

**CIRCULAR TO:**

**ALL MEMBERS**

**NO: 100/00**

**NEW CONTRACT BY-LAWS**

Members are advised of amendments to the Business Rules of the Exchange, which comprise By-Laws for the new deliverable contracts for:

- an Australian Dollar futures contract with prices quoted in US Dollars; and
- grains futures and options contracts in:
  - Barley;
  - Canola; and
  - Sorghum.

Subject to regulatory approval, these By-Laws will come into effect on the date the new contracts are listed – expected to be in June 2000.

**AUSTRALIAN DOLLAR FUTURES CONTRACT**

The underlying contract unit size of AUD100,000 implies a USD10.00 tick value for a tick movement of 0.0001. USD10.00 at an exchange rate of 0.6250 is AUD16.00. Initial and mark to market margins are also in USD. As with all contracts listed on the Exchange, initial margin payments can be made using any of the accepted collateral.

**Contract Months**

Contract months will be March, June, September and December.

**Delivery**

On expiry of the contract open positions will go to delivery. Delivery will occur on a T+1 settlement timeframe.

Delivery of the USD amounts will be facilitated through the Protected Payments System (PPS). On the settlement day SFECH will send PPS advices to the settlement banks detailing all debits and credits for book transfers in USD. The AUD amounts will be transferred through Austraclear.

All cash flows will be conducted under the SFECH Risk Management policy of receiving all credits before debits are paid out.

### Final Settlement Price

The final settlement price will be an average of cash market quotes on the last day of trading. It will be determined by taking prices from the cash market over three sessions on the last day of trading. These prices will then be averaged after eliminating any outlying data. In the event that less than five foreign exchange dealers provide an AUD rate in a session the Exchange shall in conjunction with an independent market representative body such as ACI Australia (A Member of the Financial Markets Association) Limited determine an appropriate price.

The By-Laws are set out in Annexure A.

### **NEW GRAIN FUTURES CONTRACTS – BARLEY, CANOLA AND SORGHUM**

Barley, Canola, Sorghum and Futures and Options contracts (“new grain contracts”) are intended to meet the growing needs of participants in the domestic grain market as risk management instruments. These contracts combined with the Exchange’s existing Wheat Futures contract are intended to form the basis of SFE’s “Grains Complex”.

#### Cash Market Trading - Feed Grains

Barley, sorghum and wheat make up the bulk of the feed grain (livestock consumption) market in Australia. The feed grain ratio changes from season to season depending on the relationship between price and production of each type of grain. Sorghum is a very actively traded feed grain in Australia as cash market turnover is 2 ½ times annual production. Feed barley trading volumes are expected to increase significantly, from the existing 1 ½ times annual production, when the Victorian and South Australian barley markets deregulate. These markets are expected to deregulate in July 2001.

#### Cash Market Trading – Canola

Australian canola production has expanded significantly in recent years. The canola cash market is very actively traded and hedging through the use of forward and futures contracts is prevalent.

Australian canola is currently hedged through the Winnipeg Commodity Exchange (WCE) Canola contract and the Matif European Rapeseed contract. The use of a domestic canola contract will reduce currency and basis risks for Australian participants in the existing markets.

#### The Contracts

The contract specifications for the new grain contracts are similar to the existing Wheat Futures contract. The new grain contracts are identical to the existing Wheat Futures contract with respect to denomination, tick value, contract months, trading hours, delivery period and settlement method, but there are two key differences:

- Contract size – The Barley and Sorghum Futures contracts are 50.00 metric tonnes, which is the same as the Wheat contract. The Canola contract is 20.00 metric tonnes consistent with the Winnipeg Canola contract, in order to encourage spread trading. Canola has a smaller contract size, as it is a higher value commodity.

- Delivery locations – Delivery locations are focused in regions where deregulation has already occurred (canola in Victoria and South Australia, and sorghum in Queensland) and where deregulation is likely to occur (barley in Victoria).

A document safe accommodation service will be available to streamline Members' management of their documentation when delivering against the futures contract. The service is voluntary and Members may elect to use it at their convenience.

The Clearing House will be appointed as agent of the seller to endorse documentation transferring ownership directly from the seller to the buyer. This is different from the current arrangements for the wool contract and avoids the Clearing House becoming the owner of the commodity and incurring GST and product risk that require insurance.

Provision for the calculation of GST as part of the ultimate settlement price has been included. Contracts will trade exclusive of GST and the tax will be added to the price if the contract goes to delivery. This is consistent with the GST policy recently approved for the Greasy Wool and Wheat Futures contract By-Laws.

Provision is also included for the seller to ensure that any taxes and research levies applicable to the grain are paid prior to grain being delivered. This reflects the requirements in the Exchange's standard contract with Approved Warehouses, and avoids the Clearing House having to calculate and collect levies as part of the settlement process.

New Schedules (26, 27 and 28) have been added; these set out administrative procedures and documentation such as approved warehouses and warehouse receipts.

The By-Laws and Schedules for each new grain contract are attached in Annexures B, C and D.

