

EXCHANGE CONTRACT NO. 409

ROBUSTA COFFEE FUTURES CONTRACT

CONTRACT TERMS - Issue Date: 26 March 2010¹

ADMINISTRATIVE PROCEDURES - Issue Date: 26 March 2010

Delivery Months: May 2010 onwards

¹ Please refer to London Notice No. 3269, issued on 26 March 2010

CONTENTS

Contract Terms

1. Interpretation
2. Contract Specification
3. Delivery
4. Origin and Quality
5. Packing and Weights
6. Price
7. Import Duty, Levy or Tariffs
8. Last Trading Day
9. Exchange Delivery Settlement Price (“EDSP”)
10. Invoicing Amount
11. Settlement Payments
12. Seller’s Delivery Notice and Notifications to the Seller
13. Allocations and Notifications to the Buyer
14. Delivery
15. Property and Risk
16. Default in Performance
17. Force Majeure
18. New Legislation
19. Articles, Rules and Regulations
20. Arbitration
21. Law and Jurisdiction
22. Non-Registered Contracts
23. Statement in relation to the Tender Process

Administrative Procedures

1. Settlement Procedures
2. Tender Day
3. Last Trading Day
4. Settlement Day
5. Early Take Up
6. Acceptance of a Lot

ROBUSTA COFFEE FUTURES CONTRACT
THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS
EXCHANGE

Terms of Exchange Contract No. 409

1. Interpretation

1.01 Save as otherwise specified herein, words and phrases defined in the Rules and the Grading and Warehousekeeping Procedures in respect of Cocoa and Robusta Coffee Futures Contracts shall have the same meanings in these terms and in the Administrative Procedures.

1.02 In these terms and in the Administrative Procedures:

“Acceptance Date” means, in respect of each lot, the business day falling seven business days immediately after the Settlement Day.

“Administrative Procedures” means the procedures from time to time implemented by the Board pursuant to the Rules for the purposes of this Exchange Contract.

“Allowance” means a premium or discount, expressed in US Dollars per Tonne, used in calculating the invoicing amount pursuant to term 10.01.

“Age Allowance” means a discount, expressed in US Dollars per Tonne, calculated in accordance with term 3.05.

“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 and interior is black (endosperm).

“bulk” means Robusta Coffee that has been shipped from Origin in packaging other than original bags conforming with Contract terms 5.01(a) and 5.02(a).

“business day” means a day on which the market, the CSP and banks in London are open for business.

“Buyer” in respect of a Contract means the person who is obliged under such Contract to accept delivery in respect of each lot of Robusta Coffee and to pay the invoicing amount in respect of each such lot (including, except where the context otherwise requires, the CSP as a buyer under a registered Contract).

“cherry” means the fruit of the coffee plant.

“Class” means the class of a lot as determined by Graders pursuant to term 4.03.

“Class Allowance” means a premium or discount, expressed in US Dollars per tonne, calculated in accordance with term 4.03.

“coffee bean” means the dried seed of the coffee plant.

“Contract” means a contract made expressly or impliedly in the terms of this Exchange Contract for the sale and purchase of one or more lots and “registered Contract” means a Contract registered by the Exchange.

“Contract price” means the price agreed between a Buyer and a Seller in respect of a Contract.

“CPS” means the Clearing Processing System, or any successor thereto, which handles real-time position-keeping facilities; functions for the entry of position transfer, settlement, delivery and option exercise instructions; and the processing related to any position changes.

“CSP” means a clearing services provider appointed pursuant to LIFFE Rule 1.1.3 (or any successor rule thereto) from time to time to provide certain clearing services to the Exchange.

“CSP Procedures” means the Procedures of the CSP from time to time in force.

“default in performance” has the meaning attributed to it in term 16.02.

“Defects” means any defect determined to be a defect by the Graders pursuant to term 4.04.

“delivery area” means each geographic area referred to in term 3.03, as varied by the Board from time to time, within which a Warehouse must be located.

“delivery month” means each month specified as such by the Board pursuant to the Rules.

“Depository” means any person appointed by the Exchange to receive, hold and administer Warrants in immobilised form; details of such persons shall be notified by Notice from time to time.

“EDSP” means the Exchange Delivery Settlement Price and has the meaning attributed to it in term 9.

“FIBC” means a Flexible Intermediate Bulk Container of a type described in term 5.01(b)(ii).

“foreign matter” means any substance or matter, other than a whole Coffee bean or Residue, which in the opinion of the Graders is, upon grading, identified as foreign matter pursuant to term 4.05.

“Grader” means a LIFFE Registered Robusta Coffee Grader.

“Grading and Warehousekeeping Procedures” means the procedures from time to time implemented by the Board pursuant to the Rules in respect of:

- (a) sampling and storage of Robusta Coffee by Warehousekeepers;
- (b) grading of Robusta Coffee by the Graders; and
- (c) the Warrant management service for Robusta Coffee,

which may be contained in one or more documents.

“Grading Result” means the result given to a parcel or lot which has been graded by the Graders and containing such information as the Board may prescribe from time to time.

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

“invoicing amount” has the meaning attributed to it in term 10.

“Last Trading Day” in respect of a delivery month means (subject to term 8) the last business day of the relevant delivery month.

“LIFFE Registered Robusta Coffee Graders” means a panel of Robusta Coffee graders registered with the Exchange in accordance with the Grading and Warehousekeeping Procedures who, upon the application of a Nominated Member, examine and grade a sample of the parcel or lot which is the subject of the application and issue a Grading Result in respect of such parcel or lot pursuant to the Grading and Warehousekeeping Procedures.

“lot” has the meaning attributed to it in term 2.02.

“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 lot means the net weight of such lot calculated in accordance with term 5.04 and expressed in Tonnes.

“Nominated Member” means a Clearing Member who, on behalf of an Owner, has been nominated by a Warehousekeeper or another Nominated Member in respect of the registration on NYSE Liffe Guardian of a Warrant that is to be, or has been, immobilised.

