists' decision.
- New (6.8):
 If for any reason the ~~Baltic Exchange or Platts~~ Index Provider cannot provide any Index required for establishing the ~~Closing Spot~~ Price, then IMAREX shall form a panel to establish the ~~Closing Spot~~ Price, which will be binding on all parties. In this event, the parties hereto agree to indemnify and hold harmless this panel and IMAREX against all actions, claims, demands, liabilities, damages, costs and expenses consequently to panellists' decision.
- New
 Annex 5D Listed Product Oil Product
 Old Annex 5D becomes new Annex 5E and commencing.

Annex 5A, [Amendments have been made to reflect the new definition of "Index Provider". Other](#)
5B, 5C and 5E [amendments have been made to simplify the text. The amendments do not have material](#)
[effect. The amendments to the Annexes are not printed in this notice. The members are](#)
[requested to read the Annexes in full.](#)