**BARBARA JONES**  
**COMPANY SECRETARY**

**19 MAY 2000**

**BY-LAWS OF**  
**SYDNEY FUTURES EXCHANGE LIMITED**  
**AUSTRALIAN DOLLAR/UNITED STATES DOLLAR FUTURES CONTRACT**  
(To be listed on a date to be determined by the Board)

**Contract Unit**

- AF.1
- (a) The subject of each Australian dollar/United States dollar futures contract shall be one hundred thousand (100,000) Australian dollars.
  - (b) The effect of an Australian dollar/United States dollar futures contract (referred to as “the contract”) is that the Buyer will receive Australian currency and will give to the Seller United States currency and the Seller will give to the Buyer Australian currency and receive United States currency at a specified future time (referred to as “the settlement day”) in accordance with the final settlement price declared by the Clearing House in accordance with these By-Laws.
- AF.2
- (a) The value or worth of a contract at the time of making of that contract (hereinafter referred to as “the contract value”) shall be the price agreed to by the parties at that time (expressed in multiples of 0.0001 United States dollars per one Australian dollar) and multiplied by 100,000.
  - (b) The value or worth of a contract on the settlement day (referred to as “the settlement value”) shall be the rate quoted by the Clearing House (referred to as the “final settlement price”) for settlement (being calculated to the nearest 0.0001 United States dollars per Australian dollar) and multiplied by 100,000.
  - (c) The value or worth of a contract will have no relationship or connection with the value or worth of the United States dollar when calculated with reference to the rate of exchange between the United States dollar and any other currencies, commodities or any other standards.
  - (d) For each settlement day the Clearing House shall declare the final settlement price.
  - (e) The final settlement price as declared by the Clearing House on the last day of trading shall be accepted as final.

**Final Settlement Price**

- AF.3
- The final settlement price referred to in By-Law AF.2(d) shall be determined by the following procedure:
- (a) The final settlement price shall be an average of sampled Australian dollar rates quoted through Reuters Australia Pty Limited. Data will be captured from the Reuters AUDTOP20 contributor data.
  - (b) For the purposes of this By-Law AF.3, the quotation times shall start at 10.00 am, 10.15 am and 10.30 am on the last permitted day of trading. Each quotation period shall be open for 5 minutes.
  - (c) If in submitting buy and sell quotations the spread between the buying and selling prices is greater than 0.0005 then those quotes shall not be accepted.
  - (d) For each quotation time, a buy absolute deviation range from the median bid price and a sell absolute deviation range from the median ask price are determined. For each quotation time any buy or sell price outside of the determined ranges are discarded. The arithmetic mean of the remaining quotations from all quotation times shall be calculated to eight decimal places and rounded to four decimal places. In rounding, the arithmetic mean shall be expressed to the nearest fourth decimal place on the condition that where the fifth decimal place is five the arithmetic mean shall be rounded to the next highest fourth decimal place. The arithmetic mean so calculated shall be the final settlement price.
  - (e) If, in a quotation period, less than five (5) foreign exchange dealers contribute prices the Exchange will in consultation with an independent market representative

body as determined by the Board or the Chief Executive determine the indicative price for that quotation period.

- (f) If Reuters Australia Pty Limited fails to provide such quotation or provides quotations that are inaccurate, no party shall make any claim whatsoever against Reuters Australia Pty Limited, the Clearing House or the Exchange and the provisions of AF.15 and AF.18 shall apply.
- (g) Subject to By-Law AF.15, the Clearing House shall announce the final settlement price at 12.00 pm on the last day of trading.

#### **Designated Banks**

- AF.4 (a) The Board of the Exchange in consultation with the Clearing House shall from time to time designate those banks whose acceptance and delivery of United States dollars shall constitute good delivery.
- (b) Banks designated in accordance with sub-clause (a) shall be hereinafter referred to as “Designated Banks”. The Exchange shall from time to time publish the list of Designated Banks and the date of effectiveness of such a list in the Schedules to these By-Laws.
- (c) (i) Sellers and Buyers who are Designated Banks shall be entitled to give or take delivery (as the case may be) of United States dollars.
- (ii) A Seller or Buyer who is to give or take delivery of United States dollars shall appoint a Designated Bank as its agent for this purpose.

#### **Designated Facility**

- AF.5 (a) The Designated Settlement Facility for the acceptance and delivery of Australian dollars shall be Austraclear Limited (a company incorporated in the state of New South Wales).
- (b) (i) Clearing Members who are Members of Austraclear Limited shall be entitled to take or give delivery (as the case may be) in their own name provided that Clearing Members who are Associate Members of Austraclear Limited as defined in the Regulations of Austraclear Limited, shall not be entitled to give or take delivery in their own name.
- (ii) A Clearing Member who is to give or take delivery may appoint a Member of Austraclear Limited (not being an Associate Member of Austraclear Limited) as its agent for this purpose.
- (c) Where Australian dollars are transferred via the Austraclear system in order to fulfil obligations pursuant to a futures contract such transfers shall be governed by the Regulations of Austraclear Limited. Austraclear Limited may impose on its Members such charges as provided for in its Regulations.

#### **Costs of Delivery**

- AF.6 (a) The Buyer shall bear the costs of transferring United States Dollars into the Designated Bank.
- (b) The Seller shall bear the costs of transferring United States Dollars out of the Designated Bank.
- (c) Members shall be responsible for their own Austraclear fees for the payment and receipt of Australian Dollars.  
Such costs may include, but are not limited to, wire transfer charges, interest charges and transaction fees.