“NYSE Liffe Guardian” means the electronic system relating to grading, tender, delivery and warrant management services, or any successor thereto, which, amongst other things, lists parcels and lots stored in a Warehouse for delivery under a Contract.

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

“parcel” means all or any portion of a shipment of Robusta Coffee of one Origin, one Class, ex one vessel, shipped on one Bill of Lading to the same destination and which is stored in one Warehouse.

“Regulations” means the General Regulations, Default Rules and Procedures of the CSP from time to time in force.

“Rent” means a periodic fee which a Warehousekeeper shall be entitled to charge in respect of the storage of a parcel or lot in its Warehouse.

“Rent Allowance” is an allowance which is calculated in accordance with term 6.02.

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

“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 14 round” means a laboratory test sieve with 14/64ths of an inch round apertures.

“Screen 15 round” means a laboratory test sieve with 15/64ths of an inch round apertures.

“Seller” in respect of a Contract means the person who is obliged under such Contract to deliver Robusta Coffee in respect of each lot (including, except where the context otherwise requires, the CSP as seller under a registered Contract).

“Seller’s Delivery Notice” means the notice to be given by the Seller to the Exchange under terms 12.01 and 12.02.

“shipment period” means the crop year for the country of origin of Robusta Coffee as defined by the International Coffee Organisation.

“Settlement Day” means the day (or the next business day if such a day is not a business day) which is 14 days after the Tender Day (subject to term 6.02(c)).

“Supervision Company” is a company whose business is the supervision and/or inspection of goods and which is appointed by the Exchange for the purposes of performing inspections on behalf of the Exchange.

“tender” means the delivery by a Seller in accordance with these terms of a Seller’s Delivery Notice.

“Tender Day” means in respect of any lot, the business day on which a Seller’s Delivery Notice is given by the Seller and accepted by the Exchange.

“Tonne” means a metric tonne of 1,000 kilogrammes.

“US Dollars”, “\$” and “cents” denote, at the date of issue of these terms, the lawful currency of the United States of America.

“Valid Grading Result” has the meaning attributed to it in term 3.05.

“Warehouse” means a warehouse in respect of which a Warehousekeeper has been nominated by the Exchange in its absolute discretion to store Goods and which appears on the List of Nominated Warehouses and Warehousekeepers published from time to time by Notice. A Warehouse shall, for the purposes of nomination under the Grading and Warehousekeeping Procedures, be a single structure designed or modified for the purpose of storing Goods, or groups of such structures connected by internal doors allowing for the passage of the relevant Goods. Where there are no such interconnecting doors between such structures these shall be nominated as separate Warehouses.

“Warehousekeeper” means either a Single or Dual Capacity Warehousekeeper which has been nominated by the Exchange in its absolute discretion to store in its Warehouse Goods piled as either parcels, lots, Standard and Large Delivery Units or Standard, Large or Bulk Delivery Units, as the case may be, and to record such details that are represented by the Warrant on NYSE Liffe Guardian and which appears on the List of Nominated Warehouses and Warehousekeepers published from time to time by Notice.

“Warrant” means a warrant for the delivery of a parcel or lot stored in a Warehouse which authorises the possessor of such document to transfer or receive the parcel or lot referred to therein².

“Weight Allowance” means a discount, expressed in US\$ per Tonne, calculated in accordance with term 5.06.

² the Warrant must not have expired under the relevant terms under which the Warrant was issued.

- 1.03 References to a “term” refer to terms hereof, and references to a “Rule” refer to a rule of the Exchange’s Rules. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.
- 1.04 In these terms and in the Administrative Procedures, references to the Exchange in the context of delivery rights and obligations shall be read as reference to the CSP where the context so dictates, including, without limitation, where there is reference to situations where the CSP becomes counterparty to delivery rights and obligations pursuant to Tripartite Clearing Membership Agreements and/or the Rules (be this due to a LIFFE Clearing Member being declared a defaulter; or following the expiry of an open contract on the market; or otherwise). For the avoidance of doubt these terms and the Administrative Procedures are not intended to vary the terms of any Tripartite Clearing Membership Agreement and, in the event of conflict between the terms of such documents/agreements the terms of the Tripartite Clearing Membership Agreement shall prevail over these terms and the Administrative Procedures.

1.05 All times referred to herein, are London times.

2. Contract Specification

2.01 Each Contract shall be for one or more lots for delivery in the delivery month specified.

2.02 A lot shall be an amount of Robusta Coffee which shall be of the same Origin and shipment period and stored in the same Warehouse under the control of the same Warehousekeeper in accordance with the Grading and Warehousekeeping Procedures. Each lot shall have a nominal Net Weight of ten Tonnes and shall be made up of Robusta Coffee from not more than two parcels.

3. Delivery

3.01 A Seller shall, in respect of each lot of a Contract, deliver the amount of Robusta Coffee which is required by these terms.

3.02 A Seller may only deliver a tender for a lot if, on or before the day and by the time specified for delivery of such tender in the Administrative Procedures, the lot:

- (a) has a Warrant that has been immobilised and its details recorded on NYSE Liffe Guardian (in respect of each parcel, where applicable);
- (b) has a Valid Grading Result; and
- (c) complies with these terms.

3.03 Robusta Coffee shall be delivered in bags in a Warehouse which is located in a geographic area (a “delivery area”), which is in London and the Home Counties,

or which is in or, in the Board's opinion, sufficiently close to, Amsterdam, Antwerp, Barcelona, Bremen, Felixstowe, Genoa-Savona, Hamburg, Le Havre, Marseilles-Fos, New Orleans, New York, Rotterdam or Trieste. The Board may from time to time delist a delivery area or list any other delivery area which shall have such effect with regard to existing or new Contracts or both as the Board may determine in its absolute discretion.

3.04 A Seller shall deliver a lot which conforms to terms 4 and 5 and which is stored in a Warehouse in a clearly identifiable pile of bagged Robusta Coffee, in accordance with the Grading and Warehousekeeping Procedures. The Seller of a lot shall be responsible for any port, landing and delivery charges in respect of that lot.

