

DME AUCTIONS

RULEBOOK

Version 3.0

Last updated: 30 June 2017

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CHAPTER 1 DEFINITIONS AND INTERPRETATION

1.1 Unless the context otherwise requires, for all purposes of this Rulebook, the following words shall have the meanings specified:

Affiliate means, when applied to any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified;

AML means Anti-Money Laundering;

AMLSCU means the Anti-Money Laundering and Suspicious Cases Unit of the Central Bank of the UAE;

Applicable AML Requirements means all legislation and rules applicable to the Auction Platform related to money laundering and the prevention of money laundering, and all legislation applicable to Participants under UAE federal law related to money laundering and the prevention of money laundering;

Applicable Law means all laws, statutory provisions and other rules, regulations and instruments in force from time to time, including the rules, guidance, principles and codes of practice of any Regulatory Authority;

Auction means the process as set out in Chapter 4 of the Rules starting with an initial Auction Round and ending when the Auction is closed;

Auction Day means any Business Day on which the Auction Platform commences an Auction, as communicated to Participants from time to time;

Auction Platform means the auction platform operated by DME itself, or through Elysian technology, as appropriate in the context;

Auction Round means a round of an Auction during which the Participant is permitted to submit, cancel and amend Orders on the Auction Platform;

Basrah Light/Heavy Crude means the Standard Iraqi Export Blend Light/Heavy Crude Oil;

Bid means an Order to buy;

Binding Transaction means the Transaction awarded to the first Participant with the highest bid above the minimum price, for the price bid and for a quantity as announced by Seller as per Rule 4.6.2

Business Day means any day on which the banks in Singapore are open for business;

DIFC means the Dubai International Financial Centre, a Dubai-based financial free zone within which DME is located;

CME means the Chicago Mercantile Exchange Group Inc., its Affiliates and subsidiaries;

DME means Dubai Mercantile Exchange;

Dollar or **\$** means the lawful currency of the US, and **cent** means a denomination equal to one-hundredth (1/100) of one (1) Dollar;

Elysian means Elysian Systems Limited, a company incorporated in 2004 and based in London, the United Kingdom. Elysian Systems Limited operates as a subsidiary of CME;

Firm means a corporation, partnership, association, sole proprietorship or other legal entity, but not a natural person;

GCC means the Global Command Center operated by CME;

Insolvency Event means, in relation to a person, that the person ceases to trade, or is unable to pay its debts as they fall due, or has a petition presented or a meeting convened for the purpose of its winding up (provided that such petition is not merely frivolous) or if it enters into liquidation, whether compulsorily or voluntarily or compounds with its creditors generally, or an administration order is made in relation to it, or it has a receiver or administrative receiver appointed over all or a substantial part of its assets, or distraint is levied over any of its assets, or any similar or analogous order is made or proceeding is commenced or officer is appointed or action is taken in any jurisdiction in consequence of debt;

Investigation has the meaning given in Rule 3.11;

Market Data means data relating to Orders;

Markets Law means the Markets Law, DIFC Law No. 1 of 2012 made by the Ruler of the Emirate of Dubai;

Minimum Bid Price means the lowest acceptable bid price set by the Seller that can be submitted for the particular product and Auction Round;

Nominee has the meaning given in Rule 3.2.1(h);

Notice means any Notice published by the Auction Platform as such;

Oman Crude means the Standard Oman Export Blend Crude Oil;

Order means an offer to buy a particular quantity of the Product to which the Auction relates, at the price used in the Auction Round, and constitutes an obligation under the Rules to enter into each such Transaction as may be notified to the Participant;

OTC means over-the-counter;

Participant means any person that has been granted participation in the Auction Platform pursuant to Chapter 3 of the Rules;

Participant Agreement means the agreement of the same name entered into between the Auction Platform and each Participant setting out each party's obligations in respect of the Auction Platform;

Participation Criteria means the criteria set out in Rule 3.2;

Participant User means a person who the Participant has registered with the Auction Platform as having authority to access and submit Orders to the Auction Platform on behalf of the Participant;

Password means a user identification and password created by the Participant or its Participant User for the purposes of accessing the Auction Platform;

Price means the price determined as a result of an Auction;

Product means each product in respect of which the Auction Platform operates an Auction, as notified to the Participants from time to time;

Regulatory Authority means any relevant government entity or other authority, in any jurisdiction, which is responsible for authorising, supervising or otherwise regulating any part of the Auction Platform or its services or the Participant or its business, as appropriate, or has any other regulatory, investigative, administrative or quasi-judicial jurisdiction, power or other similar function in relation to any part of the Auction Platform or its services or the Participant or its business, as appropriate;

Representative means, when applied to any person, any person which carries out or is responsible for any of that person's functions and shall include each director, officer, employee or agent and any Participant User of such person, where applicable;

Rulebook means the rules of the Auction Platform as set out herein as they may be amended from time to time;

Rules means:

- (a) where used in reference to one or more provisions of the Rulebook, those provisions of the Rulebook; or
- (b) otherwise, the Rulebook, and any Notice issued pursuant to the Rulebook and, for the purposes of any Rules concerning non-compliance with, or breach of, or failure to discharge any of the Rules, shall include provisions of the Participant Agreement;

Seller means the owner of the product as per the respective product Chapter for each product available on the Auction Platform;

Technical Specification means the document published by the Auction Platform setting out the operational terms and conditions for access to the Auction Platform, how the Auction Platform determines the price used for any Auction Round, and how the Auction Platform determines which Transactions or other arrangements, as applicable, each Participant must enter into;

Transaction means a spot transaction to buy or sell a particular quantity of the Product in respect of which the Participant participates in an Auction entered into or to be entered into (as the context requires) between two Participants acting as principal;

UAE means the United Arab Emirates and **dirham** or **AED** means the lawful currency of the UAE;

1.2 In these Rules unless otherwise specified:

- 1.2.1 the table of contents and the headings are inserted for convenience only and do not affect the interpretation of these Rules as specified;
- 1.2.2 references to Chapters are to the chapters of this Rulebook;
- 1.2.3 references to any document are to that document as from time to time amended, restated, novated or replaced, however fundamentally;
- 1.2.4 references to a person include an individual, partnership, company, corporation, unincorporated body of persons and any government entity;
- 1.2.5 references to any statute or statutory provision include any subordinate legislation made under it;
- 1.2.6 references to any statute or statutory provision include any provision amending it or re-enacting it (whether with or without modification) which is the same as, or substantially similar to, the obligations imposed by the specified statute or statutory provision;
- 1.2.7 references to time are to Dubai time unless otherwise specified and are set out in the 24 hour clock convention;