#### **Authorities**

- AF.7 A Clearing Member who intends to change its Designated Bank as agent for the purposes of these By-Laws (vide AF.4(c)) or its nominated Member of Austraclear Limited as its agent for the purposes of these By-Laws (vide AF.5(b)) shall by no later than 24 hours before the change is to take effect have delivered to the Clearing House an appropriate document authorising the new Designated Bank or new Member of Austraclear Limited to act on its behalf for the delivery and settlement of United States or Australian dollars respectively.

#### **Delivery Procedures**

- AF.8 (a) Clearing Members must lodge with the Clearing House an “End Position Confirmation Form” by no later than 2.00 pm on the last permitted day of trading.
- (b) On the last permitted day of trading, the Clearing House shall provide Clearing Members with a “Delivery Notification Advice” by 4.00 pm. Clearing Members must provide to the Clearing House any corrections or adjustments to the Delivery Notification Advice on the appropriate form by no later than 5.00 pm of that day.

AF.9 On the settlement day of a contract the obligations and the rights of the parties to the contract shall be satisfied in the following way:

- (a) Sellers shall, by no later than the prescribed time on that day, receive United States Dollars from the Clearing House in their account with the Designated Bank of their choice. This amount shall be the final settlement price multiplied by 100,000.
- (b) Sellers shall, by no later than the prescribed time on that day, use the Austraclear system to pay to the Clearing House if requested the amount in Australian dollars representing the contract value.
- (c) Buyers shall, by no later than the prescribed time on that day, use the Austraclear system to receive from the Clearing House if requested the amount in Australian dollars representing the contract value.
- (d) Buyers shall, by no later than the prescribed time on that day, have United States Dollars debited from their account by the Clearing House at the Designated Bank of their choice. This amount shall be the final settlement price multiplied by 100,000.

#### **Settlement Day**

AF.10 The settlement day for the contract shall be a business day which is the third Wednesday of the settlement month or such other day as the Board may determine.

#### **Hours of Trading**

AF.11 The hours for trading in the contracts shall be determined by the Board or the Chief Executive.

#### **Quotation**

AF.12 The quoted months for trading in the contracts shall be March, June, September and December up to twelve (12) months ahead.

#### **Price Quotations**

AF.13 The minimum price fluctuation shall be in multiples of 0.0001 United States dollars per Australian dollar<sup>1</sup>.

#### **Final Day of Trading**

AF.14 The last permitted day for trading in a settlement month shall be the business day prior to the third Wednesday of the settlement month or such other day as the Board may determine. Trading in a settlement month shall cease at 11.00 am on the last permitted day for trading.

AF.15 If in the opinion of the Board of the Exchange or the Clearing House a situation is developing or has developed which is capable of preventing the Clearing House declaring a numerical value in accordance with By-Law AF.3 the Clearing House in consultation with the Board of the Exchange may take any steps it deems necessary in the circumstances to correct such situation so as to enable it to declare a numerical value and may give direction to Members accordingly, and any provision of these By-Laws which cannot be complied with until the value has been declared shall be complied with as soon as possible after it has been declared. Any decision taken by the Clearing House under this AF.15 shall, subject to AF.18, be final.

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<sup>1</sup> SYCOM® will display “0.XXYY” as “XX.YY”.

### **Default**

- AF.16
- (a) Should a delivery not be duly made by a Clearing Member as provided in these By-Laws, such Clearing Member shall be in default.
  - (b) Should a delivery not be duly taken by a Clearing Member as provided in these By-Laws, such Clearing Member shall be in default.

### **Documents**

- AF.17
- Documents must be taken up and given by Clearing Members without prejudice to and regardless of any question in dispute and such questions shall be referred to arbitration. All differences, interest and all other charges are for prompt settlement.

### **Undesirable Situations or Practices**

- AF.18
- In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to futures contracts or option contracts or both, the provisions set out in that By-Law shall apply.

**BY-LAWS OF  
SYDNEY FUTURES EXCHANGE LIMITED**

**BARLEY FUTURES**  
(To be listed on a date to be determined by the Board)

**Contract Unit**

- BA.1 Each bought and sold contract shall consist of 50.00 metric tonnes of barley which meets either New South Wales Grains Board NSW Feed Barley No 1 applicable standards in NSW or Australian Barley Board Feed Barley No 1 applicable standards in Victoria and is stored in an Approved Warehouse pursuant to BA.4.

**Applicable Standards**

- BA.2 Applicable Receival Standards and Sampling Methodology are those set out in Part “B” of the Twenty-Sixth Schedule and which are in force at the time of delivery of barley to an Approved Warehouse pursuant to BA.4.

**Measurement**

- BA.3 Barley must be weighed and tested at the point of delivery according to applicable Sampling Methodology pursuant to BA.2.

**Approved Warehouses**

- BA.4
- (a) The Board of the Exchange or its designate in consultation with the Clearing House shall from time to time approve warehouses at which barley must be stored at the time of submission of delivery documentation to the Clearing House in satisfaction of the Barley Futures Contract. A list of such warehouses is set out in Part “A” of the Twenty-Sixth Schedule.
  - (b) Warehouses designated in accordance with (a) shall be called Approved Warehouses.
  - (c) Application for approval pursuant to (a) shall be made to the Exchange in such a form and manner as determined by the Board or its designate.
  - (d) In these By-Laws a “Warehouse Receipt” shall refer to a document in a form approved by the Board or its designate from time to time as indicated in Part “C” of the Twenty-Sixth Schedule which confirms that the holder is entitled to ownership of barley which meets the specifications contained in these By-Laws and is stored in an Approved Warehouse.