3.05 A Grading Result issued in respect of a lot shall be valid ("Valid Grading Result") if:

- (a) it states that the lot has been graded as "tenderable"; and
- (b) the invoicing amount for that lot, as defined in term 10, is reduced by an Age Allowance of:
 - (i) \$5 per Tonne per calendar month for the period of 13-48 calendar months following the date of grading; and
 - (ii) \$10 per Tonne per calendar month for the period of 49 calendar months and onwards following the date of grading.

The Age Allowance shall be calculated on the basis of the Net Weight and shall be in addition to any Allowance available under term 4, 5.06, 6.02 and 7.01.

3.06 Without prejudice to any exclusion of liability provision in the Rules, neither the Exchange nor the Board shall be liable for any loss or damage whatsoever, whether for negligence, breach of contract, misrepresentation or otherwise (other than for fraud or wilful default) in respect of:

- (a) the failure by the Exchange or any Graders to grade or to issue a Grading Result by a particular date; or
- (b) the performance or non-performance by any Grader of any function relating to grading; or
- (c) the performance or non-performance of a Warehousekeeper of his supervisory duties; or
- (d) the performance or non-performance by any Warehousekeeper of his obligations pursuant to these terms or the Grading and Warehousekeeping Procedures; or

- (e) the performance or non-performance of NYSE Liffe Guardian; or
- (f) the accuracy or availability of any information recorded on NYSE Liffe Guardian; or
- (g) the safeguarding of rights of any person entitled to a Warrant that has been immobilised or rights asserted by any person claiming to be entitled to be treated as Owner; or
- (h) the legal consequences or enforceability of the Grading and Warehousekeeping Procedures in any jurisdiction; or
- (i) the performance or non-performance by any Supervision Company of his obligations which are carried out on behalf of the Exchange; or
- (j) the performance or non-performance of the Depository of his duties as an immobilised Warrant depository, including, but not limited to receiving, holding and administering Warrants that have been immobilised.

4. Origin and Quality

- 4.01 A Seller shall deliver a lot which is of an Origin and quality which complies with this term 4. The Origin and quality of Robusta Coffee shall be determined under terms 4.02, 4.04, 4.05 and 4.06 on the basis of examination in accordance with the procedures required by the Grading and Warehousekeeping Procedures. The quality of a lot shall be evidenced by the Valid Grading Result for such a lot.
- 4.02 A Seller may deliver a lot of Robusta Coffee from any country of Origin provided that it is freely available for export to any destination.
- 4.03 A Seller shall deliver under a Contract a lot of Robusta Coffee which shall be deliverable at the Contract price subject to any of the following applicable Class Allowances, which shall be calculated on the basis of the Net Weight:
 - (a) Premium Class: up to a maximum of 0.5% Defects by weight and up to a maximum of 0.2% foreign matter by weight and a minimum of 90% over Screen 15 round and a minimum of 96% over Screen 13 round per 300g; at an Allowance of \$30 premium per Tonne; or
 - (b) Class 1: up to a maximum of 3.0% Defects by weight and up to a maximum of 0.5% foreign matter by weight and a minimum of 90% over Screen 14 round and a minimum of 96% over Screen 12 round per 300g; at Contract price; or

- (c) Class 2: up to a maximum of 5.0% Defects by weight and up to a maximum of 1.0% foreign matter by weight and a minimum of 90% over Screen 13 round and a minimum of 96% over Screen 12 round per 300g; at an Allowance of \$30 discount per Tonne; or
 - (d) Class 3: up to a maximum of 7.5% Defects by weight and up to a maximum of 1.0% foreign matter by weight and a minimum of 90% over Screen 13 round and a minimum of 96% over Screen 12 round per 300g; at an Allowance of \$60 discount per Tonne; or
 - (e) Class 4: up to a maximum of 8.0% Defects by weight and up to a maximum of 1.0% foreign matter by weight and a minimum of 90% over Screen 12 round per 300g; at an Allowance of \$90 discount per Tonne.
- 4.04 Defects shall include but shall not be limited to black beans, bean fragments, cherries or mouldy beans.
- 4.05 Foreign matter shall mean any object which is not a coffee bean or part thereof or a cherry including but not limited to sticks, stones, soil and husks.
- 4.06 A Seller shall not deliver a lot, and a Valid Grading Result shall not be issued in respect of any lot, to which in the opinion of the Graders upon grading one or more of the following applies:
- (a) the lot is not Robusta Coffee;
 - (b) the lot is unsound for any reason other than having the Defects listed in term 4.04 above, as determined by the Graders; or
 - (c) the lot contains more than 8.0% Defects by weight per 300g; or
 - (d) the lot contains less than 90% Robusta Coffee beans over Screen 12 round; or
 - (e) the lot contains more than 1.0% by weight foreign matter per 300g; or
 - (f) the lot has a detectable foreign odour including, but not limited to, mould, fermentation or smoke.
- 4.07 In respect of a lot delivered under a Contract, the Origin as stated in the Bill of Lading shall be prima facie evidence of the relevant Origin of such Robusta Coffee.
- 4.08 Robusta Coffee which has formed part or all of a lot, which has previously been graded as not tenderable by Graders under the terms of this Contract, shall not form part or all of a lot and shall not be delivered by a Seller under a Contract.