- 1.2.8 words importing the plural include the singular and vice versa and the use of any gender includes the other gender;
- 1.2.9 the words other, including and in particular shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;
- 1.2.10 any reference to the discretion exercised by the Auction Platform shall mean the Auction Platform's sole, unfettered and absolute discretion; and
- 1.2.11 the Auction Platform will act reasonably in exercising its rights and complying with its obligations under this Rulebook.
- 1.3 The Auction Platform shall have the authority to interpret the Rules. Save as otherwise provided, any such interpretations shall be final and conclusive.
- 1.4 This Rulebook shall be interpreted in conjunction with any Notices. Each Participant will be bound by such Notices as may be relevant to it.
- 1.5 In the event of any conflict between:
 - 1.5.1 the Rulebook and the Participant Agreement, the Rulebook shall take precedence;
 - 1.5.2 the Rulebook and a Notice, the Rulebook shall take precedence except to the extent that a Notice amends the Rulebook; and
 - 1.5.3 between the Rules and any other agreement, the Rules shall take precedence.

CHAPTER 2 GENERAL PROVISIONS

2.1 General

- 2.1.1 The Rules, together with the Participant Agreement and any other documentation given contractual force pursuant to these Rules, form a contract between the Auction Platform and each Participant. No person other than the Auction Platform has any obligation to Participants under these Rules and/or the Participant Agreement. No person who is not a Participant shall have any rights to enforce any provision of these Rules or the Participant Agreement.
- 2.1.2 A Participant shall not assign, transfer or create any encumbrance in relation to any of its rights or obligations under the Rules, the Participant Agreement or any Transaction save as otherwise set out in the Rules.

2.2 Amendments

- 2.2.1 The Auction Platform may amend the Rules at any time by issuing a Notice setting out the text of the amended Rules and, where appropriate, a brief explanation of the reason for the amendment. A Notice setting out an amendment to the Rules shall state the date from which such amendment comes into effect.
- 2.2.2 Any of the following amendments may take immediate effect on the date of the Notice:
- (a) minor changes of an administrative, technical or commercial character or where the Auction Platform reasonably considers that the amendment would not significantly affect the rights, obligations or liabilities of the Participants;
 - (b) amendments which are necessary to ensure compliance with Applicable Laws or a requirement of a Regulatory Authority by the Auction Platform or any Participant;
 - (c) amendments which are considered by the Auction Platform to be necessary for the purpose of mitigating a significant risk to the Auction Platform (including by mitigating a significant risk to a Participant).
- 2.2.3 Where the amendment is not of a type listed in Rule 2.2.2, the date on which the amendment comes into effect shall not be earlier than thirty (30) days from the date of the Notice and during that thirty (30) day period Participants shall be given the opportunity to provide a written response to the proposed amendment.
- 2.2.4 By continuing to use the Auction Platform after any amendment to the Rules comes into effect in accordance with this Rule 2.2, a Participant will be deemed to accept any such amendments to the Rules. For the avoidance of doubt, no Participant shall be entitled to use the Auction Platform unless it accepts the Rules.

- 2.2.5 No amendment to the Rules shall have the effect of extinguishing any right or discharging any liability incurred under the Rules before such amendment came into effect.
- 2.2.6 If at any time the Auction Platform decides to cease acting as such, it shall give at least three (3) months' prior notice to Participants where possible and as soon as reasonably practicable of the proposed withdrawal date.
- 2.2.7 The Auction Platform may amend the Technical Specification at any time by issuing a Notice. The Auction Platform will use reasonable endeavours to give Participants at least ten (10) Business Days' notice of such amendments. The Auction Platform reserves the right to make amendments to the Technical Specification with immediate effect if, in its reasonable opinion, it is necessary to do so.

2.3 Limitations of liability and indemnity

- 2.3.1 Neither this Rule nor any other Rule shall exclude or restrict the liability of the Auction Platform or any other person:
- (a) in respect of the fraud, bad faith, wilful default or gross negligence of the Auction Platform;
 - (b) in respect of personal injury or death resulting from negligence, recklessness or an intentional act or omission; or
 - (c) otherwise to the extent it cannot be excluded or restricted in accordance with the Applicable Law.
- 2.3.2 The Auction Platform and each of its Affiliates and each of their respective Representatives shall not be liable to any person for any losses, liabilities, damages, claims, costs or expenses arising from:
- (a) any failure, malfunction, fault in delivery, delay, omission, suspension, inaccuracy, interruption, termination, or any other cause, in connection with the furnishing, performance, operation, maintenance, use of or inability to use, all or any part of any of the systems and services of the Auction Platform or services, equipment or facilities used to support such systems and services, including electronic order entry and delivery, trading through any electronic means, electronic communication of market data or information, workstations used by Participants and Representatives of Participants, price reporting systems and any and all terminals, communications networks, central computers, software, hardware, firmware and printers relating thereto; or
 - (b) any failure or malfunction, fault in delivery, delay, omission, suspension inaccuracy, interruption or termination, or any other cause, of any system or service of the Auction Platform or services, equipment or facilities used to support such systems or services,

caused by any third parties including independent software vendors and network providers;
or

- (c) any errors or inaccuracies in information used in any systems of the Auction Platform or services provided by the Auction Platform; or
- (d) any unauthorised access to or unauthorised use of any Auction Platform systems, services or facilities by any person; or
- (e) any error, delay or inaccuracy in the submission of an Order or the transmission of information to the Auction Platform; or
- (f) any failure by a Participant to enter into a Transaction as notified to the Participant; or
- (g) the acts or omissions of any Participant or any third party, Elysian and any of their respective Representatives; or
- (h) any dispute relating to the validity, existence or terms of any Transaction; or
- (i) any inability to perform its obligations under these Rules as a result of a Force Majeure Event.

2.3.3 The exclusions and limitations of liability in this Rule shall apply whether:

- (a) a claim arises in contract, tort, negligence, strict liability, breach of statutory duty, contribution or otherwise; or
- (b) a claim is brought directly or as a third party claim.

2.3.4 Neither the Auction Platform nor any of its Affiliates, nor any of their respective Representatives, shall in any circumstances be liable to a Participant or any other person for:

- (a) loss of or anticipated loss of profit, loss of or anticipated loss of revenue, loss of use, business interruption, loss of use of any equipment, loss of any contract or other business opportunity or goodwill or punitive loss; or
- (b) indirect loss or consequential loss,

regardless of whether the Auction Platform has been advised of the possibility of such loss or whether such loss otherwise could have been foreseen.

