

11 January 2011

Circular No: AM 03/2011

To: All Members,

## **SICOM ROBUSTA COFFEE FUTURES WILL CEASE TRADING ON 21<sup>st</sup> JANUARY 2011**

SICOM is pleased to announce that the Robusta Coffee Futures Contract will be migrated and listed on the SGX-DT platform which will start trading from 24<sup>th</sup> January 2011 starting at 1000hrs Singapore time. The summary contract specifications are included in Appendix A.

In view of this migration process, the SICOM Robusta Coffee Futures Contract will cease trading on 21<sup>st</sup> January 2011 at 1800hrs. The migration of Robusta Coffee Contract from SICOM to SGX will open up access to a wider pool of international traders, thereby enhancing efficiency and promoting price discovery. The key changes between the SICOM and SGX Coffee Contract is listed under Appendix B.

The listing of SGX Robusta Coffee Contract on SGX-DT will continue to meet the demands of the Vietnamese Robusta coffee industry. Similar to the SICOM Robusta Coffee Contract, the proposed SGX Robusta Coffee will be a physically settled futures contract deliverable by way of Acceptable Warehouse Receipts ("WHR") issued by Accepted Warehousekeepers ("WHK") in Singapore and Ho Chi Minh City, Vietnam. The full contract specifications can be found in Appendix C.

Please note that all open positions as of 21<sup>st</sup> January 2011 will be transferred onto SGX-DC which will then constitute as open interest of SGX Robusta Coffee Futures contract. The Exchange will engage the relevant members who would be impacted by the migration.

All coffee samples that have passed the grading criteria will be issued a new SGX Grading Certificate after the SGX Robusta Coffee Futures contract begins trading on SGX-DT. Grading certificates that was previously issued by SICOM will be replaced with the new SGX Grading Certificates.

We look forward to your support. For further clarification on any of the above matters, please contact the Product Development & Management team; Mr. Srinidhi Udupi Raghavendra at (65) 6236-8217, email: [srinidhi@sgx.com](mailto:srinidhi@sgx.com); or Mr. Joseph Lin at (65) 6236-5147, email: [josephlin@sgx.com](mailto:josephlin@sgx.com).

Yours sincerely,



Lily Chia  
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### Summary Contract Specifications

*Note: This contract description should be read in conjunction with the Contract Specifications and SGX Derivatives Trading Rules.*

Specifications	SGX Robusta Coffee Contract
Underlying Commodity	Robusta Coffee as described under Section 3 of the SGX Robusta Coffee Futures Contract Specifications
Symbol	CR
Contract Size	Trading: 5 metric tonnes Delivery: 20 metric tonnes
Contract Months	6 consecutive contract months
Quotation Unit	US\$ per metric tonnes
Tick Size	US\$1 per metric tonnes (Tick value = US\$5.00 per lot)
Daily price limits	10% above or below previous days' settlement price
Negotiated Large Trades (NLT) Threshold	Minimum of 40 lots
Trading Hours during normal business days (Singapore Time)	<p><b>Electronic trading:</b></p> <ul style="list-style-type: none"> <li>• T session: 1000 to 1900 hrs</li> <li>• T+1 session: 2000 to 0200 hrs (next day)</li> </ul> <p><b>NLT Registration:</b> 0700 to 2045 hrs</p>
Trading Day	Any trading day that is not a London Bank holiday.
Last Trading Day	15th calendar day of the delivery month
Minimum Margins	The latest minimum margins will be subsequently advised by SGX DC clearing house.
Settlement	All contracts will be physically settled by way of Acceptable Warehouse Receipts ("WHR") issued by Accepted Warehousekeepers ("WHK") in Singapore and Ho Chi Minh City, Vietnam.
Position Limits	All contract months: 10,000 lots (incl. spot month)

Specifications	SGX Robusta Coffee Contract
	Spot month: 2,000 lots
Price Information (Vendor: Ticker)	Bloomberg: ITYA Nextview: RCmy.SC SIX Telekurs: CRmmyy,835 Thomson Reuters: SCR + <F3>
Clearing Fees	Please refer to <a href="#">Appendix D</a>

Contract Specifications	SGX	SICOM
Trading Hours (Singapore Time)	T-Session: 1000 – 1900 T+1 session: 2000 – 0200 (Next day)	Morning Session: 1000 – 1200 hrs Afternoon Session: 1600 – 2300 hrs
NLT Threshold Size	40 lots (i.e. 200 tons)	80 lots (i.e. 400 tons)
Trade Registration	Not Available	Morning Session: 0700 – 0945 hrs Afternoon Session: 1200 – 1545 hrs
NLT Registration Hours	0700 – 2045 hrs	0700 – 2300 hrs
Calendar Spreads	Switches and calendar spreads functionalities are enabled	No calendar spreads
Grading Venues	Singapore and Vietnam	Singapore
Target Investors	All traders and investors. No restrictions apply	Only Accredited Investors, Expert Investors and Professional Investors
Price Limit Measures	Cooling-off period	Trading halt

Notes:

1. The Commodity Specifications have been enhanced to provide greater clarity regarding the treatment of "Dark Brown Bean" and "Immature Bean". Accordingly, the following additional criteria have been included:

- For Premium grade: maximum of 1% Dark Brown Beans and Immature Beans by weight
- For Class 1 grade: maximum of 3% Dark Brown Beans and Immature Beans by weight
- For Class 2 grade: maximum of 6% Dark Brown Beans and Immature Beans by weight

2. For ease of reference, the relevant definitions have been listed below:

- Bean Fragment means a fragment of a coffee bean of volume less than half a bean;
- Black Bean means a coffee bean of which more than one-half of the external surface is black;
- Cherry means the fruit of the coffee plant;
- Coffee bean means the dried seed of the coffee plant;
- Dark Brown Bean means a coffee bean with brown-black colour;
- Immature Bean means an unripe coffee bean with a wrinkled surface;
- Mouldy Bean means a coffee bean showing mould growth over half or more of the bean visible to the naked eye;
- Defects shall include but shall not be limited to Black Beans, Bean Fragments, cherries or Mouldy Beans; and
- Foreign matter shall include any object which is not a coffee bean or part thereof or a Cherry including but not limited to sticks, stones, soil and husks.

**CONTRACT SPECIFICATIONS  
FOR  
ROBUSTA COFFEE CONTRACTS**

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## CONTRACT SPECIFICATIONS FOR ROBUSTA COFFEE CONTRACTS

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### 1. SCOPE OF CHAPTER

These contract specifications (together with the relevant Annexes hereto, and the schedules of the Annexes hereto, as applicable) (hereinafter collectively referred to as the “**Robusta Coffee Contract Specifications**”) set out the Contract Specifications for Contracts in respect of Robusta Coffee (as hereinafter defined) which shall apply to trading in, and the Contracts for, Robusta Coffee under the Singapore Exchange Derivatives Trading (“**SGX-DT**”) Futures Trading Rules (“**Trading Rules**”) and the Singapore Exchange Derivatives Clearing (“**SGX-DC**”) Clearing Rules (“**Clearing Rules**”) (together “**Rules**”). These Robusta Coffee Contract Specifications shall be read together with the Rules and:

- (a) matters relating to trading in Contracts for Robusta Coffee, not specifically covered herein, shall be governed by the Trading Rules;
- (b) matters relating to clearing, delivery and settlement in respect of Contracts for Robusta Coffee, not specifically covered herein, shall be governed by the Clearing Rules;
- (c) matters relating to storage, issuance of Acceptable Warehouse Receipts (as hereinafter defined) in respect of Robusta Coffee which are to be delivered under the Contracts for Robusta Coffee, not specifically covered herein, shall be governed by the Warehousekeeping Procedures (as hereinafter defined);
- (d) any other matters in respect of Contracts for Robusta Coffee, if expressly stated herein to such effect, shall be governed by the Rules; and
- (e) in the event of a conflict or inconsistency between the Rules and the Robusta Coffee Contract Specifications, the Rules shall prevail. In the event of a conflict or inconsistency between the Robusta Coffee Contract Specifications and the Warehousekeeping Procedures, the Robusta Coffee Contract Specifications shall prevail.

### 2. DEFINITIONS & INTERPRETATION

2.1 In these Robusta Coffee Contract Specifications, unless the context otherwise requires, the following expressions shall (notwithstanding Chapter 8 of the Trading Rules and Chapter 9 of the Clearing Rules) have the meanings respectively hereafter assigned to them:

“**Acceptance Notice**” means the notice to be submitted by the Buying Member pursuant to Section 7.5.1, the form of which is set out in Schedule 4 of Annex 3;

“**Accepted Warehouse**” means a duly licensed bonded warehouse in respect of which an Accepted Warehousekeeper has been accepted by the Exchange to store Robusta

Coffee and which appears on the List of Accepted Warehouses and Warehousekeepers published from time to time by the Exchange;

“**Accepted Warehousekeeper**” means the person who operates the Accepted Warehouse which appears on the List of Accepted Warehouses and Warehousekeepers published from time to time by the Exchange and who must be either the landlord or a tenant of the Accepted Warehouse;

“**Acceptable Warehouse Receipt**” means the receipt issued by the Accepted Warehousekeeper or its representative entitling the party named therein to possession of the Robusta Coffee as permitted under these Robusta Coffee Contract Specifications and which is in the form prescribed by the Exchange at Schedule 1 of Annex 1;

“**Allowance**” means a premium or discount, expressed in US\$ per metric tonne, used in calculating the Invoicing Amount;

“**Age Allowance**” means a discount, expressed in US\$ per metric tonne, calculated in accordance with Section 3.3;

“**Appeal Panel**” means a minimum of three (3) Graders selected in accordance with the procedures set out in Schedule 1 of Annex 2 to grade a sample which is the subject of a notice of appeal submitted to the Exchange in accordance with the Grading Procedures;

“**Award**” shall include a decision or award made pursuant to any arbitration referred to in these Robusta Coffee Contract Specifications, on any dispute arising under or in respect of these Robusta Coffee Contract Specifications;

“**Bag**” refers to a bag containing no more than eighty (80) kilograms of Robusta Coffee and each such bag should be sound, in external good order, woven from natural fibres, of sufficient strength to withstand transit and storage, previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Exchange from time to time;

“**Bean Fragment**” means a fragment of a coffee bean of volume less than half a bean;

“**Black Bean**” means a coffee bean of which more than one-half of the external surface is black;

“**Buyer**” means the person holding a long Position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the person responsible for taking delivery of the Robusta Coffee through the Buying Member;

“**Buying Member**” means the Clearing Member who Qualifies the Buyer’s Positions on a Contract;

“**Cherry**” means the fruit of the coffee plant;



“**Class**” means the class of a Delivery Lot as determined by Graders pursuant to Section 3.5 and the Sampling Procedures or Grading Procedures;

“**Class Allowance**” means a premium or discount, expressed in US\$ per metric tonne, calculated in accordance with Section 3.5;

“**Clearing Rules**” means the SGX-DC Clearing Rules available at [www.sgx.com](http://www.sgx.com), as amended or supplemented from time to time;

“**coffee bean**” means the dried seed of the coffee plant;

“**Contract**” means a Contract in respect of Robusta Coffee;

“**Contract Value**” in relation to a Delivery Lot or a Bag means the tonnage deliverable under such Delivery Lot or Bag as the case may be, multiplied by the settlement price on the Last Trading Day of the Contract to which such Delivery Lot or Bag relates;

“**Dark Brown Bean**” means a coffee bean with brown-black colour;

“**Defects**” means any defect determined to be a defect by the Graders in accordance with Section 3.5;