- 4.09 Robusta Coffee which has formed part or all of a lot or parcel which has previously been graded as tenderable by Graders under the terms of this Contract, shall not form part or all of a lot to be submitted for re-grading.
5. Packing and Weights
- 5.01 Robusta Coffee to be delivered under a Contract;
- (a) if shipped from Origin in bags, shall be packed in sound bags which are in external good order, are woven from natural fibres, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Board from time to time; and
 - (b) if shipped from Origin in bulk, shall be packed in;
 - (i) sound bags which are in external good order, are woven from natural fibres, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use, and meet such other criteria as may be prescribed by the Board from time to time; or
 - (ii) sound FIBCs which are sealed, are in external good order, are constructed using woven material such that they prevent condensation occurring during storage, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Board from time to time.
- 5.02 If the Robusta Coffee was shipped from Origin;
- (a) in bags; each bag of Robusta Coffee contained within a lot and delivered under a Contract shall have a Gross Weight of no more than 80 kilogrammes; or
 - (b) in bulk;
 - (i) each bag of Robusta Coffee contained within a lot and delivered under a Contract shall have a Gross Weight of no more than 80 kilogrammes; or
 - (ii) each FIBC of Robusta Coffee contained within a lot and delivered under a Contract shall have a Gross Weight of no less than 900 kilogrammes and no more than 1,100 kilogrammes.
- 5.03 Subject to the Grading and Warehousekeeping Procedures, Robusta Coffee to be delivered under a Contract may be rebagged. Bags shall, at the time of any such rebagging, be previously unused, clean and suitable for food contact use, and

shall meet the criteria referred to in 5.01(b) and such other criteria prescribed by the Board from time to time.

5.04 Subject to term 5.06 and the Grading and Warehousekeeper Procedures each lot to be delivered by a Seller under a Contract shall be invoiced in accordance with term 10.01. In term 10.01, the “Net Weight” shall be calculated in accordance with this term 5.04 and shall equal:

- (a) Gross Weight as specified on the Warrant details recorded on NYSE Liffe Guardian;
- (b) less the weight of any samples drawn from such lot after it was last weighed; and
- (c) less the actual bag tare weight of the lot, to the nearest gramme, as specified on the Warrant details recorded on NYSE Liffe Guardian.

5.05 A Seller shall deliver under a Contract a lot which has a Net Weight within a tolerance of 3% above or below ten Tonnes. For the avoidance of doubt, the Buyer shall not reject a lot for not being delivered with a nominal Net Weight of ten Tonnes, provided it is delivered within the tolerance band for such lot as specified in this term. The Buyer is entitled to reject a lot which is not within such tolerance band.

5.06 Periodic Reweighing:

- (a) Subject to paragraph (b) below, Robusta Coffee may not be tendered more than twelve months after the last day of the month in which it was last weighed or reweighed. If such period has expired the Robusta Coffee shall, at the Seller's expense, be reweighed before delivery and the Warrant details recorded on NYSE Liffe Guardian updated accordingly; and
- (b) Robusta Coffee may be tendered up to 36 months after the last day of the month in which it was last weighed or reweighed, provided that the Seller makes a Weight Allowance in respect of notional loss of weight at the rate of 0.75 per cent per Tonne in respect of the second year or part thereof and 0.0625 per cent per Tonne in respect of each subsequent month or part thereof, up to a maximum deduction of 1.5 per cent per Tonne. The Weight Allowance shall be calculated on the basis of:
 - (i) the Net Weight; and
 - (ii) the EDSP.

5.07 A lot shall be weighed or reweighed in a Warehouse in accordance with the Grading and Warehousekeeping Procedures in force at the time of such weighing or reweighing.

6. Price

- 6.01 Bids and offers shall be quoted in US Dollars per Tonne and prices shall be a whole number multiple of the minimum price fluctuation. The minimum price fluctuation shall be US\$1 per Tonne and shall have a value of US\$10 per lot.
- 6.02 (a) A Warrant shall not be tendered unless Rent is written up (that is to say, the Warrant details recorded on NYSE Liffe Guardian in relation to Rent are updated by the Warehousekeeper) in respect of the period to at least the last calendar day of the month immediately preceding the delivery month.
- (b) The Seller shall make an Allowance for any Rent short of the Settlement Day and the Buyer shall make an Allowance, at the same rate, for any Rent written up beyond the Settlement Day. This Allowance shall be known as the Rent Allowance and shall be calculated on the basis of:
- (i) the Gross Weight;
 - (ii) the daily rent rate per Tonne as published by the Exchange and CSP from time to time; and
 - (iii) the number of days in respect of which Rent is due.
- (c) For the purposes of this term 6.02 references to the Settlement Day are to be construed as references to the fourteenth day after the Tender Day, whether or not it is a business day.

7. Import Duty, Levy or Tariffs

- 7.01 The notional amount of any import duty, levy or other tariff (other than value added tax) chargeable upon the importation of Robusta Coffee (other than Robusta Coffee which is exempt from any such charge) into the European Union, calculated at the rate thereof in force on the first business day of the delivery month and on the basis of the Exchange's EDSP for that delivery month on the last business day of the immediately preceding month, shall in every case be deducted from the Contract price (whether or not any duty, levy or other tariff, other than value added tax, has actually been paid on the Robusta Coffee) unless the tender documents show that the Robusta Coffee tendered is exempt from such charge, or the coffee is tendered for delivery in the ports of New York or New Orleans.
- 7.02 The Contract price shall be exclusive of any value added tax which may be or become payable thereon. Any such tax shall be for the Buyer's account.
- 7.03 If any country shall at any time adhere or cease to adhere to any international agreement, convention or treaty the Board may (without prejudice to its powers

under any other rule) take any steps it deems necessary or desirable (whether by way of varying these Contract terms or otherwise) for the purpose of reducing or eliminating any effect on the market which in the Board's opinion results from any consequential change in the rate or incidence of any import duty, levy or other tariff charged on Robusta Coffee of any Origin. Such steps may include the adjustment of Contract prices by such Allowances, premiums or other means as may be determined by the Board.

8. Last Trading Day

8.01 On the Last Trading Day:

- (a) trading in Contracts for the relevant delivery month shall cease at such time as may be specified for that purpose in the Administrative Procedures; and
- (b) the Exchange will calculate the EDSP for such Contracts in accordance with term 9.

8.02 If, for Contracts in respect of a delivery month, the day specified as the Last Trading Day is not a business day then the business day immediately preceding that day shall become the Last Trading Day for such Contracts.

8.03 If, at any time after the close of trading two business days prior to the day which would have been the Last Trading Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the Last Trading Day will not be a business day, then the business day next following such day shall become the Last Trading Day in respect of that delivery month and the Exchange shall publish a Notice to that effect.