No warranty

2.3.5 Except as expressly stated in the Rules and to the extent permitted by law, neither the Auction Platform, nor its Affiliates, nor any of their respective Representatives gives any express or

implied warranties or representations (including warranties of satisfactory quality and fitness for a particular purpose or use) relating to any systems or services of the Auction Platform or services, equipment or facilities used to support such systems and services.

Indemnity

- 2.3.6 Each Participant shall indemnify the Auction Platform, each of its Affiliates and each of their respective Representatives against any and all losses, liabilities, damages, claims, costs or expenses suffered or incurred by the Auction Platform, an Affiliate or any of their respective Representatives arising directly out of or in connection with the Participant's breach of these Rules, any Transaction or the Applicable Law including any claim by a third party and any act or omission of a Participant User save to the extent that the losses, liabilities, damages, claims, costs or expenses arise as a result of the bad faith, fraud, wilful default or gross negligence of the Auction Platform.
- 2.3.7 Nothing in these Rules shall require the Participant to indemnify the Auction Platform if to do so is not in accordance with the Applicable Law.
- 2.3.8 The Auction Platform shall not be liable to any person which is not a Participant.
- 2.3.9 For the avoidance of doubt, each, and each part of, each Rule 2.3.1 to Rule 2.3.8 shall be construed separately, applying and surviving if for any reason one or more than one of the other of Rules 2.3.1 to Rule 2.3.8 or any part thereof is held in any jurisdiction to be invalid, illegal or unenforceable.

2.4 Confidentiality and intellectual property

- 2.4.1 The Auction Platform and the Participant will treat as confidential all information received from the other or acquired by it in connection with the Auction Platform including trade secrets, know how, methodology, processes, systems, computer software and other proprietary data, research and information and all related documentation as confidential and shall not, unless otherwise agreed, subject to Rule 2.4.3, disclose it to any other person (other than to each of their respective Representatives and advisors for purposes contemplated by the Rules) or use it for any purpose other than as contemplated by the Rules and shall take all reasonable steps to ensure that each of their respective Representatives and advisors keeps it confidential and does not disclose it or use it for any other purpose.
- 2.4.2 Confidential information does not include information which:
- (a) is in or comes into the public domain other than as a result of a breach of Rule 2.4.1 by the Auction Platform or any Participant or each of their respective Representatives or advisors;

- (b) is developed by the Auction Platform or the Participant independently of the services provided by the Auction Platform or the Participant's involvement in the Auction Platform;
or
- (c) is submitted to the Auction Platform by the Participant or its Representatives or advisers and which is displayed by the Auction Platform or otherwise distributed or sold by the Auction Platform or an Affiliate in accordance with its standard policies and procedures, provided that such displays or disclosures will not identify the Participant by name.

2.4.3 The Auction Platform and the Participant may disclose such confidential information as required by Applicable Law or any Regulatory Authority or a court or arbitration tribunal. The Auction Platform may also disclose such confidential information as required to Elysian or Sellers for the purposes of administering the Auction Platform.

A Participant may also disclose confidential information to its Affiliates to the extent necessary to perform its obligations under this Rulebook.

2.4.4 As between the Auction Platform and each Participant, the Auction Platform shall own and be unconditionally vested with all intellectual property rights in any data submitted to the Auction Platform by the Participant (including any Customer data) and arising in connection with any use or other exploitation of the data submitted to the Auction Platform. The Participant will promptly execute, and will use reasonable endeavours to procure that any third parties promptly execute, such documents and do such acts as the Auction Platform may reasonably consider necessary to vest all such intellectual property rights in the Auction Platform or its nominee and to otherwise give full effect to this provision.

2.5 Data protection

2.5.1 The Auction Platform is a data controller in relation to personal information provided by the Participants and their Representatives, including personal information relating to Customers. Each Participant shall ensure that any of its Representatives and, where applicable, any Customers or their Representatives, whose personal data is provided to the Auction Platform have consented in advance to such data being (i) controlled and processed by or on behalf of the Auction Platform, and (ii) processed and disclosed in accordance with Rule 2.4. The Auction Platform shall process and disclose such personal data in accordance with Applicable Law.

2.5.2 The Auction Platform shall be entitled to disclose personal data to such persons and for such purposes as set out in Rule 2.4, and the Auction Platform and any such person to which personal data is provided may transfer it outside the DIFC for processing provided that any person to whom such data is disclosed undertakes not to disclose it to another person (other than in the circumstances set out in Rule 2.4).

2.5.3 Each data subject may, on application to the Auction Platform and payment of a small fee to the Auction Platform, receive a copy of the personal data held by the Auction Platform in respect of it and require the Auction Platform to correct any errors or inaccuracies.

2.5.4 In this Rule 2.4.4, the terms personal data, controller and data subject have the meanings given to such terms in the DIFC Data Protection Law.

2.6 Severability

2.6.1 Each of the Rules is severable and distinct from the others. It is intended that every Rule and every part of each Rule shall be and remain valid and enforceable to the fullest extent permitted by law. If any Rule or part of an Rule is or at any time becomes to any extent invalid, illegal or unenforceable for any reason, it shall to that extent be deemed not to form part of these Rules but the validity, legality and enforceability of the remaining Rules and parts of these Rules shall not be thereby affected or impaired.

2.7 Waiver

2.7.1 Except as specifically provided in these Rules, no waiver of any of these Rules or any part thereof shall be effective unless the same shall be in writing, and then such waiver shall be effective only in relation to the Participant to which it is addressed and for the specific purpose for which the same is given, and such waiver shall not operate as a waiver of any future application of such Rule or part thereof.

2.7.2 The waiver of any right, and the failure to exercise any right or to insist on the strict performance of any of the Rules, shall not operate as a waiver of, or preclude any further or other exercise or enforcement of that or any other right.

2.7.3 Any times fixed by these Rules for the doing of any act or acts required by these Rules may be waived or suspended by the Auction Platform whenever, in its judgment, such extension, waiver or suspension is necessary or expedient.

2.8 Governing law and arbitration

2.8.1 The Rules shall be governed by and construed in accordance with the laws of England and Wales. The Auction Platform and the Participant agree that, without prejudice to Rule 2.8.2, the Courts of England and Wales shall have exclusive jurisdiction in relation to any application (other than an application to the arbitral tribunal in accordance with Rule 2.8.2) for injunctive or conservatory measures of any sort relating in any way to the dispute between the parties or relating to the arbitration proceedings.

2.8.2 Any dispute between the Auction Platform and Participant arising out of or in connection with the Rules or any Transaction including any question regarding the validity of the Participant

Agreement shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference into this Rule 2.8.