“**Delivery Documents**” has the meaning ascribed to it in Section 7.8.1;

“**Delivery Lot**” means a lot for delivery of the amount of Robusta Coffee set out in Section 7.1.1;

“**Delivery Matching**” has the meaning ascribed to it in Section 7.6.1;

“**Delivery Month Margins**” means the margins imposed by the Clearing House on each open Position in respect of a maturing Contract subsisting at any time from such time as may be prescribed by the Clearing House until the Contract is re-novated pursuant to Section 7.6.2;

“**Delivery Notice**” means the notice to be submitted by the Selling Member pursuant to Section 7.5.1, the form of which is set out in Schedule 3 of Annex 3;

“**Delivery Procedures**” means the procedures, terms and conditions for delivery and payment of the Robusta Coffee under the Contract set out in Annex 1;

“**First Contract Month**” at any given point in time shall refer to the immediately expiring Contract Month;

“**foreign matter**” means any matter determined to be foreign matter by the Graders pursuant to Section 3.5;

“**Grader**” or “**SGX-DT Registered Robusta Coffee Grader**” means graders of Robusta Coffee registered with the Exchange pursuant to Schedule 1 of Annex 2;

“**Grader’s Letter of Undertaking**” has the meaning ascribed to in paragraph A2S1.3.3 in Schedule 1 of Annex 2;

“**Grading Certificate**” means the certificate of quality issued by the Exchange certifying that the Robusta Coffee referred to in the certificate has met these Robusta Coffee Contract Specifications;

“**Grading Panel**” means a minimum of three (3) Graders selected in accordance with the procedures in Schedule 1 of Annex 2 to grade a sample submitted to the Exchange or its appointed grading agency in accordance with the Grading Procedures;

“**Grading Procedures**” means the grading procedures prescribed by the Exchange at Schedule 4 of Annex 2;

“**Grading Result**” means the result given to a Delivery Lot which has been graded by the Graders and containing such information as the Exchange may prescribe from time to time;

“**Grading Room**” means the room at the Exchange premises designated for the grading of coffee or such other premises prescribed by the Exchange from time to time;

“**Gross Weight**” means the actual weight of Robusta Coffee including the bag(s) within which the Robusta Coffee is contained;

“**Immature Bean**” means an unripe coffee bean with a wrinkled surface;

“**Invoicing Amount**” has the meaning ascribed to it in Section 7.1.3;

“**Liens**” has the meaning ascribed to it in Section 7.1.6;

“**Location of Delivery**” means the places referred to in Section 7.3.1 at which the Delivery Lots or Bags of Robusta Coffee are to be delivered;

“**Lotting Account**” means the lotting account issued by the Accepted Warehousekeeper in respect of each Delivery Lot and where the context so admits shall be construed as including a reference to the certificate issued by the Accepted Warehousekeeper in connection with the Lotting Account containing, among other things, the information set out in Schedule 2 of Annex 2;

“**LTD**” has the meaning ascribed to it in Section 4.6;

“**Mouldy Bean**” means a coffee bean showing mould growth over half or more of the bean visible to the naked eye;

“**Net Weight**” in respect of a Delivery Lot of Robusta Coffee means the net weight of such Delivery Lot calculated in accordance with Section 7.1.3 and expressed in metric tonnes;

“**Notice of Assessment**” means the notice given to a defaulting Party by the Clearing House under Section 8.6 stipulating the amount of fines payable for committing an event of default;

“**Notice of Pre-delivery Intention to Accept**” means the notice to be submitted by the Buying Member pursuant to Section 5.1.2, the form of which is set out in Schedule 2 of Annex 3;

“**Notice of Pre-delivery Intention to Deliver**” means the notice to be given by the Selling Member pursuant to Section 5.1.2, the form of which is set out in Schedule 1 of Annex 3;

“**Odd Lots**” shall have the meaning ascribed to it in Section 7.1.5;

“**Origin**” means the country in which the Robusta Coffee was produced;

“**Other Party**” means the corresponding Buying Member when the Selling Member has committed an event of default or the corresponding Selling Member when the Buying Member has committed an event of default;

“**Owner**” means the person entitled to the Robusta Coffee where he is named in the Acceptable Warehouse Receipt as being the party entitled to possession of the Robusta Coffee;

“**Party**” means a Buying Member or Selling Member, and “**Parties**” means the Buying Member and Selling Member collectively;

“**Port of Discharge**” means the shipping port at which a Delivery Lot is ultimately shipped to;

“**Related Company**” means a subsidiary or parent company or any subsidiary or parent company thereof which forms a part of a group of companies;

“**Related Expenses**” has the meaning ascribed to it in Section 7.7.1;

“**Re-novated Contract**” has the meaning ascribed to it in Section 7.6.2;

“**Re-novation**” has the meaning ascribed to it in Section 7.6.2;

“**Rent**” means a periodic fee which an Accepted Warehousekeeper shall be entitled to charge in respect of the storage of coffee in its Accepted Warehouse;

“**Robusta Coffee**” means coffee of the specifications referred to in Section 3;

“**Rules**” means collectively, the Trading Rules and the Clearing Rules;

“**Sampling Procedures**” means the sampling procedures prescribed by the Exchange at Schedule 3 of Annex 2;

“**Screen 12 round**” means a laboratory test sieve with 12/64ths of an inch round apertures;

“**Screen 13 round**” means a laboratory test sieve with 13/64ths of an inch round apertures;

“**Screen 16 round**” means a laboratory test sieve with 16/64ths of an inch round apertures;

“**Seller**” means the person holding a short Position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the person responsible for making delivery of the Robusta Coffee through the Selling Member;

“**Selling Member**” means the Clearing Member who Qualifies the Seller’s Positions on a Contract;

“**SGX-DC**” means the Singapore Exchange Derivatives Clearing Limited;

“**SGX-DT**” means the Singapore Exchange Derivatives Trading Limited;

“**Supervision Company**” means a company appointed by the Exchange for the purposes of supervising the Accepted Warehousekeepers for compliance with the SGX Warehouse Keeping Procedures and these Robusta Coffee Contract Specifications;

“**Trading Day**” means a Day which is not a bank holiday in London;

“**trading lot**” means the units for futures trading of the amount of Robusta Coffee set out in Section 4.2;

“**Trading Rules**” means SGX-DT Futures Trading Rules available at [www.sgx.com](http://www.sgx.com), as amended or supplemented from time to time;

“**US\$**” means the lawful currency of the United States of America; and

“**Warehousekeeping Procedures**” means the Warehousekeeping Procedures of SGX-DT containing the procedures and requirements relating to Accepted Warehouses and Accepted Warehousekeepers.

2.2 References to Sections, Annexes and Schedules in these Robusta Coffee Contract Specifications shall be read as references to the sections of, the annexes to, and the schedules of the annexes to, these Robusta Coffee Contract Specifications.

2.3 References to Rules and Chapters shall be read as references to the rules and chapters of the Rules.

2.4 References to the Exchange shall be read as references to the Clearing House, and references to the Clearing House shall be read as references to the Exchange, where applicable.

2.5 All terms and references which are defined or construed in Chapter 8 of the Trading Rules and Chapter 9 of the Clearing Rules but not specifically defined or construed in these Robusta Coffee Contract Specifications shall have the same meaning and construction therein ascribed.

### 3. COMMODITY SPECIFICATIONS

3.1 Robusta Coffee means coffee of the botanical species *Coffea canephora* Pierre ex A. Froehner, or some varieties and cultivars of these species.

3.2 Robusta Coffee may be from any Origin provided that it is freely available for export to any destination.

3.3 Robusta Coffee must have been stored in an Accepted Warehouse for a period not exceeding eighteen (18) months save that where the Robusta Coffee has been stored for more than twelve (12) months, the Invoicing Amount for the relevant Delivery Lot shall be subject to an age discount of US\$1 per metric tonne per month in excess of twelve (12) months, or a discount as otherwise may be prescribed by the Exchange (“**Age Allowance**”).

3.4 The quality of Robusta Coffee shall be determined by the Grading Panel in accordance with the Sampling Procedures and Grading Procedures.

3.5 The Robusta Coffee must meet the following quality requirements subject to the applicable Class Allowances, which shall be calculated on the basis of the Net Weight:

- (a) **Premium Class:** based on a 300g sample extract, up to a maximum of 0.5% Defects by weight and up to a maximum of 0.2% foreign matter by weight and a maximum of 1% Dark Brown Beans and Immature Beans by weight and a minimum of 90% over Screen 16 round and a minimum of 96% over Screen 13 round and a maximum moisture content of 12.5%, with an Allowance of US\$80 premium per metric tonne; or
- (b) **Class 1:** based on a 300g sample extract, up to a maximum of 3.0% Defects by weight and up to a maximum of 0.5% foreign matter by weight and a maximum of 3% Dark Brown Beans and Immature Beans by weight and a minimum of 90% over Screen 13 round and a minimum of 96% over Screen 12 round and a maximum moisture content of 12.5%, with an Allowance of US\$40 premium per metric tonne; or
- (c) **Class 2:** based on a 300g sample extract, up to a maximum of 5.0% Defects by weight and up to a maximum of 1.0% foreign matter by weight and a maximum of 6% Dark Brown Beans and Immature Beans by weight and a minimum of 90% over Screen 13 round and a minimum of 96% over Screen 12 round and a maximum moisture content 12.5%, with no Allowance [i.e. Contract Value is payable]; or

For the purpose of this Section:

- (i) Defects shall include but shall not be limited to Black Beans, Bean Fragments, cherries or Mouldy Beans; and
- (ii) foreign matter shall include any object which is not a coffee bean or part thereof or a Cherry including but not limited to sticks, stones, soil and husks.
- (iii) moisture content above 12.5 % but below 13% may be accepted but shall be subject to a discount of US\$15 per metric tonne.

#### **4. FUTURES TRADING**

##### **4.1 Trading Hours and Contract Months**

Futures trading in Robusta Coffee shall be carried out only during such trading sessions and hours as the Exchange may prescribe from time to time. Delivery of Robusta Coffee in respect of a Contract shall be effected only during the Contract Months, or such other periods as may be determined by the Exchange from time to time.

##### **4.2 Trading Lot**

Futures trading in Robusta Coffee may be made in Contracts for a single month which shall be in units of five (5) metric tonnes of Robusta Coffee.

##### **4.3 Minimum Price Fluctuations & Tick Value**

Minimum price fluctuation shall be US\$1 per metric tonne equivalent to US\$5 per tick.

##### **4.4 Position Limits**

A person shall not:

- (a) own or control more than ten thousand (10,000) trading lots net long or net short in respect of any one Contract Month (except for the First Contract Month) or in respect of any or all Contract Months combined; and
- (b) own or control more than two thousand (2,000) trading lots net long or net short in the First Contract Month,

unless otherwise permitted by the Clearing House in respect of Buying Member or Selling Member, who is carrying the account of that person.

For the purposes of this Section, the positions of all accounts owned or controlled by a person or persons deemed to be acting in concert or in which such person or persons have a proprietary or beneficial interest shall be aggregated.

#### **4.5 Variations**

The Exchange may from time to time and at its discretion provide variations to the preceding position limits, whether in part or as a whole, and whether generally or in respect of any person, and whether absolutely or subject to condition.

#### **4.6 Termination of Futures Trading**

Futures trading of trading lots of a single Contract Month shall terminate on the Last Trading Day of the Contract which shall be the fifteenth (15<sup>th</sup>) calendar day of the Contract Month. Where the fifteenth (15<sup>th</sup>) calendar day falls on a day which is not a Trading Day, the first (1<sup>st</sup>) Trading Day immediately preceding such fifteenth (15<sup>th</sup>) calendar day of the Contract Month shall be the Last Trading Day.