9. Exchange Delivery Settlement Price ("EDSP")

9.01 Subject to term 9.02, the EDSP for Contracts for a particular delivery month shall be calculated by Exchange officials on each business day during the delivery period. The EDSP for a business day in the delivery period shall be the Daily Settlement Price determined by the Exchange on the previous business day, in accordance with the Liffe Trading Procedures, as amended from time to time.

9.02 If, in the opinion of Exchange officials, the EDSP which would result from a calculation made in accordance with term 9.01 would be unrepresentative or incompatible with due observance of the Exchange's responsibilities, or it is impracticable to calculate the EDSP in accordance with term 9.01, then Exchange officials may in their absolute discretion fix the EDSP at a price determined by them with reference to such available data as they deem appropriate.

9.03 The Exchange shall publish the EDSP by the time specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

10. Invoicing Amount

10.01 Subject to term 10.02, the “invoicing amount” in respect of each lot to be delivered under a Contract and referred to in a Delivery Notice shall be a sum calculated in accordance with the formula:

$$\text{EDSP*Net Weight} - (A+B+C+D+E)$$

where:

EDSP = The EDSP for the Tender Day

A = Age Allowance (as per term 3.05)

B = Class Allowance (as per terms 4.03, 4.04 and 4.05)

C = Weight Allowance (as per term 5.06)

D = Rent Allowance (as per term 6.02)

E = Import Duty (as per term 7)

10.02 (a) Where the sum calculated in accordance with term 10.01 is not a number of US Dollars and whole cents, such sum shall be rounded to the nearest sum which is a number of US Dollars and whole cents and the invoicing amount shall be such nearest sum.

(b) Where the sum calculated in accordance with term 10.01 is a number of US Dollars and whole cents and one half of one cent, such sum shall be rounded up to the nearest sum which is a number of US Dollars and whole cents, and the invoicing amount shall be such nearest sum.

11. Settlement Payments

11.01 In respect of each lot referred to in a Seller's Delivery Notice, in addition to any other payment required by these terms, the following payments shall be made by the time specified for that purpose in the Administrative Procedures:

(a) where the EDSP exceeds the Contract price, payment by the Seller to the CSP or payment by the CSP to the Buyer, or both (as the case may require); and

- (b) where the Contract price exceeds the EDSP, payment by the Buyer to the CSP or payment by the CSP to the Seller, or both (as the case may require);

of an amount calculated as the difference, in US Dollars multiplied by ten in respect of each lot, between the EDSP and the Contract price.

12. Seller's Delivery Notice and Notifications to the Seller

12.01 A Seller in whose name one or more Contracts is registered by the Exchange, or who intends to submit or has submitted one or more Contracts to the Exchange for registration, shall have given to the Exchange a Seller's Delivery Notice in respect of each lot comprised in such Contracts which has been allocated a Valid Grading Result and for which there is a Warrant that has been immobilised, not later than the time on the Tender Day specified for that purpose in the Administrative Procedures.

12.02 A Seller's Delivery Notice shall be presented to the Exchange by the Seller by such means and in such a form as is prescribed from time to time by the Exchange. The Seller's Delivery Notice shall in respect of each lot to be delivered by the Seller specify the information set out in the Administrative Procedures and such other information as the Exchange may prescribe from time to time.

12.03 Subject to term 14.05, a Seller shall not substitute a tender after delivery of the tender to the Exchange, unless:

- (a) the Seller has obtained the prior consent of the Exchange, the Exchange has obtained the Buyer's prior written consent in respect of any lots referred to in the tender which have been allocated to such Buyer under term 12.01 and the Seller has notified the Exchange of the proposed substitution; or
- (b) the Seller is directed by the Exchange to make a substitution of the tender, or any of its terms.

12.04 The CSP shall not be obliged to accept a tender in respect of one or more lots, unless:

- (a) the tender complies with terms 12.02 and 12.03; and
- (b) the Seller is able to present such other documents or information in respect of such lots as may be required by the Exchange under term 12.02.

12.05 By the time specified for that purpose in the Administrative Procedures on the Tender Day, the Exchange shall make available to the Seller details of the

invoicing amount payable to the Seller by the CSP in respect of each lot to be delivered by the Seller.

13. Allocations and Notifications to the Buyer

13.01 In respect of registered Contracts, the Exchange will, not later than the Tender Day specified for that purpose in the Administrative Procedures, allocate to a Buyer one or more lots referred to in a Tender in respect of each lot to be delivered to it by the CSP and by such method of allocation as may be specified in the CSP Procedures.

13.02 By the time specified for that purpose in the Administrative Procedures on the Tender Day, the Exchange shall make available to the Buyer details of the invoicing amount payable by the Buyer to the CSP in respect of each lot allocated to the Buyer.

13.03 The Buyer acknowledges and agrees that any information provided by the Exchange pursuant to term 13.01 may be amended from time to time by the Exchange.

14. Delivery

14.01 No later than the time specified for that purpose in the Administrative Procedures, the Buyer shall make payment to the CSP of the invoicing amount on the Settlement Day in respect of each lot allocated to the Buyer. Payment is to be made without prejudice to the reference of any claim or dispute to arbitration. No interest shall be payable to a Buyer who pays the invoicing amount before taking up documents.

14.02 (a) The Seller shall ensure that the Warrant details recorded on NYSE Liffe Guardian in respect of each lot are accurate and complete in all respects.

(b) A Buyer requiring to take up and pay for the Warrant before the Settlement Day ("Early Take-Up") shall give notice to the Exchange in accordance with Administrative Procedure 5 on the Business Day prior to that on which he wishes to take up the Warrant.

14.03 (a) Rent in respect of each lot shall be paid by the Seller in accordance with term 6.02.

(b) A Seller or Buyer who delivers or takes delivery of a lot on behalf of another party shall be entitled to recover from such party any tender fee payable to the Exchange.

14.04 The Seller shall represent and warrant to the Buyer that each lot delivered by the Seller is free from any security interest, lien or encumbrance. The Seller shall indemnify the Buyer on demand against each loss, liability and cost which the Buyer incurs or suffers arising out of any claim made or action brought or

threatened against the Buyer alleging infringement of the rights of any third party in respect of any lot delivered by the Seller under a Contract.