2.8.3 The number of arbitrators shall be three (3). Each party shall appoint one (1) arbitrator and the remaining arbitrator shall be appointed by agreement between the arbitrators appointed by each party. The third arbitrator shall serve as chairman. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

2.8.4 The commencement of any arbitral proceedings pursuant to Rule 2.8.2 shall be without prejudice to and shall not limit in any way the right of the Auction Platform to instigate any procedure under the Rules, including without limitation in relation to any Investigation.

2.8.5 The Auction Platform will not be responsible for compliance or non-compliance by any other person with the requirements of a Regulatory Authority.

2.9 Waiver of sovereign immunity

2.9.1 In the event that a Participant purports to be a state entity, such entity irrevocably acknowledges and accepts that the Rules and all agreements entered into or in connection herewith (including all appendices, schedules and exhibits thereto) and the performance or non-performance of its obligations under the Rules are commercial rather than public or governmental acts. In any event, the Participant hereby waives in relation to any disputes arising out of or in connection with the Rules under any law or in any jurisdiction, notwithstanding the dispute(s) relate(s) to acts of a sovereign or governmental character, any claim the Participant may have or may acquire to immunity on the grounds of sovereignty or otherwise (for itself/themselves and its/their property, present or subsequently acquired) from:

- (a) any jurisdiction and the service and pursuit of any proceedings in that jurisdiction;
- (b) procedural privileges relating to the obligation to disclose documents or information; and
- (c) any relief, before or after proceedings have been commenced, including but not limited to orders for injunction, specific performance, or recovery of land; any set off, attachment or execution or enforcement of a judgment or arbitral award against its sovereign property (or in an action in rem for the arrest, detention or sale of its sovereign property) irrespective of that property's use or intended use, whether commercial or otherwise, including without prejudice to the generality of sovereign property, any assets held on behalf of a central bank, diplomatic assets, tax revenues or other payments to the sovereign or cultural, historic or scientific collections.

2.10 No Proceedings

- 2.10.1 Unless such action is taken by a Participant to enforce its rights against the Auction Platform under this Rulebook, or other contractual arrangement, no Participant shall take any action to commence an insolvency or reorganisation proceeding (including, without limitation, by presentation of a winding up petition) in relation to the Auction Platform.
- 2.10.2 Unless such action is taken by a Participant to enforce its rights against the Auction Platform under this Rulebook, or other contractual arrangement, no Participant shall take any action (including, but not limited to, commencing a court or arbitral proceeding) with the intention of or that would limit or interfere with the ability of the Auction Platform, acting lawfully and in good faith, to exercise its rights and perform its obligations in connection with its functions.

CHAPTER 3 PARTICIPATION

3.1 Application

- 3.1.1 A person must, at a minimum, demonstrate to the Auction Platform that it can satisfy the Participation Criteria.
- 3.1.2 A Participant must continue to satisfy the Participation Criteria for so long as it remains a Participant.
- 3.1.3 Each Participant shall, and shall procure that its Representatives shall act in accordance with the Rules.
- 3.1.4 A Participant shall notify the Auction Platform if it reasonably foresees that it will be unable to comply with any obligations under this Rulebook, including as a result of Applicable Laws to which it is subject, or would be unable to comply with any of such obligations but for compliance with a Rule being subject to the Participant not being prohibited or restricted by Applicable Law.

3.2 Participation Criteria

- 3.2.1 To satisfy the Participation Criteria, a person must at all times:
 - (a) be incorporated as a body corporate, partnership or other business organisation or entity in any jurisdiction;
 - (b) have all necessary authorisations, licences, permissions, approvals or equivalent in respect of each Regulatory Authority which has jurisdiction over it;
 - (c) comply with all Applicable Law and the requirements of each Regulatory Authority which has jurisdiction over it;
 - (d) not be subject to an Insolvency Event or any circumstances pursuant to which an Insolvency Event could be declared;
 - (e) be either an existing DME customer or an existing customer of the physical supplier or purchaser whose requirements are handled via the auction or a qualified commodities buyer or seller that meets the criteria set out elsewhere;
 - (f) have entered into such agreement and met such participation criteria as the Auction Platform may require for the purpose of participating in the Auctions and be in compliance with these rules;

- (g) be willing and able to enter into Transactions with Sellers of the products up for Auction from time to time and have such arrangements in place with each Seller that would enable Transactions to be entered into;
- (h) have nominated a Representative, who is sufficiently senior and familiar with the Rules and the Participant's activities in relation to the Auction Platform, to be available to deal with any query or issue raised by the Auction Platform and be responsible, but not personally liable, for the Participant's actions and the representation of the Participant before the Auction Platform (a **Nominee**);
- (i) not have been, or have any senior Representative who has been, convicted of any offence involving fraud, theft, false accounting, offences against the administration of public justice, serious tax offences or other dishonesty or an offence relating to companies, insurance, banking, other financial services, consumer credit or consumer protection, money laundering, bribery, market abuse or insider dealing or be, or have any senior Representative who is, under investigation for committing such an offence;
- (j) satisfy the Auction Platform of its ability to satisfy its obligations under the Rules; and;
- (k) if requested, satisfy any further requirements in connection with the conduct of business on the Auction Platform, including by taking or ceasing to take any action, which the Auction Platform may reasonably impose on a Participant from time to time including any that are specific to the Product in respect of which the Participant participates in Auctions and entering into any such other agreements as required by the Auction Platform from time to time.

3.3 Access to the Auction Platform

3.3.1 The Participant must register at least one Representative as a Participant User in respect of all Orders. The Participant's registration of Participant Users shall be subject to the additional terms and conditions set out in the DME Auctions webpage. The Participant must notify the Auction Platform prior to any change in its Participant Users.

3.3.2 Following registration of a Participant User, the Participant may create a Password for use exclusively by the Participant and its Participant Users on behalf of the Participant for participation in the Auctions. The Participant understands that all communications to Participants and/or its Participant Users that take place via email are not secure. As such, the Participant and its Participant Users may be required to change their Passwords. The Participant shall be solely responsible for controlling and monitoring the use of the Passwords and shall not provide, nor permit any person to provide the Passwords, to any third party. The Participant will notify the Auction Platform as soon as reasonably practicable of:

- (a) any unauthorised disclosure or use of the Passwords;

- (b) any unauthorised access to the Auction Platform;
- (c) any need to deactivate Passwords as a result of the Participant's and/or its Participant User's loss or disclosure of Passwords, any unauthorised use of Passwords or any change in its Participant Users.

3.3.3 The Participant acknowledges and agrees that it shall be bound by any actions taken through the use of its and its Participant Users' Passwords including the participation in Auction Rounds and the resulting Transactions or other arrangements, as applicable, whether or not such actions were authorised by the Participant and/or its Participant Users. The Participant agrees that any notices or other communications sent to its Participant Users by the Auction Platform shall be binding on the Participant.