#### **4.7 Contract Modifications**

Without prejudice to Section 10, the Robusta Coffee shall conform to the specifications set out in Section 3 unless modified or added to by the Exchange as of the first(1<sup>st</sup>) Trading Day of a Contract Month.

#### **4.8 Daily Settlement Price**

The daily settlement price of a Contract shall be as prescribed by the Clearing House for its Clearing Members for any given Trading Day at the end of that Trading Day. The daily settlement price prescribed by the Clearing House for a Contract shall be determined in accordance with Rule 7.11 of the Clearing Rules.

#### **4.9 Price Limit and Trading Halt Period**

4.9.1 For the purpose of this Section 4.9 and unless the context otherwise requires:-

- (a) “**Upper Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time above the settlement price at the close of the previous Trading Day for the Contract; and
- (b) “**Lower Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time below the settlement price at the close of the previous Trading Day for the Contract.

4.9.2 The Upper Limit and Lower Limit shall be rounded to the nearest US\$1 per metric tonne and this amount shall be the upper limit or lower limit (as the case may be).

4.9.3 During the trading hours referred to in Section 4.1 in any Trading Day, there shall be no trading in any Contract at a price above its upper limit or below its lower limit except as provided for hereafter in Section 4.9.4. If the price for any Contract reaches either its upper limit or lower limit, the Exchange will signal a Cooling Off Period of fifteen (15) minutes during which trading may only take place at or between the Upper Limit and Lower Limit. For the avoidance of doubt, the Cooling Off Period shall apply to trading for all Contract Months.

- 4.9.4 After the termination of the Cooling Off Period signalled pursuant to Section 4.9.3, there shall be no price limits for the remainder of the trading hours prescribed by the Exchange pursuant to Section 4.1 of such Trading Day for all Contracts.

#### **4.10 Negotiated Large Trade**

A transaction in a Contract shall only be eligible as a Negotiated Large Trade if the transaction is at least of the minimum volume threshold as prescribed by the Exchange.

### **5. RESPONSIBILITY OF PERSONS HOLDING A MATURING CONTRACT ON LAST TRADING DAY**

#### **5.1 Obligations Prior to Last Trading Day**

- 5.1.1 The Buying Member and Selling Member should ensure sufficient funds in their respective accounts to enable the Clearing House to earmark the Delivery Month Margins as may be prescribed by the Clearing House from time to time.

- 5.1.2 The Buying Member and Selling Member who are holding open Positions in respect of any maturing Contract shall each respectively notify the Clearing House of the Buyer's intention to accept delivery against a long Position and the Seller's intention to effect delivery against a short Position in such Contract in accordance with the Delivery Procedures. Such notification shall be made by submission of a Notice of Pre-delivery Intention to Accept or Notice of Pre-delivery Intention to Deliver.

#### **5.2 Obligations on Last Trading Day**

On the Last Trading Day, it shall be the responsibility of all persons not in a position to fulfill their Delivery Obligations in respect of any maturing Contract, to liquidate their open Positions no later than half an hour before the close of trading for such Contract.

#### **5.3 Persons Entitled To Perform Delivery Obligations**

- 5.3.1 Delivery Obligations in respect of a Contract after the Last Trading Day may be performed only by Clearing Members.
- 5.3.2 All Buyers shall be deemed, after the Last Trading Day where they are not the Buying Members, to have instructed their Buying Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.
- 5.3.3 All Sellers shall be deemed, after the Last Trading Day where they are not the Selling Members, to have instructed their Selling Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.

### **6. INTENTIONALLY LEFT BLANK**



## **7. DELIVERY**

### **7.1 Delivery Lot**

7.1.1 Delivery shall be made only in one or more whole number multiple Delivery Lots. Each Delivery Lot shall be delivered in Bags and be composed of twenty (20) metric tonnes of Robusta Coffee as subject to the weight tolerance levels referred to in Section 7.1.4.

7.1.2 For the purposes of all contractual obligations between a Buying Member and a Selling Member after the Last Trading Day and notwithstanding the size of each trading lot, each Delivery Lot shall constitute a separate, distinct and independent contract between the Buying Member and the Selling Member who have been matched and in respect of whom a Re-novation is effected. Default in delivery in respect of any one or some Delivery Lots shall not affect any other Delivery Lots.

7.1.3 The Invoicing Amount with respect to each Delivery Lot under the Contract and referred to in the Delivery Notice shall be calculated in accordance with the following formula:

$$\text{Invoicing Amount} = (\text{FSP} - a + b) \times \text{Net Weight}$$

where:

- FSP = the final settlement price of the Contract
- a = Age Allowance pursuant to Section 3.3
- b = Class Allowance pursuant to Section 3.5
- Net Weight = Gross Weight - (Weight of any samples drawn from Delivery Lot after it was last weighed) - (actual bag tare weight of the Delivery Lot as specified on the Acceptable Warehouse Receipt)

7.1.4 A Seller shall deliver under a Contract a Delivery Lot which has a Net Weight within a tolerance of 3% above or below twenty (20) metric tonnes. The Buyer shall not reject a Delivery Lot for not being delivered with a nominal Net Weight of twenty (20) metric tonnes, provided it is delivered within the tolerance band for such Delivery Lot as specified in this section. Where the Net Weight of the Robusta Coffee exceeds the tolerance band, then such Buyer shall resolve the dispute in accordance with Section 12.

7.1.5 Without prejudice to Section 7.1.2, where the Seller or Buyer has failed to provide evidence that all open positions which will not be offset on the Last Trading Day will be completed by the delivery of Robusta Coffee and the Clearing Member has failed to liquidate any and all open positions relating to delivery lot sizes less than the Delivery Lot ("Odd Lots"), by the Last Trading Day: (a) such Odd Lots shall be cash-settled in accordance with the formula set out at Section 7.11; (b) this may constitute a major offence under Rule 6.04.2 of the Clearing Rules.

7.1.6 Subject to Section 4.7, all Delivery Lots shall (i) be of Robusta Coffee free of all liens, security interest, mortgage, pledge, charge, claim, option, conditional sale agreement, pre-emptive right, equity claim, adverse claim, restriction or encumbrance

of any kind, character and description whatsoever (collectively “**Liens**”) save for Liens created in favour of the Owner where it is not the Seller, PROVIDED THAT the Seller and the Selling Member shall take all steps to ensure that such Liens do not affect the authority granted to the Clearing House to give delivery and disposal instructions in respect of the Acceptable Warehouse Receipt to the Accepted Warehousekeeper pursuant to Section 7.4), (ii) be in sound shippable condition and be available for export into any Port of Discharge without any restriction whether such restriction, if any, arises from the identity of the Seller, Owner or Selling Member, appearing on any Bag or howsoever.

## **7.2 Method of Delivery**

Delivery of each Delivery Lot shall be made in accordance with the Delivery Procedures, together with the procurement of the Delivery Documents.

## **7.3 Location of Delivery**

7.3.1 Robusta Coffee shall be delivered to an Accepted Warehouse which is located in Singapore or Vietnam or such other place as the Exchange may specify from time to time. The Exchange may from time to time delist a delivery location or list any other location which shall have such effect on existing and new Contracts as the Exchange may determine in its absolute discretion.

7.3.2 The Seller shall ensure that the warehouse to which the Robusta Coffee is delivered, is an Accepted Warehouse at the time of delivery.

## **7.4 Authorisation From Seller**

The Seller shall as Owner of the Delivery Lot, or as a person duly authorized by the Owner, by the submission of an Acceptable Warehouse Receipt to the Clearing House through its Selling Member, irrevocably authorize the Clearing House to give delivery and disposal instructions in respect of the Acceptable Warehouse Receipt to the Accepted Warehousekeeper including without limitation instructions for the re-issue of the Acceptable Warehouse Receipt in the name of the Buyer, and shall procure the Accepted Warehousekeeper to act on such instructions from the Clearing House.

## **7.5 Notice of Pre-Delivery Intention to Deliver or Accept and Acceptance Notice and Delivery Notice**

7.5.1 The Selling Member shall submit the Notice of Pre-Delivery Intention to Deliver and Delivery Notice, and the Buying Member shall submit (a) Notice of Pre-Delivery Intention to Accept and (b) Acceptance Notice, within such time as prescribed in the Delivery Procedures.

7.5.2 Until and unless Delivery Matching and Re-novation are effected in respect of an Acceptance Notice in accordance with Sections 7.6.1 and 7.6.2:

- (a) such Acceptance Notice shall be irrevocable; and

- (b) the Buying Member which submitted such Acceptance Notice shall be bound by all the terms set out in the Acceptance Notice,
- with effect upon submission of such Acceptance Notice to the Clearing House.
- 7.5.3 Until and unless Delivery Matching and Re-novation are effected in respect of a Delivery Notice in accordance with Sections 7.6.1 and 7.6.2:
- (a) such Delivery Notice shall be irrevocable; and
- (b) the Selling Member which submitted such Delivery Notice shall be bound by all the terms set out in the Delivery Notice,
- with effect upon submission of such Delivery Notice to the Clearing House.

## 7.6 Delivery Matching and Re-novation

- 7.6.1 Upon receipt of all the Acceptance Notices and the Delivery Notices from Buying Members and Selling Members who are taking or making delivery as the case may be, the Clearing House shall match the Buying Members and Selling Members with their opposite Selling Members and Buying Members (such process being described as “**Delivery Matching**”). Without prejudice to the Clearing House’s rights against its Buying Member or Selling Member, in the event that such Buying Member or Selling Member fails to provide a Acceptance Notice or Delivery Notice as the case may be, or if such notice is incomplete, such Acceptance Notice or Delivery Notice shall be deemed to have been submitted with such particulars as the Clearing House may deem necessary for Delivery Matching which particulars shall thereafter be binding on its Buying Member or Selling Member, as the case may be.
- 7.6.2 If a Selling Member’s Delivery Notice(s) has or have been matched by the Clearing House pursuant to these Robusta Coffee Contract Specifications with a Buying Member’s Acceptance Notice(s), all rights and obligations of that Selling Member and that Buying Member with the Clearing House in respect of the Contracts to which such matched Delivery Notice(s) and Acceptance Notice(s) relate, shall be novated and substituted with a new contract which shall arise between that Selling Member and that Buying Member (such process being described as “**Re-novation**”, and such new contract shall be herein referred to as the “**Re-novated Contract**”) for the performance of Delivery Obligations as between such matched parties.

Such Re-novation shall be effective upon all required Delivery Documents and Contract Values (as the case may be) being posted or paid to the Clearing House in accordance with these Robusta Coffee Contract Specifications and the Rules.

The Re-novated Contract shall simultaneously discharge and replace *pro tanto* all rights and obligations between that Selling Member or Buying Member and the Clearing House in respect of the Contracts to which the Re-novation relates, and the Clearing House shall be fully discharged and released from any and all of their respective obligations as a counterparty or central counterparty in respect of such Contracts. Re-novation shall not apply to matched positions required to be cash-settled in accordance with Section 7.1.5.