**Tendering Procedures**

- BA.5 Tender documentation shall be in a format determined by the Board or its designate from time to time as indicated in Part “C” and “D” of the Twenty-Sixth Schedule. Buyer documentation shall be in the format determined by the Board or its designate from time to time as indicated in Part “E” of the Twenty-Sixth Schedule.
- BA.6
- (a) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Sixth Schedule Part “F” on any Notice Day within the Delivery Period pursuant to BA.8.
  - (b) Tender documentation lodged on any Notice Day within the Delivery Period after the time prescribed in BA.6(a) shall be carried forward to the next Notice Day.



- (c) Buyer documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Sixth Schedule Part "F". Buyer documentation must be lodged on the first business day in the Delivery Period and each subsequent day of the Delivery Period when any open long positions change.
- (d) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Sixth Schedule Part "F" on the final day of trading of the delivery month or such Clearing Members shall be in default.
- (e) A tender shall not be withdrawn or substituted without the consent of the Clearing House.

**Safe Accommodation**

- (f) A Seller may request the Clearing House to retain the documentation in safe accommodation in accordance with BA.22 and BA.23 until such time as the Seller notifies the Clearing House that it intends to deliver the barley pursuant to these By-Laws.
- (g) The Clearing House will not act on any instructions received from a Member unless it is satisfied that all requirements under these By-Laws have been complied with.
- (h) Where tender documentation is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House together with any other certificate which may be determined by the Board and indicated in the Twenty-Sixth Schedule.
- (i) The Seller is obliged to ensure and undertake that at the time of tendering the safe accommodation receipt, all documentation evidenced by the safe accommodation receipt continues to satisfy all requirements and specifications as provided for in these By-Laws.

**Final Day of Trading**

- BA.7 The "final day of trading" permitted shall be the third Tuesday of each delivery month if that day is a business day otherwise the last business day prior thereto or such other day as the Board may determine.

**Delivery Period**

- BA.8 The Delivery Period begins on the first business day of the delivery month and ends with the close of trade on the final day of trading in the delivery month.
- BA.9
- (a) Notice Day for the purposes of these By-Laws is any business day in the Delivery Period on which tender documentation may be lodged with the Clearing House but excludes the final day of trading of the delivery month.
  - (b) Settlement Day for the purposes of these By-Laws is the business day following a Notice Day and is the day on which settlement funds are required to be remitted and a Warehouse Receipt is required to be transferred to the Buyer.

**Value of Barley**

- BA.10
- (a) No price premium shall apply to barley that is of higher quality than that specified in these By-Laws.
  - (b) In the event of an excess above 50.00 metric tonnes the deliverer shall forego all rights to such excess and the weight shall be deemed to be 50.00 metric tonnes.
  - (c) Barley which is stored in an Approved Warehouse will be subject to a location differential, set for the life of the contract, as determined by the Board or its designate from time to time.
  - (d) When barley is stored in an Approved Warehouse:
    - (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the barley have been paid prior to any Warehouse Receipt being issued; and
    - (ii) the Seller shall be responsible for payment of all charges, by whatever name, made/levied by the Approved Warehouse, prior to effective delivery pursuant to BA.11 including charges described as "storage", "handling", "delivery", "entrance", "exit", "in charges", "out charges" and the like.

### **Effective Delivery**

- BA.11
- (a) On receipt of tender documentation from the Seller, the Clearing House shall assign barley as tendered for delivery to a Buyer. The Seller irrevocably appoints the Clearing House as its agent and attorney to perform all acts on its behalf, and to exercise all powers necessary to assign barley as tendered for delivery to a Buyer.  
Such assignment by the Clearing House shall be final. A Buyer to whom a delivery has been assigned by the Clearing House is obligated to take such delivery and make payment pursuant to BA.13.
  - (b) For the purposes of assignment, Clearing Members must provide information to the Clearing House in relation to Open Positions by such a time and in such a format as determined by the Board of the Clearing House from time to time.
  - (c) Effective delivery shall be made by the Clearing House delivering to the Buyer either:
    - (i) a Warehouse Receipt endorsed by the Clearing House and any other party required by the receipt, and any other documents required by these By-Laws; or
    - (ii) a safe accommodation receipt evidencing the endorsed Warehouse Receipt and other documents in (i) above.

### **Documents**

- BA.12
- Delivery documents as indicated in Part "G" of the Twenty-Sixth Schedule must be taken up and given by Clearing Members without prejudice to and regardless of any question in dispute and such question shall be referred to arbitration. All differences, interests and all other charges are for prompt settlement.