3.4 Notification Requirements

3.4.1 Unless prohibited by Applicable Law, each Participant shall notify the Auction Platform in writing as soon as reasonably practicable in the event of any of the following, insofar as it relates to its participation under this Agreement:

- (a) it ceases to be able to satisfy any of the Participation Criteria or reasonably believes it may cease to do so;
- (b) any material changes are made to the information previously provided to the Auction Platform; and
- (c) the Participant is notified that a Regulatory Authority shall investigate any of its affairs or take disciplinary or other formal action against it or the Participant has reason to believe that a Regulatory Authority is considering the same.

3.4.2 Insofar as it is relevant to a Participant's participation under this Agreement, each Participant shall give the Auction Platform prompt prior written notice of any material change in its organisation, ownership structure, or business operations, including:

- (a) a merger, combination or consolidation between the Participant and another person;
- (b) a change in the direct or indirect beneficial ownership of 10% or more of the equity of the Participant;
- (c) the sale of a significant part of the Participant's business or assets to another person;
- (d) any action taken by any government or government body or any Regulatory Authority or third party which may have a direct impact on the Auction Platform;

- (e) the occurrence of an actual or threatened Insolvency Event in respect of a Participant or the imposition of any injunction or other restraint by a Regulatory Authority;
- (f) a material change in its business operations; and
- (g) a change in Nominee of Participant User(s).

3.4.3 Unless prohibited by Applicable Law, each Participant shall furnish to the Auction Platform such documents in a timely manner with respect to any of the foregoing events as the Auction Platform may from time to time require.

3.4.4 All information provided to the Auction Platform by or on behalf of the Participant shall be accurate, complete in all material respects and not misleading and shall be provided in a format approved by the Auction Platform. All information provided to the Auction Platform shall be in English.

3.5 Right to audit

3.5.1 The Auction Platform shall be entitled to conduct audits on each Participant's compliance with the Rules. Each Participant shall for such purposes:

- (a) provide such information, books and records as the Auction Platform may reasonably request, unless prohibited by Applicable Law; and
- (b) cooperate with the Auction Platform in the same way as set out in Rule 3.11 for such purposes save that the Participant shall not be required to permit access without reasonable notice to its business premises and access shall be subject to the agreement of the Auction Platform and its Representatives to comply with the Participant's security processes and procedures.

3.6 Prohibitions

3.6.1 A Participant shall not:

- (a) breach any Applicable Law or requirements of a Regulatory Authority or any of these Rules;
- (b) engage in any behaviour which amounts to market abuse, insider dealing, market manipulation, money laundering, bribery or corruption, fraud or which is in breach of any similar Applicable Law and, which in the reasonable opinion of the Auction Platform, would be likely to have a material adverse effect on the Participant's suitability as a Participant;
- (c) engage in any other practice which the Auction Platform reasonably considers to be capable of impairing the integrity of the Auction Platform including any manipulation or attempted manipulation of the Price;

- (d) take any action which in the reasonable opinion of the Auction Platform is likely to bring the Auction Platform or any of the Participants into disrepute or otherwise damage the reputation of the Auction Platform;
- (e) use any of the facilities provided by the Auction Platform in contravention of the Rules or other than for the purpose of conducting its business as a Participant; or
- (f) fail to supervise properly its Representatives in their use of the Auction Platform in the reasonable opinion of the Auction Platform.

3.7 Summary access denial

- 3.7.1 The Auction Platform or a Seller may, upon a good faith take such immediate action if deemed necessary to protect the best interests of the Auction Platform or the Seller, order that any Participant be denied access to the Auction Platform. Such reasons may include the failure of a Participant to satisfy the Participation Criteria in Rules 3.2.1 (a) to 3.2.1(g) or to enter into a Transaction or at the Seller's request.
- 3.7.2 The relevant persons shall promptly be informed of the action taken pursuant to this Rule, the effective date, time and duration of the access denial. The Participant shall cooperate with the Auction Platform as set out in Rule 3.11.2.
- 3.7.3 A Participant which is denied access pursuant to this Rule may not participate in an Auction during the period of access denial but shall continue to comply with the Rules and take such actions or cease to take such actions as the Auction Platform deems necessary or appropriate.

3.8 Emergency actions

- 3.8.1 The Auction Platform may determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:
 - (a) any actual, attempted or threatened behaviour contrary to Rule 3.6 or an otherwise disorderly Auction Round or Auction;
 - (b) any action taken by any government or government body or any Regulatory Authority or any third party which may have a direct impact on the Auction Platform;
 - (c) the occurrence of an actual or threatened Insolvency Event in respect of a Participant or the imposition of any injunction or other restraint by a Regulatory Authority or a Participant which may affect the ability of that Participant to perform any obligations it may have under any Transactions;
 - (d) any circumstance in which it appears that a Participant or any other person has failed to perform any obligations it may have under the Rules or any Transactions or the Participant

or such person is in such financial or operational condition or is conducting business in such a manner that the Participant or such person cannot be permitted to continue in business without jeopardizing the safety of the Auction Platform;

- (e) Force majeure, which shall mean any circumstances (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of the Auction Platform or the Participant, and, in the case of a Participant, which prevents the buyer or seller from making or taking delivery or effecting payment when and as provided for in the Rules (each of which is a **Force Majeure Event**);
- (f) any other circumstance which may have a severe or adverse effect on the functioning of the Auction Platform;
- (g) any conflict between a Seller and a Participant.

3.8.2 In the event that it determines pursuant to Rule 3.8.1 that an emergency exists, the Auction Platform may take any of the following actions or any other action that may be appropriate to respond to the emergency:

- (a) terminate or suspend a Participant;
- (b) suspend or modify the operation of the Auction Platform;
- (c) prevent or delay the entry into Transactions;
- (d) do not determine a Price in respect of that Auction; and
- (e) order any other action to address or relieve the emergency.

3.9 Termination of Participation

3.9.1 A Participant shall give notice of its intention to terminate its Participation of the Auction Platform by providing the Auction Platform with notice in writing. The termination will not be effective until thirty (30) Business Days from the date of the notice and provided no monies are owed to either the Auction Platform or any Seller related to the use of the Auction Platform.

3.9.2 The Auction Platform may terminate the participation of any Participant by providing the Participant with not less than thirty (30) Business Days' notice in writing.

3.9.3 The Auction Platform may terminate the participation of any Participant with immediate effect in the event that the Participant ceases to satisfy the Participation Criteria in Rules 3.2.1(d) to 3.2.1(g).