- 7.6.3 The Clearing House shall match the Buying Members and Selling Members with their respective opposite Selling Members and Buying Members by matching the number of Delivery Lots to the extent reasonably possible. The manner of Delivery Matching shall be at the sole discretion of the Clearing House and the matching result shall be final and not be subject to change.
- 7.6.4 The Clearing House shall notify the Buying Members and Selling Members of the other Buying Members and Selling Members who have been matched with them no later than the time as specified in the Delivery Procedures.
- 7.6.5 The Buying Member or Selling Member (as the case may be) whose Acceptance Notice or Delivery Notice is matched by the Clearing House shall, upon Re-novation, be deemed to have agreed to accept or deliver the Robusta Coffee on the following terms:
- (a) the number of Delivery Lots matched by the Clearing House;
  - (b) the Origin and deliverable grade (comprising age, class, weight and moisture content) of the Robusta Coffee; and
  - (c) the Accepted Warehouse from where such Robusta Coffee is to be procured;

and such Buying Member or Selling Member as the case may be shall also be deemed to have agreed to accept or deliver the Robusta Coffee solely from the Selling Member or to the Buying Member as the case may be to whom it was matched by the Clearing House on the above terms and conditions and except as otherwise provided in the Clearing Rules to accept and look towards the same as being solely liable for any default in relation thereto.

- 7.6.6 The Delivery Obligations of the Buying Member and Selling Member to each other under the Clearing Rules and these Robusta Coffee Contract Specifications shall cease upon the Buyer receiving the Delivery Documents and the Seller receiving the full Contract Value (including any adjustments which may have been made for premiums or discounts) pursuant to the Delivery Procedures. Notwithstanding the foregoing, where an Award has been given pursuant to Section 12, the liability to satisfy the Award falls on the Buyer or Seller, as the case may be, and not the respective Buying Member or Selling Member.

## **7.7 Division of Costs**

- 7.7.1 The Selling Member shall ensure that the Seller bears all costs of port, landing, delivery, transportation and other expenses (including governmental duties, taxes or levies that may be imposed) relating to each Delivery Lot. In particular, the Selling Member shall ensure payment of Rent and all expenses related to the storage of the Delivery Lot in the Accepted Warehouse, including but not limited to the expenses for weighing and fumigating the Delivery Lot ("**Related Expenses**"), which have accrued at the time of cessation of the Selling Member's Delivery Obligations as set out in Section 7.6.6. The payment of Rent and all Related Expenses shall be evidenced either on the Acceptable Warehouse Receipt or in such other document as accepted by the Clearing House. The Buying Member shall ensure that the Buyer

bears all Rent and Related Expenses from the time of cessation of the Selling Member's Delivery Obligations as set out in Section 7.6.6.

7.7.2 Where a Delivery Lot is reweighed due to a dispute over the weight of the Delivery Lot as recorded on the Acceptable Warehouse Receipt, and the reweighing shows that the Delivery Lot was wrongly weighed, the Accepted Warehousekeeper shall bear the costs of such re-weighing.

## **7.8 Delivery Documents and Procurement of Acceptable Warehouse Receipts**

7.8.1 Upon delivery of each Delivery Lot, the Buying Member shall be entitled to the following Delivery Documents to be procured by the Selling Member:

- (a) an Acceptable Warehouse Receipt evidencing payment of Rent and all Related Expenses (or in the event the Acceptable Warehouse Receipt does not evidence payment of Rent and all Related Expenses, an Acceptable Warehouse Receipt and such other document accepted by the Clearing House containing the evidence of payment of Rent and Related Expenses);
- (b) a Lotting Account;
- (c) a Grading Certificate; and
- (d) any other documents as may be prescribed by the Exchange.

(collectively known as "**Delivery Documents**").

7.8.2 For the purposes of these Robusta Coffee Contract Specifications, an Acceptable Warehouse Receipt may be procured through: (a) the purchase of an existing and valid Acceptable Warehouse Receipt for a Delivery Lot; or (b) the issuance of a new Acceptable Warehouse Receipt in accordance with the procedures stated in Section 7.8.3.

7.8.3 An Acceptable Warehouse Receipt for a Delivery Lot may be issued for: (a) the Owner's Delivery Lot delivered to the Accepted Warehouse; or (b) the Owner's Robusta Coffee which is already stored in the Accepted Warehouse and has been designated by the Owner as a Delivery Lot.

7.8.4 In connection with the issuance of an Acceptable Warehouse Receipt, the Owner and the Accepted Warehousekeeper shall be deemed to have entered into a warehousing agreement setting out the terms and conditions of storage and liability in respect of any loss or damage to the Delivery Lot.

7.8.5 The Accepted Warehousekeeper shall: (a) weigh the delivered or designated coffee in accordance with the requirements of a Delivery Lot as stated in Sections 7.1.1 and 7.1.4; (b) sample the Delivery Lot in accordance with the Sampling Procedures; and (c) warrant the fulfillment of the foregoing in the Lotting Account.

7.8.6 Upon receipt of the sample, the Exchange or its appointed grading agency shall facilitate the grading of the coffee sample by the Grading Panel in accordance with

the Grading Procedures. Where the coffee represented by the sample meets the Exchange's criteria, the Exchange shall issue a Grading Certificate. Where the coffee represented by the sample fails to meet the Exchange's criteria, no Grading Certificate shall be issued and such coffee shall not be eligible for delivery under the Contract.

7.8.7 Upon procurement of the Grading Certificate (original and duplicate copy), the Accepted Warehousekeeper shall issue an Acceptable Warehouse Receipt (original) in the name of the Owner and despatch the Grading Certificate (duplicate copy) and Lotting Account (duplicate copy) to the Owner. The Accepted Warehousekeeper shall retain the original Grading Certificate and original Lotting Account until the Delivery Lot is removed from the Accepted Warehouse.

7.8.8 The Seller shall ensure that the Acceptable Warehouse Receipt is accurate and complete in all respects before submitting it for delivery under the Contract.

## **7.9 Payments and Documents**

7.9.1 The payments and documents relating to delivery of Robusta Coffee shall comply with the Delivery Procedures.

7.9.2 The Clearing Member shall pay the Clearing House such administrative fees as may be charged by the Clearing House for the management of any cash deposited or paid by it with or to the Clearing House.

## **7.10 Property and Risk**

Property and risk over the relevant Delivery Lot delivered to the Accepted Warehouse shall remain with the Seller and/or the Owner of the relevant Delivery Lot (as the case may be) and shall only pass to the Buyer upon the receipt of the full Contract Value (including any adjustments which may have been made for premiums or discounts) by the Selling Member. Until such receipt, the Buyer shall hold each Delivery Lot delivered to it, or the Acceptable Warehouse Receipt issued in its name in respect of such Delivery Lot, or if the Buyer has disposed, or disposes of the same thereafter, the value thereof, for the sole account of and in trust for the Seller and/or the Owner of the relevant Delivery Lot (as the case may be).

## **7.11 Cash Settlement**

7.11.1 Where any part of a Contract is required to be cash-settled under Section 7.1.5, the cash settlement amount in respect of that Contract shall be calculated as follows:

$$[\text{settlement price on Last Trading Day} - \text{settlement price on (Last Trading Day-1)}] \times (\text{no. of trading lots}) \times (5 \text{ metric tonnes})$$

where:

(a) Last Trading Day = Last Trading Day in respect of that Contract;  
and

(b) Last Trading Day-1 = the Trading Day immediately before the Last Trading Day in respect of that Contract.

7.11.2 If the cash settlement amount in respect of that Contract calculated based on the foregoing formula is:

- (a) a positive value, then the Selling Member shall pay the cash settlement amount to the Clearing House in accordance with such procedures as may be prescribed by the Clearing House from time to time;
- (b) a negative value, then the Buying Member shall pay the cash settlement amount to the Clearing House in accordance with such procedures as may be prescribed by the Clearing House from time to time.

## **8. DELIVERY DEFAULT**

- 8.1 Parties to a delivery shall make commercially reasonable efforts to perform their respective Delivery Obligations at all times until a Party has committed an event of default.
- 8.2 Where there has been an event of default as determined under Section 8.5, both Parties shall be released from their Delivery Obligations. For the avoidance of doubt, such release shall not prejudice any remedies available to the Other Party.
- 8.3 No Party shall be deemed to have committed an event of default if the performance of their respective duties is contingent upon the Other Party's prior performance of another duty which has not been performed.
- 8.4 Subject to anything to the contrary in these Robusta Coffee Contract Specifications (including Section 11.1.4), each defaulting Party shall in addition to any disciplinary proceedings and actions which may be imposed by the Clearing House, be responsible to the Other Party for all loss, costs and damages reasonably foreseeable and arising from an event of default committed by it, provided if the event of default arises as a result of an event beyond the control of and not in any way attributable to either the Buying Member or the Selling Member, each of them shall bear their respective costs.
- 8.5 An event of default occurs when there is any failure by a Party to complete a material act with respect to Delivery Obligations within the timeframe prescribed by the Clearing House, which in the opinion of the Clearing House has a material adverse effect on the Contract or orderly delivery thereunder. An event of default shall include but not be limited to the following events:
  - (a) failure to deliver Robusta Coffee in accordance with the prescribed specifications in Section 3;
  - (b) failure to produce evidence of payment of Rent and Related Expenses (whether in the Acceptable Warehouse Receipt or through such other documents as accepted by the Exchange from time to time);
  - (c) failure to make payment of the full Contract Value (including any adjustments which may have been made for premiums or discounts) when due as specified in the Delivery Procedures; or

- (d) failure to deliver Delivery Documents to the Clearing House when due in accordance with the Delivery Procedures.
- 8.6 Upon the occurrence of one or more events of default:
- (a) the default proceedings in the Clearing Rules shall apply; and
  - (b) the Buying Member or the Selling Member which has committed an event of default shall be liable under the Rules for disciplinary action or other sanctions. The Clearing House shall issue a Notice of Assessment specifying its findings and fines payable by the defaulting Buying Member or the defaulting Selling Member to the Clearing House. The fines shall be assessed at 10% of the Contract Value, but not less than US\$5,000 per Delivery Lot, in addition to any fines assessed pursuant to the Clearing Rules, to be paid to the Clearing House. The Notice of Assessment shall be final.
- 8.7 Any disciplinary proceedings or actions (including the fines as aforesaid) imposed on a Party by the Clearing House pursuant to this Section 8 for committing an event of default, shall not prejudice any remedies available to the Other Party.

## **9. INTENTIONALLY LEFT BLANK**

## **10. CIRCUMSTANCES PREJUDICIAL TO PERFORMANCE**

- 10.1 Notwithstanding any provision otherwise whether in these Robusta Coffee Contract Specifications or in the Clearing Rules:
- 10.1.1 If delivery or acceptance or any precondition or requirement of the Buying Member or Selling Member as the case may be is prevented or threatened to be prevented as a consequence of or arising out of an event of Force Majeure, such Buying Member or Selling Member as the case may be shall immediately notify the Clearing House. If the Clearing House determines that an event of Force Majeure exists, it shall take such action as it in its discretion deems necessary under the circumstances and its decision shall be binding upon the Buying Member or Selling Member. For example, and without limiting the powers of the Clearing House, the Clearing House may extend delivery dates and designate alternative approved facilities in the event of the Accepted Warehouse being unavailable by reason of any of the aforesaid events. In the event however that the event of Force Majeure shall continue for a period of three (3) months, such obligations of the Buying Member or Selling Member as the case may be shall be deemed cancelled and no claim shall lie by either Party against the other in respect of loss or damage arising out of such cancellation.
  - 10.1.2 Without prejudice to the foregoing provisions of this Section 10, in the event that the Clearing House in their discretion determine that for any reason whatsoever there exists or is likely to come into existence a shortage of deliverable Robusta Coffee or circumstances prejudicial to the Delivery Obligations arising out of these Robusta



Coffee Contract Specifications, the Clearing House may take such action as may in their discretion appear necessary to prevent, correct, or alleviate such shortage of deliverable Robusta Coffee and their decision shall be binding upon all Buying Members and the Selling Members. For example and without limiting the foregoing, the Clearing House may designate as Exchange-approved, facilities not currently approved by the Exchange or determine a cash settlement price for the settlement of open long or short positions.