- 14.05 For the avoidance of doubt, notwithstanding that the CSP is not recorded as the owner of a lot on NYSE Liffe Guardian, it is the buyer to the Seller and the seller to the Buyer in the process of transferring ownership of the lot.
- 14.06 No later than the time specified for that purpose in the Administrative Procedures, the CSP shall make payment to the Seller of the invoicing amount on the Settlement Day in respect of each lot delivered by the Seller in accordance with these terms and the Regulations. At such point the Seller will be deemed to have transferred the lot to the CSP.
- 14.07 No later than the time specified for that purpose in the Administrative Procedures, if the Buyer has paid the invoicing amount in respect of a lot, the records on NYSE Liffe Guardian will be updated to reflect the change of ownership from Seller to Buyer in respect of such lot on the Settlement Day in respect of each lot allocated to the Buyer, in accordance with these terms and the Regulations. At such point the Buyer will be deemed to have taken up the Warrant from the CSP. Each Warrant is to be taken up by the Buyer without prejudice to the reference of any claim or dispute to arbitration. The CSP is under no obligation to effect delivery if the Buyer has not paid the invoicing amount in respect of the lot which is the subject of the Warrant.
- 14.08 Without prejudice to any steps taken by the CSP under term 16, if payment is not made by the time and on the day prescribed for that purpose in the Administrative Procedures, the CSP may sell the lot in respect of which payment has not been made. Any surplus or deficit resulting from such sale, with an account for interest and the costs of sale, shall be settled between the CSP and the Buyer forthwith.
- 14.09 A Buyer shall be deemed to have accepted a lot delivered under term 14.02, by 17.00 on the Acceptance Date unless the Buyer has, within such period, notified the Exchange and the CSP in accordance with the Rules, of the Buyer's intention to refer a claim or dispute to arbitration. The Exchange will promptly notify the Seller of the Buyer's notification.
- 14.10 Without prejudice to the provisions of terms 14.04 and 16, a failure by the Seller or Buyer to comply with its obligations under any of the provisions of terms 12, 13 or 14, as the case may be, shall constitute a default in performance entitling the CSP forthwith to take steps under any of the provisions of term 16. Any action taken by the CSP shall be without prejudice to any rights, obligations or claims of the Seller or the Buyer or the CSP and any costs, claims, losses, taxes or expenses of whatsoever nature incurred or suffered by the CSP in connection with such action shall be paid by the party in default in performance, whether that be the Seller or the Buyer.

15. Property and Risk

15.01 Property and risk in respect of a lot delivered under a registered Contract will pass:

- (a) from the Seller to the CSP as Buyer, once the following has been effected:
 - (i) the deemed transfer by the Seller to the CSP of the Warrant in respect of such lot; and
 - (ii) the payment by the CSP of the invoicing amount in respect of such lot in same day or immediately available, freely transferable, cleared funds; and
- (b) from the CSP as Seller to the Buyer, once the following has been effected:
 - (i) the payment by the Buyer to the CSP of the invoicing amount in respect of such lot in same day or immediately available, freely transferable, cleared funds; and
 - (ii) the deemed take up of the Warrant in respect of such lot by the Buyer.

16. Default in Performance

16.01 The provisions of this term 16 shall be subject to the default rules from time to time in force of the CSP.

16.02 For the purposes of this term 16, a reference to a “default in performance” shall, subject to term 16.05, be construed as including an actual failure or an anticipated failure by a Seller or a Buyer under term 16.03 in performing its obligations under a Contract. An anticipated failure is one which the CSP, in its reasonable opinion, thinks will occur and in respect of which the CSP considers that it should take action under the provisions of this term 16.

16.03 A Buyer or a Seller shall be in default in performance where:

- (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed in accordance with these terms, the Rules and the Administrative Procedures and the Regulations; or
- (b) he fails to pay any sum due to the CSP in respect of a registered Contract by the time specified for that purpose in the Administrative Procedures; or
- (c) in the reasonable opinion of the CSP, he is in default in performance.

- 16.04 If a default occurs, this term 16 shall entitle the CSP to declare a default in performance. For the avoidance of doubt, neither the Buyer nor the Seller shall be entitled to declare a default in performance under this term 16.
- 16.05 Errors in a notice, which are determined in the CSP's absolute discretion to be clerical errors which can be readily rectified and are rectified, shall not be treated as constituting a default in performance.
- 16.06 Subject to terms 16.07(b) and 16.11, if it appears to the CSP that a Seller or a Buyer is in default in performance under a registered Contract, the CSP shall notify the Exchange of the default in performance and may, in its absolute discretion:
- (a) take such steps as it deems appropriate to facilitate a mutually acceptable resolution of the default in performance. A resolution of a default in performance may be on such terms and take such form as is acceptable to the CSP, to the Seller and to the Buyer. Such terms may limit some or all of the rights of the Seller, the Buyer or the CSP to refer any matter concerning or arising out of a default in performance (or the resolution thereof) to arbitration under term 20;
 - (b) without prejudice to any of its other rights under this term 16, refer to the Board any dispute or issue arising between any of the parties. If upon such reference, the Board is of the opinion that the default in performance is of minor significance it shall determine any such dispute or issue between such parties upon such evidence as it may deem relevant and convey its findings to such parties who shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of any party to refer the dispute or any related dispute to arbitration under term 20; or
 - (c) take any steps whatsoever which may appear desirable to the CSP for the protection of the CSP or of the party, either Seller or Buyer, which is not in default in performance including, without prejudice to the generality of the foregoing, any steps in order to perform its obligations to a party under a registered Contract.
- 16.07 If, within five business days of the default in performance having come to the attention of the CSP:
- (a) the steps taken by the CSP have not led or are not likely to lead to a resolution of the default in performance; or
 - (b) the CSP has not taken any steps and the default in performance remains unresolved,

the CSP will refer the matter to the Board. If upon reference of the dispute or issue to the Board, the Board is of the opinion that the default in performance may not be determined by the Board in accordance with term 16.06(b), then each lot of Robusta Coffee the subject of the dispute or issue shall be the subject of cash settlement at a price fixed by the Board in consultation with the CSP. The price may at the Board's absolute discretion take account of any compensation that the Board may consider, on the evidence before it, should be paid by either party to the other.