3.9.4 Following termination of a Participant, the Participant shall:

- (a) remain subject to the Auction Platform's jurisdiction with respect to matters that occurred prior to termination provided that the Auction Platform gives written notice of the commencement of an inquiry into such matters to the former Participant within one (1) year of termination; and
- (b) promptly discharge any of its remaining obligations under the Rules and take such other actions as the Auction Platform deems necessary or appropriate for this purpose.

3.10 Suspension

- 3.10.1 A Participant which is suspended may not participate in an Auction or submit Orders during the suspension period but shall continue to comply with the Rules and take such actions or cease to take such actions as the Auction Platform deems necessary or appropriate.

3.11 Investigations

- 3.11.1 The Auction Platform may investigate breaches or alleged breaches of the Rules (an Investigation). The Auction Platform may refer any breaches or alleged breaches of the Rules to a Regulatory Authority at any stage of an Investigation, including prior to conducting its own Investigation provided that, unless prohibited by Applicable Law, the Auction Platform will use reasonable endeavours to discuss its proposed course of action with the Participant's compliance function prior to taking such action.
- 3.11.2 A Participant shall cooperate fully with any Investigation irrespective of whether such Participant is the subject of or otherwise involved in the Investigation. Unless prohibited by Applicable Law and insofar as it relates to the Investigation, each Participant shall:
- (a) provide to the Auction Platform such information in whatsoever form as the Auction Platform may reasonably request, within the time period specified;
 - (b) permit Representatives of the Auction Platform access, with notice (unless the Auction Platform is prohibited from giving notice by Applicable Law), during business hours to any of the Participant's business premises (which for the avoidance of doubt includes those premises in which records are stored) in order to carry out the Investigation;
 - (c) make its Representatives readily available for meetings with the Representatives of the Auction Platform conducting the Investigation, as the Auction Platform may reasonably request, and use its best endeavours to procure that such persons answer truthfully, fully and promptly, all questions that are put to them;
 - (d) produce and give the Representatives of the Auction Platform conducting the Investigation access to documents, records, files, tapes, computer systems and any other information which are within the Participant's possession or control; and

- (e) print information in the Participant's possession or control which is held on computer or otherwise convert it into a readily legible document or any other record that may be reasonably requested by the Representatives of the Auction Platform conducting the Investigation.

3.12 Auction Fees

3.12.1 The Auction Platform reserves the right to charge such fees and charges as it may determine and notify to the Participants from time to time in accordance with the process in Rule 2.2.3 on the basis that the amendment is not of a type listed in Rule 2.2.2.

3.12.2 Full details of current DME Auction Fees can be found on our website: [Auction Fees](#)

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CHAPTER 4 AUCTIONS

4.1 General

- 4.1.1 The Auction Platform will operate each Auction in accordance with this Chapter 4 and the Chapter pertaining to the product for Auction. The Participant will participate in each Auction in which it chooses to participate in accordance with this Chapter 4, and for which it has been permitted to participate in according to the Chapter pertaining to the product for Auction.
- 4.1.2 Auction timing, duration and product price and quantity will be according to each product's relevant Rulebook Chapter.
- 4.1.3 No more than seven days prior to and no later than two hours before the start of an Auction, the Auction Platform will make an Announcement of Auction to registered Participant and Nominees, including at least:
- (a) The product available for Auction; and
 - (b) the delivery date for each product; and
 - (c) the total quantity of the product being offered at the Auction; and
 - (d) the minimum size of each bid; and
 - (e) the minimum price for each bid; and
 - (f) the date of the Initial Auction; and
 - (g) the time of the Initial Auction; and
 - (h) the duration of the Auction.

4.2 Initial Auction Round

- 4.2.1 The Auction Platform will notify Participants and Nominees of the price to be used in that Auction Round and the duration of the Auction Round as determined by the Auction Platform in accordance with the relevant chapter of the product offered for Auction.
- 4.2.2 Each Participant User may submit their Order(s) if they wish to participate in the Auction.
- 4.2.3 No Participant User can enter a bid for a quantity below the minimum quantity and / or a bid for a price below the minimum price as set out in the Announcement of Auction.
- 4.2.4 No Participant User can enter, cancel or amend an Order once the Auction Round has closed.

4.3 End of Auction Round

- 4.3.1 Once the Auction Round has closed, the Auction Platform will compare the total Bids and the quantity available for Auction to determine if the Auction Round has been successful or requires subsequent Auction Rounds.
- 4.3.2 If the total quantity can be sold according to the terms set out in the Announcement of Auction, the Auction Platform will proceed to matching.
- 4.3.3 If the total quantity cannot be sold according to the terms set out in the Announcement of Auction, the Auction Platform will contact the Seller to determine if a new Auction Round will commence.

4.4 Subsequent Auction Rounds

- 4.4.1 If the total quantity up for Auction has not been successfully Bid for during the initial Auction Round or a subsequent Auction Round, the Auction Platform and Seller may initiate a subsequent Auction Round.
- 4.4.2 Rules 4.2 and 4.3 apply equally to each subsequent Auction Round.
- 4.4.3 All Orders are cancelled at the end of an Auction Round. The Seller may alter the terms set out in the Announcement of Auction for the subsequent Auction Round.
- 4.4.4 Entering an Order in one Auction Round does not commit the Participant User to entering an Order in any other Auction Round.
- 4.4.5 The Auction Platform may run as many Auction Rounds in an Auction as necessary.

4.5 Matching

- 4.5.1 If successful when the Auction closes, the Auction Platform shall determine, in accordance with the matching procedure described in the relevant product's Chapter, the matched Order(s).

4.6 Transactions

- 4.6.1 The price of each Transaction will be the Price multiplied by the quantity of the Product plus a premium or minus a discount.
- 4.6.2 Transactions will be awarded to the first Participant with the highest bid above the minimum price, for the price bid and for a quantity as announced by the Seller.

4.6.3 Should the Auction Seller have several products to award, as announced in the Auction Announcement, the first Participant(s) with the highest bid(s) above the minimum price will be awarded their bid quantity until the Seller's total quantity will have been allocated.

4.6.4 In the event that a Participant fails to enter into the Transaction, or the Participant fails to enter into such other arrangements as required by the Auction Platform Rules, the Participant shall promptly notify the Auction Platform. However, the Auction Platform shall have no responsibility for a failure of any Participant to enter into a Transaction or other arrangement, as applicable.