## 11. DUTIES AND LIABILITIES

### 11.1 Duty of Clearing Members with Respect to Delivery

#### 11.1.1 Ensure Compliance of Buyer and Seller

The Buying Member and Selling Member shall cause their respective Buyer and Seller to ensure proper and smooth delivery and compliance with all obligations of the Buyer and Seller respectively as contemplated in the Rules and these Robusta Coffee Contract Specifications. This includes, without limitation, in the case where the Seller is not the Owner of the relevant Delivery Lot(s), the Selling Member causing the Seller to obtain, or the Selling Member obtaining, all necessary consents, releases and/or authorisations from the Owner (including without limitation, providing any undertaking to the Owner and/or taking any other action as may be required by the Owner as a condition for such consent, release and/or authorisation) and doing all such acts necessary as to ensure proper and smooth delivery of the relevant Delivery Lot free from all Liens as contemplated in the Rules and these Robusta Coffee Contract Specifications.

#### 11.1.2 Joint and Several Liability

Any obligation or liability of the Buyer, Seller, Selling Member or Buying Member (the “**Defaulting party**”) to the other of them (the “**Non-defaulting parties**”) as the case may be arising out of a default by the defaulting party of any obligation under these Robusta Coffee Contract Specifications shall, also be deemed a joint and several obligation or liability of the Defaulting party to the Clearing House of the Non-defaulting parties. Settlement of such obligation or liability shall be made to the Clearing House of the Non-defaulting parties in the manner determined by such Clearing House from time to time.

#### 11.1.3 Compliance with Relevant Laws

All deliveries (including deliveries of Commodities, documents, instruments, and other items required to be delivered under the Delivery Rules) to be made by a Party shall comply with the Rules and these Robusta Coffee Contract Specifications and conform to all relevant statutes, regulations, orders, rulings, directives and rules of all relevant authorities and regulatory bodies (including the Clearing House) in force at the location of delivery at the time of delivery including but not limited to procurement of any applicable certificate of origin or phytosanitary certificate in connection with the exportation of Robusta Coffee. Provided that if at any time any such statutes, regulations, orders, rulings, directives, rules conflicts with or adds to the requirements of these Robusta Coffee Contract Specifications, such statute, regulation, order, ruling, directive, rule shall be construed to take precedence over and

become part of these Robusta Coffee Contract Specifications 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 statute, regulation, order, ruling, directive, rule, regulation or statute. The Buying Members and Selling Members are solely responsible for familiarizing themselves and complying with all such requirements.

#### 11.1.4 Onward Delivery by Buyer

For each Delivery Lot delivered by the Seller, such Delivery Lot shall be deemed to have been duly delivered to the Buyer upon issuance of the Acceptable Warehouse Receipt in the name of the Buyer, even if such Acceptable Warehouse Receipt may be onward re-issued to third parties at the instructions of the Buyer. The Seller shall be under no liabilities whatsoever to the Buyer for any indirect loss and/or expenses (including the loss of profits or claims from such third parties to whom the Acceptable Warehouse Receipt has been onward re-issued) suffered by the Buyer arising out of a breach by the Seller of these Robusta Coffee Contract Specifications.

#### 11.1.5 Selling Member of Original Depositor

The Selling Member of the Seller, which was the original depositor of the Robusta Coffee into the Accepted Warehouse, shall require the Seller to assist (whether in person or through the assistance of agents) in complying with relevant export and customs order, ruling, directive, rule, statute, regulation, or procedures where requested by the Buying Member of the Buyer in possession of the relevant Acceptable Warehouse Receipt at the time of export.

#### 11.1.6 Insolvency of the Accepted Warehousekeeper

In the event the Accepted Warehousekeeper becomes suspended and terminated pursuant to the Warehousekeeping Procedures, the Exchange will duly inform the Buying Member and the Selling Member, whereupon the Buying Member or the Selling Member (as the case may be), shall be responsible for the immediate removal of such Robusta Coffee from the affected Accepted Warehouse and shall ensure the proper storage of such affected Robusta Coffee with another Accepted Warehouse, and issuance of a new Acceptable Warehouse Receipt in respect thereof.

### **11.2 Exchange and Clearing House Not Liable**

11.2.1 In no event shall the Clearing House be liable for releasing any payment in exchange for documents that appear bona fide on their faces.

11.2.2 The Clearing House shall not be liable nor involved in any way in complying with any statute, regulation, order, ruling, directive, rule, customs requirement or procedure applicable to export of Robusta Coffee.

11.2.3 The liabilities which the Clearing House would have been subject to pursuant to Rule 7.02 of the Clearing Rules shall remain in effect only up to the operation of Section 7.6.2 and such liabilities shall be deemed to be fully and finally discharged thereafter.

11.2.4 Neither the Exchange nor the Clearing House make any representation or warranty nor undertakes any liability or responsibility with respect to:

- (a) the authenticity, validity or accuracy of any document or instrument given, issued, delivered, submitted or lodged by the Accepted Warehouse, Accepted Warehousekeeper, Buying Member or Selling Member before or after Delivery Matching and Re-novation pursuant to these Robusta Coffee Contract Specifications. Each of the Exchange and Clearing House merely acts as a conduit for the onward transmission of documents or instruments between the Accepted Warehouse, Accepted Warehousekeeper, Buying Member and Selling Member and shall not be liable or responsible in any way for any negligence, misconduct, fraud, wilful default or any other default, wrongdoing or breach of duty howsoever caused and however serious of the Accepted Warehouse, Accepted Warehousekeeper, Buying Member, Selling Member or any other person responsible for the issuance, transmission, lodgment, preparation, or delivery of any document or instrument pursuant to or arising out of these Robusta Coffee Contract Specifications; and
- (b) the availability, suitability, efficiency or competence of any Accepted Warehouse or Accepted Warehousekeeper, or location of delivery approved by the Exchange or Clearing House except only to designate such locations as one which a Buying Member or Selling Member as the case may be may choose to consider for the purposes of effecting delivery under these Robusta Coffee Contract Specifications. Neither the Exchange nor the Clearing House shall be liable or responsible in any way for the condition, availability, suitability or efficiency of any such Accepted Warehouse or location of delivery arising out of the performance of the Buying Member's or Selling Member's obligations under these Robusta Coffee Contract Specifications.

## **12. GOOD FAITH NEGOTIATION, ARBITRATION**

- 12.1 All parties (Buyer, Seller, Buying Member and Selling Member) shall first (1<sup>st</sup>) attempt to resolve any disputes arising from or in connection with these Robusta Coffee Contract Specifications by way of good faith negotiations, failing which such disputes must be resolved by arbitration. At the election of either the Buyer or Seller, the dispute shall be referred to and finally resolved by arbitration in Singapore before the Singapore International Arbitration Centre (SIAC) in accordance with the SIAC SGX-DC Arbitration Rules as may be prevailing. In the event that the SIAC SGX-DC Arbitration Rules are no longer in force, then the arbitration shall be held in accordance with the prevailing rules of the SIAC. For the avoidance of doubt, the Selling Member confirms that it is authorised to enter into this Clause 12 by the Seller, and the Buying Member confirms that it is authorised to enter into this Clause 12 by the Buyer. The award of the SIAC shall be final and binding upon the Buyer and the Seller.
- 12.2 In the event of any dispute as to which set of arbitration rules is applicable, Parties agree that the Registrar of the SIAC or any person holding at least an equivalent appointment shall be empowered to decide the applicable set of arbitration rules and such decision shall be binding upon the parties.

12.3 Any arbitration to be conducted pursuant to this Section 12 shall be commenced within six (6) months from the Last Trading Day of the relevant Contract. All Parties shall not be entitled to bring any claim (whether through arbitration or court proceedings) after the expiry of the six (6) months.

**ANNEX 1**

**OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE**

**DELIVERY PROCEDURES**

**A1.1 INTERPRETATION**

A1.1.1 Any expression used in this Annex shall bear the same meaning ascribed thereto in these Robusta Coffee Contract Specifications or the Rules.

A1.1.2 All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

**A1.2 DELIVERY PROCEDURES**

**Prior to Last Trading Day**

A1.2.1 The Selling Member and the Buying Member shall post with the Clearing House, Delivery Month Margins and any other charges as may be prescribed by the Clearing House.

A1.2.2 By 3.00 p.m. on the second (2<sup>nd</sup>) Trading Day prior to the Last Trading Day:

- (a) a Buying Member as part of its Delivery Obligations in respect of a long Position in the First Contract Month shall submit to the Clearing House, a properly completed and signed Notice of Pre-Delivery Intention to Accept; and
- (b) a Selling Member as part of its Delivery Obligations in respect of a short Position in the First Contract Month shall submit to the Clearing House, a properly completed and signed Notice of Pre-Delivery Intention to Deliver.

A1.2.2A If a Buying Member or Selling Member establishes a new long Position or short Position in the First Contract Month after 3.00 p.m. on the second (2<sup>nd</sup>) Business Day prior to the Last Trading Day, it shall submit the completed and signed applicable document referred to in paragraph A1.2.2(a) or (b) by 3.00 p.m. on the next Business Day.

**1 Business Day after Last Trading Day**

A1.2.3 By 9.00 a.m. on the first (1<sup>st</sup>) Business Day after the Last Trading Day:

- (a) the Buying Member shall as part of its Delivery Obligations in respect of the matured Contract submit to the Clearing House, a properly completed and signed Acceptance Notice; and
- (b) the Selling Member shall as part of its Delivery Obligations in respect of the matured Contract submit to the Clearing House, a properly completed and signed Delivery Notice.

A1.2.4 Upon receipt of all the Acceptance Notices and the Delivery Notices from the Buying Members and Selling Members who are taking delivery or making delivery as the case may be, the Clearing House shall effect Delivery Matching.

A1.2.5 By 2.00 p.m. on the first (1<sup>st</sup>) Business Day after the Last Trading Day and after completion of the Delivery Matching process, the Clearing House shall notify the Buying Members and Selling Members of the other Selling Members and Buying Members which have been matched with them.

**Two (2) Business Days after Last Trading Day**

A1.2.6 By 10.00 a.m. on the second (2<sup>nd</sup>) Business Day after the Last Trading Day, the Selling Member shall submit to the Clearing House, the Acceptable Warehouse Receipt (original), Grading Certificate (duplicate copy), Lotting Account (duplicate copy) and a rent payment confirmation issued by the Warehousekeeper evidencing that rental obligations pertaining to the relevant cargo has been fulfilled.

A1.2.7 After receipt of the Delivery Documents from the Selling Member, the Clearing House shall reconcile the information with the Accepted Warehousekeeper for the purpose of confirming that the Delivery Documents are in compliance with the requirements of these Robusta Coffee Contract Specifications.

A1.2.8 Following the reconciliation process, the Clearing House shall issue a debit note to the Buying Member for the full Contract Value save that where the Clearing House has not received nor verified all the information referred to at Section 7.1.3, the Clearing House shall debit the account of the Buying Member with the full Contract Value computed by treating the delivered Robusta Coffee, regardless of its actual grade, as belonging to the Premium Class. When the Clearing House subsequently determines the Invoicing Amount payable pursuant to Section 7.1.3, it shall refund the Buying Member any excess debited amount at such time as referred to in paragraph A1.2.15. The Buying Member shall deposit the aforesaid amount in its settlement bank account by 12.00 p.m. on the second (2<sup>nd</sup>) Business Day after the Last Trading Day.

