

UPDATE 34

December 2009

[U34] Section 3.11 – Environmental Products

The Environmental Products Addendum has been updated to revise the definition of “Business Days”, delete the reference to a Settlement Trigger Date in favour of the date specified in the Confirmation and include a definition of Surrender Date. As well, the Environmental Products Committee believes that applying the 1.2 factor to cash settlement when the registry is down (effectively a no-fault situation) was unfair and settling at “market price” is more equitable. If the parties cannot agree a market price or a Calculation Agent, AFMA will select a Calculation Agent. A marked-up comparison between the December 2009 and September 2009 versions of the Addendum is in section 3.11.4.10 of the *Guide*.

The forward and options confirmations have been revised to update references to the Cash Settlement Price and to remove the reference to Business Days.

The Spot Contract now aligns the GST provisions with those in the Addendum as far as possible.

The Environmental Products Market Conventions have been amended where these changes impact on them.