4.7 Prohibited practices

4.7.1 A person shall not engage in any of the behaviour set out in Rule 3.6.

4.7.2 Notwithstanding the generality of, and without prejudice to, Rule 4.7.1, a Participant shall not engage in the following practices or behaviour:

- (a) submitting an Order which, if it resulted in a Transaction, the Participant would not be willing or able to enter into and settle or close out or which is otherwise not bona fide;
- (b) manipulating or attempting to manipulate the Auction process or the determination of the Price;
- (c) reporting, publishing or disseminating false information about Orders or Transactions;
- (d) submitting Orders which create a false appearance of trading activity or are intended to do so; or
- (e) knowingly, or having reason to know, submitting an Order in an attempt to conceal a potential or actual trading abuse by the Participant or another person; and
- (f) any behaviour that constitutes or could result in disorderly trading

CHAPTER 5 OMAN CRUDE OIL AUCTION

5.1 General

- 5.1.1 The Auction is for standard Oman Export Blend Crude Oil (“Oman Crude”) as delivered free on board at Mina al-Fahal, Oman (“Oman Crude Oil Auction”). There are no guarantees or warranties, express or implied, or merchantability, fitness or suitability of the oil or any particular purpose, or otherwise, which extend beyond the description of the oil in this rulebook.
- 5.1.2 The initial Auction round time for the Oman Crude Oil Auction shall be, unless expressly stated otherwise in the Announcement for Auction, from 15:55 to 16:00 Singapore Time, meaning a total duration of five minutes.
- 5.1.3 The price for the Oman Crude Oil Auction shall be denominated in Dollars and cents.
- 5.1.4 The quantity for the Oman Crude Oil Auction shall be in increments of a thousand barrels. Only Participants approved by Ministry of Oil & Gas of the Sultanate of Oman (“MOG”) may participate in the Oman Crude Oil Auctions.

5.2 Delivery Procedure

- 5.2.1 Deliveries shall be carried out under the terms and conditions of the standard MOG lifting procedures.

5.3 Price

- 5.3.1 The price payable for the crude oil shall be the final settlement price for the respective auction as announced by DME. The final settlement price for the auction shall apply to the whole of the quantity sold at auction, regardless of when loading is actually completed, and whether such quantity is included under one or more bill(s) of lading.

5.4 Payment Procedure

- 5.4.1 Payment shall be made by the buyer in Dollars directly to the Seller no later than thirty (30) days after the bill of lading for each shipment against the Seller’s bill of exchange and invoice.
- 5.4.2 In the event that the original due date for payment falls on a Saturday, Sunday or a banking holiday in New York, payment will be effected on the last banking day prior.
- 5.4.3 All payments shall be fully secured through irrevocable documentary letter(s) of credit (“Letter(s) of Credit”). Such Letter(s) of Credit shall be for the approximate value of the shipment plus 5% (five percent) in value; and opened by the Buyer with a first class international bank acceptable to the Seller.

5.4.4 The Buyer's documentation requirements shall be in strict conformity with the Letter(s) of Credit and shall include: 1. Seller's commercial invoice 2. certificate of quantity and quality 3. clean on-board ocean bill of lading 4. certificate of origin. Letter(s) of Credit shall, automatically immediately and without the seller having to notify the buyer, be amended, as necessary, by the buyer to reflect any subsequent change(s) in the buyer's documentation requirements and/or shipment nomination details. Failure by the Buyer to comply with this requirement shall not absolve the buyer from his obligation to effect payment hereunder to the Seller on the due date.

5.4.5 All Bank charges in respect of this Article shall be borne by the Buyer.

5.4.6 Any amounts properly due from one Party to the other subsequent to the auction and remaining unpaid after the due date therefore shall bear interest at a LIBOR rate computed in accordance with the seller's standard crude oil sale/purchase agreement for the actual number of days elapsed from and including the date when the amount was due until but excluding the date on which the amount is paid in full plus one (1%) per cent (the delay interest rate).

5.5 Destinations

5.5.1 No shipment of Crude Oil made under the terms of the Rulebook governing auctions shall be destined to a port of any country which the Seller or the Auction Platform has designated as a proscribed country or which is subject to internationally accepted sanctions.

5.5.2 The Buyer shall provide the Seller with a certificate of discharge of every shipment issued by the discharge port authorities within a period not exceeding six (6) months from the date of lading.

5.6 Non-performance

5.6.1 In the event that the Buyer fails to lift any quantities of crude oil awarded through the auction process for reasons other than force majeure, the Seller shall, in addition to any other remedy legally available, have the right to resell any remaining quantities of crude oil in a private sale. The price obtained at any such bona fide private sale shall be conclusively presumed to be the market price of such crude oil at such time. The Seller shall apply the proceeds of any such sale first towards the reasonable expenses incurred by the Seller by reason of the Buyer's failure to take such delivery or deliveries; and thereafter towards the purchase price owed by the Buyer to the Seller. The Buyer shall pay to the Seller the balance of the purchase price therefore remaining unpaid after application of the proceeds of sales as aforesaid; provided, however, that if the proceeds obtained in any such private sale exceed the amount(s) due to the Seller from the Buyer, the Seller shall be entitled to retain any such excess.

CHAPTER 6 BASRAH LIGHT/HEAVY CRUDE OIL AUCTION

6.1 General

- 6.1.1 The Auction is for standard Basrah Light/Heavy Crude Oil (“Basrah Crude”) as delivered free on board at Al Basrah Oil Terminal, Iraq (“Basrah Light/Heavy Crude Oil Auction”). There are no guarantees or warranties, express or implied, or merchantability, fitness or suitability of the oil or any particular purpose, or otherwise, which extend beyond the description of the oil in this rulebook.
- 6.1.2 The initial Auction round time for the Basrah Light/Heavy Crude Oil Auction shall be, unless expressly stated otherwise in the Announcement for Auction, from 15:55:00 to 15:57:00 Singapore Time, meaning a total duration of two minutes.
- 6.1.3 The price for the Basrah Light/Heavy Crude Oil Auction shall be denominated in Dollars and cents.
- 6.1.4 The quantity for the Basrah Light/Heavy Crude Oil Auction shall be in increments of one thousand barrels. Only Participants approved by the State Organization for Marketing Oil (“SOMO”) may participate in the Basrah Light/Heavy Crude Oil Auctions.

6.2 Delivery Procedure

- 6.2.1 Deliveries shall be carried out under the General Terms and Conditions of SOMO.

6.3 Price

- 6.3.1 The price payable for the crude oil shall be the final settlement price for the respective auction as announced by DME. The final settlement price for the auction shall apply to the whole of the quantity sold at auction, regardless of when loading is actually completed, and whether such quantity is included under one or more bill(s) of lading.