A1.2.9 Upon the later of:

- (a) the posting of all the Delivery Documents with the Clearing House; and
- (b) confirmation from the Clearing House's settlement bank that the Buying Member has deposited the full Contract Value (including any adjustments which may have been made for premiums or discounts),

the Re-novation process pursuant to Section 7.6.2 of these Robusta Coffee Contract Specifications shall occur.

**Three (3) Business Days after Last Trading Day**

A1.2.10 By 10.00 a.m. on the third (3<sup>rd</sup>) Business Day after the Last Trading Day, the Clearing House shall instruct the Accepted Warehousekeeper to issue a new Acceptable Warehouse Receipt in the name of the Buyer in respect of the Delivery Lot(s) provided that it had earlier obtained confirmation of receipt of the full

- Contract Value (including any adjustments which may have been made for premiums or discounts) as referred to in paragraph A1.2.9.
- A1.2.11 The Clearing House shall send to the Accepted Warehousekeeper, the Acceptable Warehouse Receipt (original), Grading Certificate (duplicate copy) and Lotting Account (duplicate copy) submitted by the Selling Member.
- A1.2.12 Subject to paragraph A.1.2.10 above, upon receipt of the aforementioned Delivery Documents from the Clearing House by the Accepted Warehousekeeper, the Clearing House authorized pursuant to Section 7.4 of the Robusta Coffee Contract Specifications shall instruct the Accepted Warehousekeeper to cancel the Acceptable Warehouse Receipt in the name of the Owner received from the Clearing House in respect of the Delivery Lot, issue a new Acceptable Warehouse Receipt in the name of the Buyer and comply with such other procedures as may be prescribed in the Warehousekeeping Procedures or by the Clearing House from time to time.
- A1.2.13 The Accepted Warehousekeeper, as part of its obligations under the Warehousekeeping Procedures, shall dispatch the Delivery Documents (comprising the newly issued Acceptable Warehouse Receipt in the Buyer's name, Grading Certificate (duplicate copy) and Lotting Account (duplicate copy) to the Buying Member. The Accepted Warehousekeeper shall ensure that these Delivery Documents reach the Buying Member before 5.00 p.m. on the third (3<sup>rd</sup>) business day after the Last Trading Day.

**Four (4) Business Days After Last Trading Day**

- A1.2.14 By 10.00 a.m. on the fourth (4<sup>th</sup>) Business Day after the Last Trading Day, the Buyer through the Buying Member, shall inform the Clearing House that the Buyer has received the Acceptable Warehouse Receipt issued in its name, including the following details:
- (a) name of Buyer;
  - (b) Acceptable Warehouse Receipt number;
  - (c) Grading Certificate number;
  - (d) Lotting Account number;
  - (e) name of Buying Member; and
  - (f) date and time of receipt of Delivery Documents.
- A1.2.15 By 2.00 p.m. on the fourth (4<sup>th</sup>) Business Day after the Last Trading Day, the Clearing House shall credit the account of the Selling Member, with the full Contract Value (including any adjustments which may have been made for premiums or discounts) and where applicable, credit the account of the Buying Member, with the excess debited amount pursuant to paragraph A1.2.8 above.
- A1.2.16 Where the fourth (4<sup>th</sup>) Business Day after the Last Trading day is not a banking day in the United States of America and Singapore, the Clearing House shall issue a

credit note to the Selling Member on the next Business Day which is a banking day in the United States of America and Singapore.



**SCHEDULE 1**

**OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR  
 ROBUSTA COFFEE CONTRACT**

**FORM OF ACCEPTABLE WAREHOUSE RECEIPT**

<Accepted Warehousekeeper's Letterhead>

**ACCEPTABLE WAREHOUSE RECEIPT NO** : .....

**LOTING ACCOUNT NO** : .....

**GRADING CERTIFICATE NO** : .....

Issued by :	
Delivered to :	
<p>[Name of the Accepted Warehousekeeper] hereby confirms the receipt, in the name and for the account of ..... ("Attorney"), of the Commodity hereunder described for handling and storage subject to the terms herein and the terms of the warehousing it enters into with the Attorney.</p> <p>The said Commodity appearing to be in good order (unless qualifications appear under the "Remarks" column).</p>	
<b><i>Description of the Commodity</i></b>	<b><i>Remarks</i></b>
..... :	
Origin :	
..... :	
Net weight ..... No. of Bags.....	
Date of receipt into storage facility/warehouse .....	
Location of Commodity within Storage Facility/Warehouse .....	
Rent commencing on the.(date).....	

When this Acceptable Warehouse Receipt is submitted by or on behalf of the Attornee to the Clearing House in fulfillment of the Delivery Obligations of the Seller , the release, partial or total, of the Commodity stored will be carried out only upon the receipt by [Name of the Accepted Warehousekeeper] of written instructions issued by Singapore Commodity Exchange Limited (whom [Name of the Accepted Warehousekeeper] acknowledges is irrevocably authorised by the Attornee to give instructions).

This Acceptable Warehouse Receipt is governed by Singapore law. Any expression used in this Acceptable Warehouse Receipt which is not defined herein shall have the same meaning ascribed to it in the Robusta Coffee Contract Specifications, or in the absence thereof, the same meaning ascribed to it in the Rules.

\_\_\_\_\_  
**Accepted Warehousekeeper's Stamp**

\_\_\_\_\_  
**Authorized Signatory**

**Date:** .....

**ANNEX 2**

**OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

**SCHEDULE 1: GRADING PANELS AND GRADING CONDUCT**

**A2S1.1 INTERPRETATION**

A2S1.1.1 Any expression used in this Annex shall bear the same meaning ascribed thereto in these Robusta Coffee Contract Specifications or the Rules.

A2S1.1.2 All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

**A2S1.2 EXCHANGE GRADING OPERATIONS**

A2S1.2.1 The grading operations necessary to support the Robusta Coffee Contracts shall be managed by the Exchange or its appointed grading agency.

A2S1.2.2 In respect of grading operations, the Exchange shall:

- (a) maintain a list of suitably qualified SGX-DT Registered Robusta Coffee Graders;
- (b) convene Grading Panels and Appeal Panels;
- (c) supervise the Grading Procedure and appeal procedure, where necessary; and
- (d) record and disseminate Grading Results.

A2S1.2.3 In respect of grading operations, the Exchange’s appointed grading agency shall:

- (a) convene Grading Panels;
- (c) supervise the Grading Procedure; and
- (d) record and disseminate Grading Results.

**A2S1.3 APPLICATION AND QUALIFICATION AS A SGX-DT REGISTERED ROBUSTA COFFEE GRADER**

A2S1.3.1 To be registered with the Exchange as a SGX-DT Registered Robusta Coffee Grader, an individual shall complete an application in the form prescribed by the Exchange from time to time. Where an applicant has been initially determined by the Exchange to be suitable, the applicant shall be selected and

- may be requested to attend a Robusta Coffee grading calibration session or attend a grading course held by the Exchange.
- A2S1.3.2 An employee engaged (whether on a permanent or contractual, full-time or part-time basis) in the business of a Supervision Company is ineligible to be registered as a Grader, as such person is deemed to have a potential conflict of interest.
- A2S1.3.3 Each applicant who has attended the grading calibration session and/or successfully completes the Robusta Coffee grading course and examination shall sign a letter of undertaking (“**Grader’s Letter of Undertaking**”) before undergoing a series of “grading observations”, the nature and duration of which shall be determined by the Exchange.
- A2S1.3.4 The Exchange may require a Grader to undergo a series of grading observations, if the Grader has not participated in a Grading Panel for a period of at least six months.

#### **A2S1.4 CONDUCT OF GRADERS**

- A2S1.4.1 A Grader must act in accordance with the standards required by these Robusta Coffee Contract Specifications and the Grader’s Letter of Undertaking.
- A2S1.4.2 Where a Grader is called to join a Grading Panel or Appeal Panel, as the case may be, and the Grader is, or becomes, aware that the company of which business he is engaged in, or any Related Company, has an interest in Robusta Coffee that is the subject of the relevant application for grading, he shall inform the Exchange of such interest immediately. The Exchange shall either:
- (a) arrange for the Grading Panel or Appeal Panel, as the case may be, of which such Grader is a member, to grade samples in which there is no such interest; or
  - (b) defer grading until such time as another Grading Panel or Appeal Panel, as the case may be, can be constituted, or where circumstances are such that grading cannot be deferred, call another Grader to replace the Grader on the relevant Grading Panel or Appeal Panel.
- A2S1.4.3 An Exchange official may stop or suspend grading at any time, if he considers that the Rules or these Robusta Coffee Contract Specifications are being breached, or that the fairness of the grading of any sample has been compromised.
- A2S1.4.4 A Grader shall not remove any sample of coffee from the Grading Room.
- A2S1.4.5 Graders must leave the Grading Room promptly once they have completed grading the samples allocated to their Grading Panel or Appeal Panel, as the case may be.
- A2S1.4.6 A Grader who fails to follow these Robusta Coffee Contract Specifications, may be liable to further investigation. Should such an investigation provide

evidence that the Grader has breached the Rules or these Robusta Coffee Contract Specifications then the Exchange shall take such disciplinary action it deems appropriate, which may include de-registration. Any such disciplinary action will only be imposed after the Grader concerned has been given a fair and appropriate opportunity to present his case to the Exchange.

## **A2S1.5 INTERESTED PARTIES**

A2S1.5.1 A Grader who is engaged in the business of, or otherwise associated with, a company which is an interested party with regard to any Delivery Lot, shall not be appointed to, and must not knowingly participate in, a Grading Panel or an Appeal Panel in respect of such Delivery Lot. The Exchange shall have the sole discretion in determining whether a Grader is associated with such a company.

A2S1.5.2 The following are interested parties for the purpose of paragraph A2S1.5.1:

- (a) the Owner of the Delivery Lot; and
- (b) where the Owner of the Delivery Lot is a company, a Related Company.

A2S1.5.3 Notwithstanding paragraphs A2S1.5.1 and A2S1.5.2, a Grading Result shall not be invalidated in the event that the Delivery Lot to which it applies is subsequently received, for the purposes of delivery against a Contract, by a company which employs, or is otherwise associated with a Grader who participated in the grading of such lot or Delivery Lot.

## **A2S1.6 TERMINATION OF REGISTRATION AS A GRADER**

A2S1.6.1 The registration of a Grader may be terminated:

- (a) upon such notice as the Exchange may deem fit, if the Grader fails to meet or fails to continue to meet the criteria for registration as determined by the Exchange in its absolute discretion; or
- (b) either summarily or upon such notice as the Exchange may in its absolute discretion deem fit, if the Grader's acts, or the Grader's failure to act, is in breach of the requirements of the Rules, the Graders' Letter of Undertaking or these Procedures and, as a consequence of disciplinary action by the Exchange, the Exchange determines such termination is appropriate.

A2S1.6.2 A Grader may resign from being a SGX-DT Registered Robusta Coffee Grader by:

- (a) giving four (4) weeks' notice in writing to the Exchange; and
- (b) complying with all other conditions the Exchange may impose in connection with the resignation.