- 16.08 Any cash settlement price fixed under term 16.07 shall be binding on the parties. No dispute as to the price may be referred to arbitration but the completion of cash settlement shall be without prejudice to the right of either party to refer any other dispute or issue between them to arbitration under term 20.
- 16.09 Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the CSP in connection with any steps taken by the CSP in relation to a Contract to which the default in performance relates shall be paid by the Buyer or Seller who is in default in performance. Any steps taken by the CSP in relation to a default in performance shall be without prejudice to any rights (including rights to refer matters to arbitration under term 20), obligations or claims of the Buyer, the Seller or the CSP in relation to a Contract to which the default in performance relates.
- 16.10 A Buyer or Seller who is in default in performance under this term 16 shall forthwith pay to the CSP any sums payable by it under term 12 and any sums payable pursuant to this term 16.
- 16.11 Notwithstanding that a Buyer or Seller may be in default in performance under this term 16, the CSP may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this term 16, and no failure by the CSP to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the CSP's rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- 16.12 A Buyer, a Seller or the CSP may refer a dispute or issue arising out of a default in performance under this term 16 (subject always to the application of provisions of terms 16.06, 16.07 and 16.08) to arbitration under term 20.
- 16.13 The provisions of this term 16 relating to steps that may be taken by the CSP where there appears to the CSP to be a default in performance by a party to a registered Contract may be varied, or different steps may be substituted therefore by the Board from time to time. Any such variation or substitution shall have such effect with regard to such existing and/or new Contracts and registered Contracts as the Board may determine.
17. Force Majeure

- 17.01 Subject to term 17.02, a “Force Majeure event” shall mean an event beyond the reasonable control of either party to a Contract which delays, hinders or prevents the performance in whole or in part by a party of his obligations under the Contract (other than an obligation to make a payment), including, without limitation, act of God, storm, flood, earthquake, fire, explosion, malicious damage, accident howsoever caused, strike, lock-out, labour dispute, riot, civil commotion, war whether declared or undeclared, armed conflict, use of force by authority of United Nations, act of terrorism, act of government or other national or local authority or any agency thereof, breakdown of machinery, and unavailability, restriction, failure or delay in or computer or data processing systems or communication or energy supplies or bank transfer systems.
- 17.02 The following shall not be a Force Majeure event: the failure for whatever reason of a computer or other electronic facility to accept a notification made by a Seller or a Buyer (other than the CSP) as required by these terms and the Administrative Procedures.
- 17.03 A party to a Contract shall not be entitled to rely upon this term 17 unless such party has notified the CSP and the Exchange in writing immediately after such party has become aware (or after it ought reasonably to have become aware) of such Force Majeure event, and has continued to seek to perform its obligations in accordance with the Contract (in which event it shall be entitled to such relief with effect from the commencement of such Force Majeure event). The notice shall state the date on which the Force Majeure event commenced and the effects of the Force Majeure event on such party’s ability to perform its obligations in accordance with the Contract, including an estimate of the period of the Force Majeure event. A further notice shall be given immediately after the Force Majeure event has ceased.
- 17.04 Upon the request of the CSP or the Exchange, a party seeking relief under this term 17 shall promptly provide such other information as required by the CSP or the Exchange to assist the Board in determining whether a Force Majeure event has occurred. If a Force Majeure event has occurred, neither party will be deemed in default in performance of its obligations under a Contract if such party was unable to perform its obligations as a direct result of the occurrence of such Force Majeure event nor will any penalty or damages be payable if and to the extent that performance of any obligation is delayed hindered or prevented by a Force Majeure event.
- 17.05 Subject to any steps taken at any time by the Board under emergency powers in the Rules and subject to the default rules from time to time in force of the CSP, if the Board determines under term 17.04 that a Force Majeure event has delayed, hindered or prevented a party from performing any obligation under a Contract for a period of at least five Business Days beyond the time limit fixed in or under the Contract any lot or part thereof not delivered to the Buyer, shall be the subject of cash settlement at a price to be fixed by the Board in consultation with the CSP in their absolute discretion. Such price shall be binding on the parties. No dispute as to the price may be referred to arbitration

but the completion of cash settlement shall be without prejudice to the right of either party to refer any dispute arising out of the Contract to arbitration under the Rules.

18. New Legislation

- 18.01 Subject to any steps taken by the Board under the emergency powers in the Rules, and without prejudice to any other powers of the Board to vary the terms of any Contract (existing or future) if the Board in its absolute discretion determines that a change of legislative or administrative provisions in the United Kingdom, the European Union, any country or group of countries or of an institution or market organisation in any country or group of countries, has affected, is affecting or is likely to affect the normal course of business or the performance of these terms or the Administrative Procedures, the Board shall have the power to vary these terms (including without limit those of any existing Contract) in any way it considers necessary for restoring or preserving the orderly course of business or performance of these terms or the Administrative Procedures.
- 18.02 A variation pursuant to term 18.01 may be made notwithstanding that it may affect the performance or value of an existing Contract (or of such existing Contracts as may be specified by the Board). Without limitation of its powers hereunder the Board will use its best endeavours to keep any variation to the minimum considered reasonably necessary to achieve the purpose of this term.
- 18.03 Any determination made by the Board under this term 18 shall be the subject of an Notice. Any such variation of these terms or Administrative Procedures shall take effect at such time and for such period as may be specified in the Notice and may be modified or revoked by a subsequent variation by the Board made under this term 18.
- 18.04 A Contract affected by a variation under this term 18 shall remain in full force and effect subject to such variation and neither party shall be entitled to repudiate such Contract or treat it as frustrated except so far as may be allowed by the Board.