### **Payment**

- BA.13
- (a) The "invoice price" shall be the daily settlement price per metric tonne for that day on which the Clearing House accepts tender documentation, less any applicable location differential pursuant to BA.10(c).
  - (b) The "settlement value" is calculated by multiplying the invoice price by 50.
  - (c) The "Tax Adjusted Settlement Value" will be calculated by:
    - (i) multiplying the settlement value by the then current Goods and Services Tax rate to calculate the "Goods and Services Tax amount"; and
    - (ii) adding the Goods and Services Tax amount to the settlement value.
  - (d) Payment of the Tax Adjusted Settlement Value is to be made by the Buyer to the Clearing House by 10.30 am on the settlement day. The method of payment shall be determined by the Clearing House from time to time.
  - (e) Payment of the Tax Adjusted Settlement Value shall be made by the Clearing House to the Seller by 12.00 pm on the settlement day. The method of payment shall be determined by the Clearing House from time to time.

- BA.14
- Should payment for any tender not be duly made, the Clearing House is authorised to sell the barley. Any difference in price resulting through such sales, together with interest and all charges, shall be settled with the Clearing House by the Buyer forthwith.

### **Scale of Charges**

- BA.15
- The fees payable in respect of delivery processing excluding all fees and charges incurred in the preparation of barley for delivery, shall be determined by the Board in consultation with the Clearing House from time to time.

### **Default**

- BA.16
- (a) Should a delivery not be duly made by a Clearing Member as provided in these By-Laws or documentation not provided pursuant to BA.5 or BA.6 such Clearing Member shall be in default.
  - (b) Should a delivery not be duly taken by a Clearing Member as provided in these By-Laws such a Clearing Member shall be in default.

### **Undesirable Situations and Practices**

- BA.17 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to the trading or delivery under the contract, the provisions set out in that By-Law shall apply.

### **Disputes**

- BA.18 Disputes which arise as a consequence of any testing procedure shall be the sole responsibility of the testing body and not that of the Exchange or the Clearing House. The Exchange and the Clearing House will consider a Warehouse Receipt submitted to be final and conclusive evidence as to the standards having been met under these By-Laws.

### **Trading Hours**

- BA.19 The trading hours for the Barley Futures Contract shall be determined by the Board.

### **Quotation**

- BA.20 The quoted months for trading in Barley Futures contracts shall be January, March, May, July, September, and November up to eighteen (18) months ahead as shown in the following schedule.

- BA.21 Prices shall be quoted in multiples of Australian Dollars per metric tonne, with tick size of 25c per metric tonne.

### **Safe Document Accommodation Procedure**

- BA.22
- (a) Where a Clearing Member requests that documentation be retained in safe accommodation pursuant to BA.6(f), the Clearing House shall arrange for the documentation referred to in BA.6 to be kept in a secure manner and shall, as soon as reasonably practicable, after the documentation is accepted, deposit the documentation in the safe accommodation provided by it.
  - (b) The Clearing House shall provide the Clearing Member with a safe accommodation receipt evidencing the deposit of the documentation in the safe accommodation.
  - (c) The Clearing House shall record the deposit of the documentation in safe accommodation and once the documentation has been lodged, the Clearing House holds the documentation as bailee for the Clearing Member.
  - (d) Where a safe accommodation receipt is used to tender barley pursuant to the Tendering Procedure, the Clearing House shall issue the Buyer with a safe accommodation receipt evidencing the documentation retained in safe accommodation. The Buyer may subsequently notify the Clearing House of its election to uplift the documentation evidenced by the safe accommodation.

### **Obligation for Loss From Safe Accommodation**

- BA.23 If any documentation held in safe accommodation is lost, stolen, destroyed or damaged:
- (a) the Clearing House must as soon as practicable after it becomes aware of the loss, theft, destruction or damage take all appropriate action required by law or custom for the replacement of the documentation;
  - (b) each Clearing Member must do all things necessary to assist the Clearing House for the purpose of paragraph (a); and
  - (c) if the Clearing House is liable as bailee to a Clearing Member in relation to any loss, theft, destruction of, or damage to, any documentation retained in safe accommodation, the Clearing House shall, subject to the Clearing By-Laws, only be liable to indemnify the Clearing Member for the cost of replacement of such documentation.

## Agency and Indemnity

BA.24

Without prejudice to any other provisions in these By-Laws:

- (a) each Member irrevocably appoints the Clearing House as agent and attorney for that Member to perform all acts on its behalf, and to exercise all powers, specifically delegated to the Clearing House by these By-Laws, together with all powers which are reasonably incidental to those acts and powers;
- (b) the Clearing House may perform any of its duties or obligations under these By-Laws by or through its officers, employees or agents; and
- (c) each Clearing Member must, subject to the Tendering Procedures, indemnify the Clearing House and keep the Clearing House indemnified against any loss or claim arising from the Clearing House's performance of its obligations in relation to the safe accommodation service.

## EXCHANGE TRADED OPTIONS

BAO.100

The contract unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one Barley Futures Contract as described in BA.1.

BAO.101

Trading shall be in those months as set out in the attached options schedule.

BAO.102

The premium of an option shall be in cents per metric tonne in multiples of ten cents.