## **A2S1.7 GRADING AND APPEAL PANELS**

- A2S1.7.1 On receiving an application for grading or notice of an appeal in respect of a Grading Result, the Exchange or its appointed grading agency (as the case may be) shall, at its absolute discretion, convene a Grading Panel or Appeal Panel, respectively.
- A2S1.7.2 The Exchange or its appointed grading agency (as the case may be), shall as far as practicable select a SGX-DT Registered Robusta Coffee Grader, to form part of a Grading Panel or Appeal Panel, which composition shall be rotated from time to time, provided that:
- (a) not more than one Grader from the same company, or a Related Company, will be selected to form the same Grading Panel or Appeal Panel;
  - (b) a Grader who is an employee of the member, or a Related Company, submitting an application for grading or, if such member is not the Owner of the Robusta Coffee from which the sample was drawn, then the Owner of such Robusta Coffee, or a Related Company, shall not form part of the Grading Panel or Appeal Panel undertaking the grading of such sample; and
  - (c) a Grader will not form part of an Appeal Panel if such Grader formed part of the Grading Panel that originally graded such sample.

## **A2S1.8 GRADING APPEALS**

- A2S1.8.1 There shall be no appeal in respect of a Delivery Lot graded as deliverable. The Owner may appeal the Grading Result in respect of a Delivery Lot graded as not deliverable, provided such appeal is made in accordance with these Robusta Coffee Contract Specifications and within five Business Days after the date of the Grading Result.
- A2S1.8.2 An appeal may only be lodged by the Owner. A written notice of appeal shall be sent to the Exchange and shall include a clear statement of the grounds on which the appeal is made and shall be accompanied by:
- (a) the appeal fee prescribed by the Exchange from time to time; and
  - (b) details of the relevant Acceptable Warehouse Receipt number.
- A2S1.8.3 Grading appeals shall be conducted on the sample originally submitted for grading.
- A2S1.8.4 A Grading Result arising from a grading appeal shall prevail over the original grading result. The Exchange shall notify the Owner of Grading Result upon appeal by such means and in such form as determined by the Exchange from time to time.

**A2S1.9 GRADING AND APPEAL FEES**

A2S1.9.1 An applicant applying for grading, or appealing against the Grading Result for a Delivery Lot of Robusta Coffee, shall pay the applicable grading fees or appeal fees within such time as prescribed by the Exchange from time to time. The fees shall not be refundable.

A2S1.9.2 The Exchange or its appointed grading agency (as the case may be), shall pay to the members of a Grading Panel or Appeal Panel such fee as it shall from time to time determine.

**A2S1.10 LIABILITY FOR GRADING**

A2S1.10.1 Without prejudice to any exclusion of liability provision in the Rules, the Exchange and Clearing House shall not be liable for any loss or damage whatsoever, whether for negligence, breach of contract, misrepresentation or otherwise, in respect of the failure to grade a sample of Robusta Coffee or to issue a Grading Result by a particular date.

A2 S1.10.2 Nothing in these Robusta Coffee Contract Specifications shall operate to exclude or restrict the liability of the Exchange for fraud or wilful default of its employees.

A2 S1.10.3 No person serving on any Grading Panel or Appeal Panel shall, in the absence of bad faith or wilful default, be under any liability whatsoever whether in contract, in tort or otherwise to any member or other person for any decision taken or other act or omission in respect of an application for grading.

**A2S1.11 APPLICATION FOR GRADING OR APPEAL**

A2S1.11.1 An application for grading or appeal against a Grading Result, as the case may be, shall be made by the applicant to the Clearing House.

A2S1.11.2 In respect of Robusta Coffee, no application for grading of a Delivery Lot may be made where such Delivery Lot has previously been graded.

ANNEX 2

OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT

SCHEDULE 2: FORM OF LOTTING ACCOUNT

<Insert Accepted Warehousekeeper's letterhead>

<Insert Accepted Warehousekeeper's address>

<Insert date>

LOTING ACCOUNT

Lotting Account No:	
Marking on Bags:	
Name of vessel / identity of land carriage:	
Country of Origin:	
Number of Bags:	
Accepted Warehouse:	
Final day of landing:	
Date of delivery into Accepted Warehouse:	
Date of sampling:	
Date of weighing:	
Gross weight (kg):	
Total tare weight (kg):	
Sample weight (kg):	
Net weight (kg):	
Moisture content (%):	

We hereby warrant that (i) all details in this document are true and accurate; (ii) on the above date of sampling, 50% of the Bags were sampled within the Accepted Warehouse and one dock sample of not less than 1.5 kg was drawn; (iii) the sample bears the name of the Accepted Warehousekeeper, date of storage and date of sampling; (iv) all Bags were original, sound and externally in good order; and (v) that the process of determining the weight and moisture content was carried out in accordance with the Robusta Coffee Contract Specifications.



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**Accepted Warehousekeeper's Stamp**

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**Authorized Signatory**

**ANNEX 2**  
**OF THE CONTRACT SPECIFICATIONS FOR**  
**ROBUSTA COFFEE CONTRACT**

**SCHEDULE 3: SAMPLING PROCEDURES**

**A2S3.1 INTERPRETATION**

A2S3.1.1 Any expression used in this Annex shall bear the same meaning ascribed thereto in these Robusta Coffee Contract Specifications or the Rules.

A2S3.1.2 All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

**A2S3.2 SAMPLING OF A DELIVERY LOT**

A2S3.2.1 In respect of a Delivery Lot which is to be graded pursuant to this Robusta Coffee Contract Specifications the Owner making the application for grading, shall instruct the Accepted Warehousekeeper to draw a sample from the Delivery Lot to be graded.

A2S3.2.2 The Accepted Warehousekeeper shall:

- (a) draw the samples at the point of piling the Bags and in accordance with this Annex;
- (b) conduct moisture test based on ISO 6673:2003 standard on the relevant Delivery Lot within two (2) Business Days after piling;
- (c) upon completion of drawing of the sample, send the sample either direct to the Exchange or to the appointed grading agency as instructed by the applicant, for assessment by a Grading Panel appointed by the Exchange or its appointed grading agency (as the case may be); and
- (d) submit the completed Lotting Account (duplicate copy) form as prescribed in Schedule 2 of this Annex together with the sample, either to the Exchange or to the appointed grading agency as instructed by the applicant. Grading shall not commence if the form is not duly completed. The Lotting Account (original) shall be retained by the Warehousekeeper until the Delivery Lot is removed from the Warehouse.

A2S3.2.3 Before sampling, the lot shall be inspected by the Accepted Warehousekeeper to ensure that it has been properly labelled and that all sampling apparatus is clean, dry and free from foreign odours.

A2S3.2.4 Any sample to be presented to the Exchange shall be drawn and sealed, all of which is to occur on the same day.

A2S3.2.5 In respect of each sample drawn from a Delivery Lot stored in **Bags**:

- (a) a grading sample consisting of 2 separate Bags each weighing 750 grams or a total of 1.5 kg minimum weight shall be drawn which shall be representative of the Delivery Lot as a whole, and shall be taken randomly from a minimum of 50% of the number of sound **Bags** forming the Delivery Lot and over the full height and width of the Delivery Lot directly into a clean, dry, empty and odourless cotton or linen or plastic sample Bag, with a tare not exceeding 100 g to be presented either to the Exchange or to the appointed grading agency.
- (b) The sample Bag shall be sealed with the Accepted Warehousekeeper's seal and also if supervised the Supervision Company's seal. The following minimum details shall be marked on the Bag:
  - (i) the Accepted Warehousekeeper responsible for drawing the sample;
  - (ii) Acceptable Warehouse Receipt number;
  - (iii) Origin; and
  - (iv) date on which the Delivery Lot was delivered to the Accepted Warehouse.

### **A2S3.3 SUBMISSION OF A SAMPLE**

A2S3.3.1 An Accepted Warehousekeeper shall draw a grading sample in accordance with this Annex, and shall submit such sample either directly to the Exchange or to the appointed grading agency as instructed by the applicant for grading. Customs duties, if any, shall be for the account of the Accepted Warehousekeeper.

A2S3.3.2 Grading samples, and the related application for grading, must be submitted either directly to the Exchange or to the appointed grading agency as instructed by the applicant during regular office hours and within ten (10) Days of the date on which they were drawn.

A2S3.3.3 The Exchange may at its sole discretion, designate the time or day at which samples may be delivered to the Exchange or to the appointed grading agency.

## ANNEX 2

### OF THE CONTRACT SPECIFICATIONS FOR ROBUSTA COFFEE CONTRACT

#### SCHEDULE 4: GRADING PROCEDURES

##### **A2S4.1 INTERPRETATION**

A2S4.1.1 Any expression used in this Annex shall bear the same meaning ascribed thereto in either the Rules or elsewhere in these Robusta Coffee Contract Specifications (as applicable).

A2S4.1.2 All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

##### **A2S4.2 GENERAL**

A2S4.2.1 Upon receipt of one or more applications for the grading of Robusta Coffee pursuant to these Robusta Coffee Contract Specifications, the Exchange shall, at its absolute discretion, convene a Grading Panel or Appeal Panel, or instruct the appointed grading agency to convene a Grading Panel or Appeal Panel as the case may be. Such Grading Panel or Appeal Panel shall consist of a minimum of three (3) SGX-DT Registered Robusta Coffee Graders in respect of a Delivery Lot.

A2S4.2.2 In respect of each Delivery Lot for which an application for grading is made, the Grading Panel shall examine the sample submitted and shall determine the Grading Result.

A2S4.2.3 Prior to grading commencing, the Grading Panel will check that:

- (a) the seal(s) on the sample is/are in place and intact;
- (b) the sample does not weigh less than the weight prescribed in these Robusta Coffee Contract Specifications for a sample from the relevant Delivery Lot;
- (c) the tare weight of the sample Bag does not exceed the weight prescribed in these Robusta Coffee Contract Specifications for a sample from the relevant Delivery Lot; and
- (d) the details on the sample Bag correspond to those on the relevant application for grading.

A2S4.2.4 If in the opinion of a member of the Grading Panel, the sample Bag is insecure, incorrectly sealed, appears to have been tampered with or a sample weighs less than the correct weight prescribed for a sample from the relevant Delivery Lot, such sample shall not be graded. The applicant will be informed of such fact and they, or the Owner of the Robusta Coffee may, instruct the Accepted

Warehousekeeper to draw a fresh sample in accordance with the Rules and these Robusta Coffee Contract Specifications and may then submit a new application for grading in respect of the relevant Delivery Lot.

- A2S4.2.5 The original sample shall be held by the Exchange or the appointed grading agency until either a fresh sample is received, or until sixty (60) Days have elapsed, whichever is the sooner. At such time, the applicant may, subject to the agreement of the Exchange or the appointed grading agency, arrange for the sample to be collected from the Exchange or the appointed grading agency. If, however, it is suspected that a sample has been tampered with then it will be held for further investigation.
- A2S4.2.6 If the Grading Panel determine, in their absolute discretion, that the sample contents do not correspond with the details on the sample Bag and the relevant application for grading, the Grading Panel shall immediately advise an Exchange official. The Exchange official shall determine the course of action that should be taken. The applicant will be informed of the course of action determined by the Exchange.
- A2S4.2.7 At any time should a Grading Panel discover live infestation in a sample, the grading of that sample will be discontinued and the sample contents will be returned to the sample Bag which shall be sealed and marked as having live infestation. The presence of live infestation will be noted on the Lotting Account and an Exchange official will instruct the applicant to make arrangements for the sample to be removed within twenty-four (24) hours. If the Owner fails to remove the sample within twenty-four (24) hours of notification, the Exchange or its appointed grading agency (as the case may be) may, at its absolute discretion, arrange for its disposal.
- A2S4.2.8 Prior to leaving the Grading Room, the Graders will ensure that all results relevant to the samples graded by the Grading Panel or Appeal Panel have been submitted to the Exchange or to the appointed grading agency.
- A2S4.2.9 Once grading of each sample is completed, the Exchange or its appointed grading agency will retain the samples for such period of time it deems appropriate and may be used when re-grading is required.
- A2S4.2.10 The Exchange shall, within seven (7) days of receipt of the sample, subject to the above and upon completion of grading, notify the Accepted Warehousekeeper of the Grading Result in respect of the Delivery Lot which is the subject of the application, by issuing a Grading Certificate (original and duplicate copy) and in such form as determined by the Exchange from time to time. The Accepted Warehousekeeper shall notify the Owner of the Delivery Lot of the Grading Result.