19. Articles, Rules and Regulations

- 19.01 Every Contract shall be subject to the Articles and the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it are not a member of the market or of the CSP.
- 19.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and in the event of any conflict between these terms and the Rules, the Rules shall prevail.

19.03 The Exchange shall not do anything under this Contract or take any other action which shall put the Exchange in breach of any legislation, restriction or sanction to which it is subject.

20. Arbitration

20.01 Subject to term 16 and term 20.02 and to the Rules, any dispute arising from or in relation to a Contract shall be referred to arbitration under the Rules. The arbitration shall be held in accordance with the Rules in force at the time of such reference.

20.02 No dispute arising from or in relation to any cash settlement or invoicing back price fixed by the Board under these terms shall be referred to arbitration under the Rules.

21. Law and Jurisdiction

21.01 Every Contract shall be governed by and construed in accordance with English law.

21.02 The provisions of the Convention relating to a Uniform Law on the International Sale of Goods, of 1964 and the provisions of the United Nations Convention on Contracts for the International Sale of Goods, 1980, shall not apply to Contracts.

22. Non-Registered Contracts

22.01 In respect of a Contract which is not a registered Contract (“non-registered Contract”) these terms shall be modified so as to require and allow that a Contract to be registered with the Exchange under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such registered Contract (and of any intermediate Contract) in accordance with these terms and the Administrative Procedures. Modifications may also be made to the terms of a non-registered Contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures. Without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Exchange shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-registered Contract.

23. Statement in relation to the Tender Process

23.01 The Exchange draws the following statement to the attention of potential users of the Robusta Coffee Futures Contract. Members should ensure that their clients are made aware of the statement.

“Statement in relation to the Tender Process:

Potential users of the Robusta Coffee Futures Contract should familiarise themselves with the Contract Terms and Administrative Procedures and the Grading and Warehousekeeping Procedures in respect of Cocoa and Robusta Coffee Futures Contracts. Potential users should also be aware of the fact that for the May 2010 delivery month onwards only Warrants that have been immobilised will be tenderable.”

Issue Date: 26 March 2010

Robusta Coffee Futures Contract

Exchange Contract No. 409

Administrative Procedures

1. Settlement Procedures

All deliveries in respect of this Contract must be made in accordance with the Contract terms, the Administrative Procedures and the CSP Procedures. Buyers and Sellers are obliged to deliver or take delivery in respect of their total gross Contract position remaining open after the close of trading on the Last Trading Day in the relevant delivery month and must therefore ensure that their gross position (open buying and selling Contracts) registered with the Exchange or submitted to the Exchange for registration allows for this.

2. Tender Day

By 12.00 hours Each Seller shall have given a Seller's Delivery Notice to the Exchange by such means and in such form as is prescribed by the Exchange from time to time by 12.00 hours on any business day during the delivery month (excluding the Last Trading Day when the Seller's Delivery Notice must be submitted by 14.30 hours).

Seller's Delivery Notices may be deleted by members up to 12.00 hours on the day on which they were given.

Each Seller's Delivery Notice shall specify in respect of each parcel:

- (a) the name of the Seller;
- (b) details of the number of lots to be delivered under the Contract;
- (c) details of the delivery area for each lot and Warehousekeeper in whose Warehouse each lot is stored;
- (d) details of the Warrant number and Valid Grading Result number for each parcel;
- (e) details of the account designation of each parcel (e.g. house or client); and
- (f) such other information as the Exchange may

prescribe from time to time.

After 12.00 hours The Exchange allocates the Robusta Coffee to the Buyers in accordance with the Exchange Procedures.

The Exchange will make available to the Seller details of the invoicing amount payable to the Seller in respect of each lot to be delivered on the Settlement Day.

The Exchange will make available to the Buyer details of the invoicing amount payable by the Buyer in respect of each lot allocated to the Buyer.

All payments required by term 11.01 to be made by the Buyer and the Seller shall have been completed.

A Seller's Delivery Notice received by the Exchange after 12.00 hours will be counted as received the following business day. Subject thereto, the date of the Seller's Delivery Notice is the date on which the Seller's Delivery Notice is received by the Exchange.

By 13.00 hours The Exchange will announce the EDSP. The EDSP will be determined in accordance with term 9.

3. Last Trading Day

At 12.30 hours Trading in Contracts for the relevant delivery month shall cease.

By 13.30 hours The Exchange will announce the EDSP. The EDSP will be determined in accordance with term 9.

By 14.30 hours Remaining open positions automatically become delivery contracts.

Sellers must transmit tender details to the Exchange.

Tender notifications may be deleted by members up to 14.30 hours.

After 14.30 hours The Exchange allocates the Robusta Coffee to the Buyers in accordance with the Exchange Procedures.

The Exchange will make available to the Seller details of the invoicing amount payable to the Seller in respect of each lot to be delivered on the Settlement Day.

The Exchange will make available to the Buyer details of the invoicing amount payable by the Buyer in respect of each lot allocated to the Buyer.

4. Settlement Day

By 10.00 hours The Buyer shall pay to the CSP in accordance with term 14.01, in the manner prescribed from time to time by the CSP, the final invoicing amount in respect of each lot.

After 12.00 hours The CSP shall pay to the Seller the final Invoicing Amount in respect of each lot, delivered by the seller in accordance with term 14.02.

The Exchange will, in respect of each lot, make such entries on NYSE Liffe Guardian so as to give effect to the transfer of ownership from the Seller to the Buyer for the lots which it has been allocated under these terms, in accordance with terms 16 and 17.

5. Early Take Up

By 16.00 hours In respect of Early Take Up in accordance with term 14.02(c), the Buyer shall give notice to the Exchange by 16.00 hours on the business day prior to that on which he wishes to take up the Warrant.

6. Acceptance of a Lot

By 17.00 hours The Buyer shall be deemed to have accepted a lot by 17.00 hours, on the day which is seven business days after payment unless he has:

(a) within such period notified the Exchange, which will in turn notify the Seller of his intention to refer a dispute to arbitration; and

(b) referred such dispute to arbitration not later than the next business day in accordance with term 20.

Issue Date: 26 March 2010