BAO.103

- (a) Exercise prices shall be in cents per metric tonne in multiples of five dollars.
- (b) Trading in puts and calls on the first day of a new option contract month shall be at the following seven exercise prices:
  - (i) the Daily Settlement Price to the nearest five dollar interval for the corresponding Barley Futures Contract delivery month on the preceding business day as determined by the Exchange, rounded to the nearest exercise price as referred to in sub-clause (a) hereof. In the event that the closing call price is precisely midway between the two exercise prices it shall be rounded to the lower exercise price;
  - (ii) the price which is five dollars higher than that described in paragraph (i);
  - (iii) the price which is ten dollars higher than that described in paragraph (i);
  - (iv) the price which is fifteen dollars higher than that described in paragraph (i);
  - (v) the price which is five dollars lower than that described in paragraph (i);
  - (vi) the price which is ten dollars lower than that described in paragraph (i); and
  - (vii) the price which is fifteen dollars lower than that described in paragraph (i).
- (c) Whenever the Daily Settlement Price for Barley Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars below the highest exercise price or is above the highest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars above the highest listed exercise price for that option contract month.
- (d) Whenever the Daily Settlement Price for Barley Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars above the lowest exercise price or is below the lowest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars below the lowest listed exercise price for that option contract month.
- (e) No new exercise price shall be introduced in the option contract month next due to expire after the business day two weeks prior to the expiration of option trading.
- (f) Notwithstanding the provisions of sub-clauses (a) to (e) hereof the Board may determine, in respect of the listing of an option series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Board.

- BAO.104 (a) The Declaration date for a Barley Option Contract shall be the business day seven (7) days prior to the first Notice day of the corresponding Barley Futures Contract delivery month, unless that day is not a business day in which case the Declaration Date shall be the business day immediately prior to that day or such other date as determined by the Board or its designate.
- (b) Trading shall cease on the Declaration Date at the time of cessation of barley Futures Contract trading.
- BAO.105 (a) The Buyer of an option contract may lodge a Notice of Exercise or Abandonment in respect of that option contract.
- (b) Subject to sub-clause (c) a Notice of Exercise or Abandonment in a form determined by the Clearing House shall be effective if received by the Clearing House prior to twenty minutes after the close of trading on any business day on which an option contract may be traded.
- (c) On the Declaration Date of an option contract the Clearing House, unless otherwise directed by a Notice of Exercise or Abandonment received in accordance with sub-clause (b) hereof, shall exercise all in-the-money options, and allow all other options to expire.
- (d) For the purpose of sub-clause (c) hereof, an option shall be in-the money if the Daily Settlement Price for the underlying Barley Futures Contract delivery month for the Declaration Date lies above the exercise price in the case of a call option, or lies below the exercise price in the case of a put option.
- BAO.106 The Clearing House shall notify a Seller that an exercise notice has been assigned no later than forty-five (45) minutes prior to the commencement of trading in barley options on the business day following the day on which the exercise notice has been lodged with the Clearing House in accordance with BAO.105.
- BAO.107 The Clearing House shall notify a Seller by no later than forty-five (45) minutes prior to the commencement of trading in barley options on the business day following the Declaration Date if an option has been exercised in accordance with BAO.105(c).
- BAO.108 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to futures contracts or options contracts or both, the provisions set out in that By-Law shall apply.

**Schedule of Months Quoted Referred to in By-Law BA.20**

| During the month of | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |   |   |   |     |   |     |   |     |   |     |   | Succeeding Year |   |     |   |     |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|---|---|---|-----|---|-----|---|-----|---|-----|---|-----------------|---|-----|---|-----|
|                     | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F | M | A | M   | J | J   | A | S   | O | N   | D | J               | F | M   | A | M   |
| JAN                 | x            |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | (x) |   |     |   |     |   |     |   |                 |   |     |   |     |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   |     |   |     |   |     |   |                 |   |     |   |     |
| MAR                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | (x) |   |     |   |     |   |                 |   |     |   |     |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   |     |   |     |   |                 |   |     |   |     |
| MAY                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | (x) |   |     |   |                 |   |     |   |     |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   |     |   |                 |   |     |   |     |
| JULY                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | (x) |   |                 |   |     |   |     |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 |   |     |   |     |
| SEPT                |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 |   | (x) |   |     |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   |     |
| NOV                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   | (x) |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   | x   |

NOTE: In each month in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally from left to right. From the day following the last day of trading in the spot month, those marked “(x)” will commence trading. For example: in September the officially quoted forward months will be current year September, November; in the following year January, March, May, July, September and November; in the succeeding year January and from the day following the last day of trading in the spot month (ie September in this example), March.

**Schedule of Months Quoted Referred to in By-Law BAO.101**

|                     | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |     |     |   |     |   |   |   |     |   |     |   | Succeeding Year |   |   |   |   |   |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|-----|-----|---|-----|---|---|---|-----|---|-----|---|-----------------|---|---|---|---|---|
| During the month of | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F   | M   | A | M   | J | J | A | S   | O | N   | D | J               | F | M | A | M | J |
| JAN                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |     |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | x              | (x) |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAR                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |     |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |     | (x) |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAY                 |              |   |   |   |   |   | x |   | x |   | x |   | x              |     | x   |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |     | x   |   | (x) |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JULY                |              |   |   |   |   |   |   |   | x |   | x |   | x              |     | x   |   | x   |   | x |   |     |   |     |   |                 |   |   |   |   |   |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |     | x   |   | x   |   | x |   | (x) |   |     |   |                 |   |   |   |   |   |
| SEPT                |              |   |   |   |   |   |   |   |   |   | x |   | x              |     | x   |   | x   |   | x |   | x   |   |     |   |                 |   |   |   |   |   |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |     | x   |   | x   |   | x |   | x   |   | (x) |   |                 |   |   |   |   |   |
| NOV                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |     | x   |   | x   |   | x |   | x   |   | x   |   |                 |   |   |   |   |   |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |     | x   |   | x   |   | x |   | x   |   | x   |   | (x)             |   |   |   |   |   |

NOTE: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally from left to right. Options expire seven business days prior to the commencement of the Delivery period, options on the January futures contract will expire in December. From the day following the last day of trading in the spot month, those marked “(x)” will commence trading.