6.4 Payment Procedure

- 6.4.1 Payment shall be made by the buyer in Dollars direct to the Seller no later than thirty (30) days after the bill of lading for each shipment against the Seller’s bill of exchange and invoice.
- 6.4.2 In the event that the original due date for payment falls on a Saturday, Sunday or a banking holiday in New York, payment will be effected on the last banking day prior.
- 6.4.3 All payments shall be fully secured through irrevocable documentary letter(s) of credit (“Letter(s) of Credit”). Such Letter(s) of Credit shall be for the approximate value of the shipment plus 5% (five percent) in value; and opened by the Buyer with a first class international bank acceptable to the Seller.

6.4.4 The Buyer's documentation requirements shall be in strict conformity with the Letter(s) of Credit and shall include: 1. Seller's commercial invoice 2. certificate of quantity and quality 3. clean on-board ocean bill of lading 4. certificate of origin. Letter(s) of Credit shall, automatically immediately and without the seller having to notify the buyer, be amended, as necessary, by the buyer to reflect any subsequent change(s) in the buyer's documentation requirements and/or shipment nomination details. Failure by the Buyer to comply with this requirement shall not absolve the buyer from his obligation to effect payment hereunder to the Seller on the due date.

6.4.5 All Bank charges in respect of this Article shall be borne by the Buyer.

6.4.6 Any amounts properly due from one Party to the other subsequent to the auction and remaining unpaid after the due date therefore shall bear interest at a LIBOR rate computed in accordance with the seller's standard crude oil sale/purchase agreement for the actual number of days elapsed from and including the date when the amount was due until but excluding the date on which the amount is paid in full plus one (1%) per cent (the delay interest rate).

6.5 Destinations

6.5.1 No shipment of Crude Oil made under the terms of the Rulebook governing auctions shall be destined to a port of any country which the Seller or the Auction Platform has designated as a proscribed country or which is subject to internationally accepted sanctions.

6.5.2 The Buyer shall provide the Seller with a certificate of discharge of every shipment issued by the discharge port authorities within a period not exceeding six (6) months from the date of lading date.

6.6 Non-performance

6.6.1 In the event that the Buyer fails to lift any quantities of crude oil awarded through the auction process for reasons other than force majeure, the Seller shall, in addition to any other remedy legally available, have the right to resell any remaining quantities of crude oil in a private sale. The price obtained at any such bona fide private sale shall be conclusively presumed to be the market price of such crude oil at such time. The Seller shall apply the proceeds of any such sale first towards the reasonable expenses incurred by the Seller by reason of the Buyer's failure to take such delivery or deliveries; and thereafter towards the purchase price owed by the Buyer to the Seller. The Buyer shall pay to the Seller the balance of the purchase price therefore remaining unpaid after application of the proceeds of sales as aforesaid; provided, however, that if the proceeds obtained in any such private sale exceed the amount(s) due to the Seller from the Buyer, the Seller shall be entitled to retain any such excess.

CHAPTER 7 KIMANIS CRUDE OIL AUCTION

7.1 General

- 7.1.1 The Auction is for standard Kimanis Crude Oil (“Kimanis”) as delivered free on board at Gumusut-Kakap field offshore Sabah (“Kimanis Crude Oil Auction”). There are no guarantees or warranties, express or implied, or merchantability, fitness or suitability of the oil or any particular purpose, or otherwise, which extend beyond the description of the oil in this rulebook.
- 7.1.2 The initial Auction round time for the Kimanis Crude Oil Auction shall be, unless expressly stated otherwise in the Announcement for Auction, from 15:55:00 to 15:57:00 Singapore Time, meaning a total duration of two minutes.
- 7.1.3 The price for the Kimanis Crude Oil Auction shall be denominated in Dollars and cents.
- 7.1.4 The quantity for the Kimanis Crude Oil Auction shall be in increments of one thousand barrels. Only Participants approved by PETCO Trading Labuan Company Ltd may participate in the Kimanis Crude Oil Auctions.
- 7.1.5 In the event of any inconsistency between Chapter 7 of the Rules and the PETRONAS General Terms and Conditions for FOB Sale and Purchase of Malaysian Crude Oil (the “PETRONAS GT&C”), Chapter 7 of the Rules shall prevail.

7.2 Delivery Procedure

- 7.2.1 Binding Transaction shall be governed by the PETRONAS GT&C. Binding Transaction will mean the Transaction awarded to the first Participant with the highest bid above the minimum price, for the price bid and for a quantity as announced by Seller as per Rule 4.6.2.

7.3 Price

- 7.3.1 The price payable for the crude oil shall be the final settlement price for the respective auction as announced by DME. The final settlement price for the auction shall apply to the whole of the quantity sold at auction, regardless of when loading is actually completed, and whether such quantity is included under one or more bill(s) of lading.

7.4 Payment Procedure

- 7.4.1 Payment shall be made by the buyer in Dollars direct to the Seller no later than thirty (30) days after the bill of lading for each shipment against the documents as listed in 7.4.4.
- 7.4.2 In the event that the original due date for payment falls on a Saturday, Sunday or a banking holiday in New York, payment will be effected on the last banking day prior.

- 7.4.3 All payments shall be fully secured through irrevocable documentary letter(s) of credit ("Letter(s) of Credit"). Such Letter(s) of Credit shall be for the approximate value of the shipment plus 10% (ten percent) in value; and opened by the Buyer with a first class international bank acceptable to the Seller. Such Letter(s) of Credit shall be opened by Buyer no later than 14 days before the first day of the date range. Any costs incurred due to delay in opening such Letter(s) of Credit shall be borne by the Buyer.
- 7.4.4 The Buyer's documentation requirements shall be in strict conformity with the Letter(s) of Credit and shall include: 1. Seller's commercial invoice 2. certificate of quantity and quality 3. clean on-board ocean bill of lading 4. certificate of origin.
- 7.4.5 All Bank charges in respect of this Article shall be borne by the Buyer.
- 7.4.6 Any amounts properly due from one Party to the other subsequent to the auction and remaining unpaid after the due date therefore shall bear late payment charges at a LIBOR rate computed in accordance with the Seller's standard crude oil sale/purchase agreement for the actual number of days elapsed from and including the date when the amount was due until but excluding the date on which the amount is paid in full plus two (2%) per cent (the late payment charges).

7.5 Destinations

- 7.5.1 No shipment of Crude Oil made under the terms of the Rulebook governing auctions shall be destined to a port of any country which the Seller or the Auction Platform has designated as a proscribed country or which is subject to internationally accepted sanctions.

The Buyer shall provide the Seller with a certificate of discharge of every shipment issued by the discharge port authorities within a period not exceeding six (6) months from the bill of lading date.