### **A2S4.3 SAMPLE PREPARATION FOR A SINGLE LOT**

- A2S4.3.1 A member of the Grading Panel shall check that the sample complies with Paragraph A2S4.2. If so, a member of the Grading Panel shall then break the

sample-seal(s) and empty the entire contents of the grading sample into a tray and thoroughly mix the grading sample by hand.

A2S4.3.2 A sample shall then be prepared by use of a flat-bottomed scoop to remove a quantity of beans weighing not less than 300g from the grading sample which shall be placed in a clean and odourless container. The net weight of the sample shall be recorded.

#### **A2S4.4 OLFACTORY TEST**

A2S4.4.1 A member of the Grading Panel shall bring his nose close to the whole of a sample and sniff sharply. If any abnormal odour is detected then this is to be corroborated by the other members of the Grading Panel.

A2S4.4.2 In doubtful cases, if there is a suspicion of an abnormal odour, a clean, odourless container shall be half-filled with coffee from the sample, closed hermetically, and kept for a minimum of one (1) hour at room temperature. The container shall be opened and the evaluation of the odour repeated.

A2S4.4.3 The result shall be recorded if the sample is graded not being free of foreign odour and the relevant Delivery Lot shall be non-deliverable.

#### **A2S4.5 VISUAL EXAMINATION**

A2S4.5.1 A sample shall be spread over a plain black surface under diffuse daylight or artificial light reproducing daylight as closely as possible and the sample inspected to confirm that the botanical origin of the beans in the sample conform with these Robusta Coffee Contract Specifications, failing which the relevant Delivery Lot shall be non-deliverable.

#### **A2S4.6 SCREEN TEST**

A2S4.6.1 A sample shall be weighed, the weight recorded, and the sample material poured into the nest of sieves sized 16, 13 and 12, the lid placed on top and the receiver placed under the sieve with the smallest aperture.

A2S4.6.2 The sieves shall be agitated with a slight corner-to-corner tilting action and with slight vertical shaking or through such other process which results in no further beans moving from one screen to the next. This is to be followed by a sharp knock to the nest of sieves in order that beans held loosely in apertures fall through. The oversized beans collected on each of the sieves used shall be weighed to the nearest 1g, and, if applicable, the undersized beans collected in the receiver. Beans remaining in apertures shall be considered to be retained on the sieve in question. The weights for each screen shall be recorded.

**A2S4.7 DETERMINATION OF FOREIGN MATTER AND DEFECTS**

A2S4.7.1 A sample shall be weighed and the weight recorded. The sample shall be examined for foreign matter and Defects pursuant to these Robusta Coffee Contract Specifications. Any such material so identified shall be separated and the aggregate in both categories shall each be weighed to the nearest 0.1g and the results compared to the weight of the sample.

**A2S4.8 STANDARDS**

A2S4.8.1 Delivery Lots which are graded shall be deemed as deliverable subject to meeting the requirements as set out in these Robusta Coffee Contract Specifications.

**ANNEX 3**

**OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

**FORMS OF PRE-DELIVERY INTENTION TO DELIVER/ACCEPT  
AND DELIVERY/ACCEPTANCE NOTICES**



**SCHEDULE 1 OF ANNEX 3 OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

Singapore Exchange Limited

Notice Number   
(For SGX use only)

Form A

Notice of Pre-Delivery Intention to Deliver (Robusta Coffee)  
(Pursuant to Section 5.1.2 of the Robusta Coffee Contract Specifications)

This form is to be submitted to the Clearing House only once either by 3.00 pm on the second Trading Day prior to LTD or the first Trading Day prior to LTD.

Date \_\_\_\_\_

To: To: Singapore Exchange Derivatives Clearing Limited

You are hereby notified that we intend to deliver Robusta Coffee pursuant to the Rules of SGX and the SGX Robusta Coffee Contract Specifications.

Selling Member's Name: \_\_\_\_\_

Selling Member's Number:

Delivery Month:  (MM/YY)

Quantity:  Lots  Metric Tonnes

Identity of Customer (if any): \_\_\_\_\_ A/c No: \_\_\_\_\_

**OR**

Non-Clearing Broker Member's No:  Name: \_\_\_\_\_

Identity of Customer (if any): \_\_\_\_\_ \*A/c No: \_\_\_\_\_

\_\_\_\_\_  
Selling Member's Company Stamp

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name and Designation

Note:  
Please ensure that the following Delivery Documents are prepared and ready for submission accordingly:  
LTD + 1 Business Day  
1. Delivery Notice  
LTD + 2 Business Day  
2. Acceptable Warehouse Receipt and other document accepted by the Clearing house evidencing payment or Rent and all Related Expenses (original),  
3. Lotting Account (duplicate copy),  
4. Grading Certificate (duplicate copy)

\* A/c No. with NCB Member

**SCHEDULE 2 OF ANNEX 3 OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

Singapore Exchange Limited

Notice Number   
(For SGX use only)

Form B

Notice of Pre-Delivery Intention to Accept (Robusta Coffee)

(Pursuant to Section 5.1.2 of the Robusta Coffee Contract Specifications)

This form is to be submitted to the Clearing House only once either by 3.00 pm on the second Trading Day prior to LTD or the first Trading Day prior to LTD.

Date \_\_\_\_\_

To: To: Singapore Exchange Derivatives Clearing Limited

You are hereby notified that we intend to take delivery of Robusta Coffee pursuant to the Rules of the Singapore Exchange Limited and the SGX Robusta Coffee Contract Specifications.

Buying Member's Name: \_\_\_\_\_

Buying Member's Number:

Delivery Month:  (MM/YY)

Quantity:  Lots  Metric Tonnes

Identity of Customer (if any): \_\_\_\_\_ A/c No: \_\_\_\_\_

**OR**

Non-Clearing Broker Member's No:  Name: \_\_\_\_\_

Identity of Customer (if any): \_\_\_\_\_ \*A/c No: \_\_\_\_\_

\_\_\_\_\_  
Buying Member's Company Stamp

\_\_\_\_\_  
Authorised Signature

\_\_\_\_\_  
Name and Designation

**Note:**

1. Please ensure that the Acceptance Notice is prepared and ready for submission on the first Business Day after LTD.
2. Please ensure sufficient funds are available. The Clearing House will issue a debit note and debit 100% of the Contract Value on the second Business Day after LTD (LTD+ 2), including any adjustments which may have been made for premiums or discounts.

\* *A/c No. with NCB Member*

**SCHEDULE 3 OF ANNEX 3 OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

Singapore Exchange Limited

Notice Number   
(For SGX use only)

Form C

Delivery Notice (Robusta Coffee)

(Pursuant to Section 7.5.1 of the Robusta Coffee Contract Specifications)

This form is to be submitted to the Clearing House by 9.00 am on the first Business Day after expiry of the Contract (LTD + 1) and shall be binding pursuant to Section 7.5.3 (a) and (b) of the Robusta Coffee Contract Specifications.

Date \_\_\_\_\_

To: To: Singapore Exchange Derivatives Clearing Limited

You are hereby notified that we shall comply with all Delivery Obligations required to deliver Robusta Coffee pursuant to SGX Rules and the SGX Robusta Coffee Contract Specifications.

Selling Member's Name: \_\_\_\_\_

Selling Member's Number:

Delivery Month:  (MM/YY)

Quantity:  Lots  Metric Tonnes

Identity of Customer (if any): \_\_\_\_\_ A/c No: \_\_\_\_\_

**OR**

Non-Clearing Broker Member's No:  Name: \_\_\_\_\_

Identity of Customer (if any): \_\_\_\_\_ \*A/c No: \_\_\_\_\_

**Delivery Document details**

Acceptable Warehouse Receipt Number : \_\_\_\_\_

Lotting Account Number : \_\_\_\_\_

Grading Certificate Number : \_\_\_\_\_

\_\_\_\_\_  
Selling Member's Company Stamp

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name and Designation

Note:  
1. Please note that the following Delivery Documents are to be submitted by 10am on the second Business Day after LTD (LTD + 2):  
    (a) Acceptable Warehouse Receipt (original),  
    (b) Lotting Account (duplicate copy),  
    (c) Grading Certificate (duplicate copy)  
2. Failure to produce the set of Delivery Documents on LTD + 2 may be construed as an event of default pursuant to Section 8.5 of the Robusta Contract Specifications.

\* A/c No. with NCB Member

**SCHEDULE 4 OF ANNEX 3 OF THE CONTRACT SPECIFICATIONS FOR  
ROBUSTA COFFEE CONTRACT**

Singapore Exchange Limited

Notice Number   
(For SGX use only)

Form D

Acceptance Notice (Robusta Coffee)

(Pursuant to Section 7.5.1 of the Robusta Coffee Contract Specifications)

This form is to be submitted to the Clearing House by 9.00 am on the first Business Day after expiry of the Contract (LTD +1) and shall be binding pursuant to Section 7.5.2 (a) and (b) of the Robusta Coffee Contract Specifications.

Date \_\_\_\_\_

To: To: Singapore Exchange Derivatives Clearing Limited

You are hereby notified that we shall comply with all Delivery Obligations required to take delivery of Robusta Coffee pursuant to SGX Rules and the SGX Robusta Coffee Contract Specifications.

Buying Member's Name: \_\_\_\_\_

Buying Member's Number:

Delivery Month:  (MM/YY)

Quantity:  Lots  Metric Tonnes

Identity of Customer (if any): \_\_\_\_\_ A/c No: \_\_\_\_\_

**OR**

Non-Clearing Broker Member's No:  Name: \_\_\_\_\_

Identity of Customer (if any): \_\_\_\_\_ \*A/c No: \_\_\_\_\_

**Customer Contact Details**

Customer Address	:	_____
		_____
Contact person	:	_____
Contact details	:	_____ (mobile) _____ (office)

\_\_\_\_\_  
Buying Member's Company Stamp

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name and Designation

**Note:**  
Please ensure sufficient funds are available. The Clearing House will issue a debit note and debit 100% of the Contract Value on the second Business Day after LTD (LTD + 2), including any adjustments which may have been made for premiums or discounts.

\* A/c No. with NCB Member

Appendix D

**CLEARING FEE & DELIVERY FEE SCHEDULE  
FOR SGX ROBUSTA COFFEE FUTURES**

	<b>Fee Type</b>	<b>Clearing Fee per lot</b>
Cf 1	Trading Member (Individual)	US\$ 0.50/lot
Cf 2	Clearing Member House	US\$ 0.50/lot
Cf 3	Trading Member (Broker) House	US\$ 0.50/lot
Cf 5	Clearing Member Customer	US\$ 1.00/lot
Cf 6	Trading Member (Broker) Customer	US\$ 1.00/lot
Cf 7	Trading Member (Proprietary)	US\$ 0.50/lot
Cf 8	Clearing Member Related Company House	US\$ 1.00/lot
Cf E	Trading Member's Trading Rep (House)	US\$ 0.50/lot
Cf F	Trading Member's Trading Rep (Customer)	US\$ 1.00/lot
Cf G	Clearing Member's Trading Rep (House)	US\$ 0.50/lot
Cf K	Trading Member's Proprietary	US\$ 0.50/lot