## **TWENTY-SIXTH SCHEDULE**

### **BARLEY FUTURES CONTRACT**

(To be listed on a date to be determined by the Board)

#### **PART A**

##### **APPROVED WAREHOUSES**

Warehouses must be located in New South Wales or Victoria in order to be considered for approval by the Exchange.

Warehouse Operators which have been declared Approved by the Exchange (subject to completion of the approval process) are as follows:

- Vicgrain Dunolly
- Vicgrain Murtoa
- Vicgrain Yarrawonga
- Vicgrain Ouyen
- Australian Bulk Alliance Nullawil
- GrainCorp Temora
- Australian Bulk Alliance Coolamon-Marrar

## **TWENTY-SIXTH SCHEDULE**

#### **PART B**

##### **RECEIVAL STANDARDS AND SAMPLING METHODOLOGY**

Receival Standards are the New South Wales Grains Board Barley Receival Standards for deliveries in New South Wales and Australian Barley Board Barley Receival Standards for deliveries in Victoria and the respective applicable Sampling Methodologies.

## **TWENTY-SIXTH SCHEDULE**

#### **PART C**

##### **WAREHOUSE RECEIPT**

The document in the form approved by the Board or its designate. The Warehouse Receipt is available from the Approved Warehouse for completion.

## **TWENTY-SIXTH SCHEDULE**

#### **PART D**

##### **TENDER DOCUMENTATION**

Tender documentation comprises that documentation as approved by the Board from time to time and must be provided by the Seller to the Clearing House as follows:

- (i) Delivery Notification
- (ii) Tender Information Summary
- (iii) Warehouse Receipt pursuant to By-Law BA.4(d) or
- (iv) Where documentation referred to in (i) to (iii) above is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House

All tender documentation, excluding the Warehouse Receipt, is available from the Clearing House for completion.



## **TWENTY-SIXTH SCHEDULE**

### **PART E**

#### **BUYER DOCUMENTATION**

Buyer documentation comprises that documentation as approved by the Board from time to time and must be provided to the Clearing House by the Buyer as follows:

- (i) Inventory Report

All Buyer documentation is available from the Clearing House for completion.

## **TWENTY-SIXTH SCHEDULE**

### **PART F**

#### **DOCUMENTATION LODGMENT SCHEDULE**

The Board, in consultation with the Clearing House has prescribed the following times in relation to BA.6:

- BA.6(a) 3.00 pm Lodgment of Tender Documentation
- BA.6(c) 5.00 pm Lodgment of Buyer Documentation
- BA.6(d) 5.00 pm Lodgment of Tender Documentation (final day of trading)

## **TWENTY-SIXTH SCHEDULE**

### **PART G**

#### **DELIVERY DOCUMENTS**

Delivery documents comprise those documents as approved by the Board from time to time and provided by the Clearing House as follows:

- (i) Seller Summary
- (ii) Seller Advice
- (iii) Buyer Summary
- (iv) Buyer Invoice

**BY-LAWS OF**  
**SYDNEY FUTURES EXCHANGE LIMITED**  
**CANOLA FUTURES**  
(To be listed on a date to be determined by the Board)

**Contract Unit**

- CN.1 Each bought and sold contract shall consist of 20.00 metric tonnes of canola which meets Australian Oilseed Federation applicable standards with no minimum oil and no bonification payments and is stored in an Approved Warehouse pursuant to CN.4.

**Applicable Standards**

- CN.2 Applicable Receival Standards and Sampling Methodology are those set out in Part “B” of the Twenty-Eighth Schedule and which are in force at the time of delivery of canola to an Approved Warehouse pursuant to CN.4.

**Measurement**

- CN.3 Canola must be weighed and tested at the point of delivery according to applicable Sampling Methodology pursuant to CN.2.

**Approved Warehouses**

- CN.4
- (a) The Board of the Exchange or its designate in consultation with the Clearing House shall from time to time approve warehouses at which canola must be stored at the time of submission of delivery documentation to the Clearing House in satisfaction of the Canola Futures Contract. A list of such warehouses is set out in Part “A” of the Twenty-Eighth Schedule.
  - (b) Warehouses designated in accordance with (a) shall be called Approved Warehouses.
  - (c) Application for approval pursuant to (a) shall be made to the Exchange in such a form and manner as determined by the Board or its designate.
  - (d) In these By-Laws a “Warehouse Receipt” shall refer to a document in a form approved by the Board or its designate from time to time as indicated in Part “C” of the Twenty-Eighth Schedule which confirms that the holder is entitled to ownership of canola which meets the specifications contained in these By-Laws and is stored in an Approved Warehouse.

**Tendering Procedures**

- CN.5 Tender documentation shall be in a format determined by the Board or its designate from time to time as indicated in Part “C” and “D” of the Twenty-Eighth Schedule. Buyer documentation shall be in the format determined by the Board or its designate from time to time as indicated in Part “E” of the Twenty-Eighth Schedule.
- CN.6
- (a) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Eighth Schedule Part “F” on any Notice Day within the Delivery Period pursuant to CN.8.
  - (b) Tender documentation lodged on any Notice Day within the Delivery Period after the time prescribed in CN.6(a) shall be carried forward to the next Notice Day.
  - (c) Buyer documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Eighth Schedule Part “F”. Buyer documentation must be lodged on the first business day in the Delivery Period and each subsequent day of the Delivery Period when any open long positions change.

- (d) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Eighth Schedule Part "F" on the final day of trading of the delivery month or such Clearing Members shall be in default.
- (e) A tender shall not be withdrawn or substituted without the consent of the Clearing House.

**Safe Accommodation**

- (f) A Seller may request the Clearing House to retain the documentation in safe accommodation in accordance with CN.22 and CN.23 until such time as the Seller notifies the Clearing House that it intends to deliver the canola pursuant to these By-Laws.
- (g) The Clearing House will not act on any instructions received from a Member unless it is satisfied that all requirements under these By-Laws have been complied with.
- (h) Where tender documentation is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House together with any other certificate which may be determined by the Board and indicated in the Twenty-Eighth Schedule.
- (i) The Seller is obliged to ensure and undertake that at the time of tendering the safe accommodation receipt, all documentation evidenced by the safe accommodation receipt continues to satisfy all requirements and specifications as provided for in these By-Laws.

**Final Day of Trading**

- CN.7 The "final day of trading" permitted shall be the third Tuesday of each delivery month if that day is a business day otherwise the last business day prior thereto or such other day as the Board may determine.

**Delivery Period**

- CN.8 The Delivery Period begins on the first business day of the delivery month and ends with the close of trade on the final day of trading in the delivery month.
- CN.9
- (a) Notice Day for the purposes of these By-Laws is any business day in the Delivery Period on which tender documentation may be lodged with the Clearing House but excludes the final day of trading of the delivery month.
  - (b) Settlement Day for the purposes of these By-Laws is the business day following a Notice Day and is the day on which settlement funds are required to be remitted and a Warehouse Receipt is required to be transferred to the Buyer.

**Value of Canola**

- CN.10
- (a) No price premium shall apply to canola that is of higher quality than that specified in these By-Laws.
  - (b) In the event of an excess above 20.00 metric tonnes the deliverer shall forego all rights to such excess and the weight shall be deemed to be 20.00 metric tonnes.
  - (c) Canola which is stored in an Approved Warehouse will be subject to a location differential, set for the life of the contract, as determined by the Board or its designate from time to time.
  - (d) When canola is stored in an Approved Warehouse:
    - (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the canola have been paid prior to any Warehouse Receipt being issued; and
    - (ii) the Seller shall be responsible for payment of all charges, by whatever name, made/levied by the Approved Warehouse, prior to effective delivery pursuant to CN.11 including charges described as "storage", "handling", "delivery", "entrance", "exit", "in charges", "out charges" and the like.

### **Effective Delivery**

- CN.11
- (a) On receipt of tender documentation from the Seller, the Clearing House shall assign canola as tendered for delivery to a Buyer. The Seller irrevocably appoints the Clearing House as its agent and attorney to perform all acts on its behalf, and to exercise all powers necessary to assign canola as tendered for delivery to a Buyer.  
Such assignment by the Clearing House shall be final. A Buyer to whom a delivery has been assigned by the Clearing House is obligated to take such delivery and make payment pursuant to CN.13.
  - (b) For the purposes of assignment, Clearing Members must provide information to the Clearing House in relation to Open Positions by such a time and in such a format as determined by the Board of the Clearing House from time to time.
  - (c) Effective delivery shall be made by the Clearing House delivering to the Buyer either:
    - (i) a Warehouse Receipt endorsed by the Clearing House and any other party required by the receipt, and any other documents required by these By-Laws; or
    - (ii) a safe accommodation receipt evidencing the endorsed Warehouse Receipt and other documents in (i) above.

### **Documents**

- CN.12
- Delivery documents as indicated in Part "G" of the Twenty-Eighth Schedule must be taken up and given by Clearing Members without prejudice to and regardless of any question in dispute and such question shall be referred to arbitration. All differences, interests and all other charges are for prompt settlement.

### **Payment**

- CN.13
- (a) The "invoice price" shall be the daily settlement price per metric tonne for that day on which the Clearing House accepts tender documentation, less any applicable location differential pursuant to CN.10(c).
  - (b) The "settlement value" is calculated by multiplying the invoice price by 20.
  - (c) The "Tax Adjusted Settlement Value" will be calculated by:
    - (i) multiplying the settlement value by the then current Goods and Services Tax rate to calculate the "Goods and Services Tax amount"; and
    - (ii) adding the Goods and Services Tax amount to the settlement value.
  - (d) Payment of the Tax Adjusted Settlement Value is to be made by the Buyer to the Clearing House by 10.30 am on the settlement day. The method of payment shall be determined by the Clearing House from time to time.
  - (e) Payment of the Tax Adjusted Settlement Value shall be made by the Clearing House to the Seller by 12.00 pm on the settlement day. The method of payment shall be determined by the Clearing House from time to time.

- CN.14
- Should payment for any tender not be duly made, the Clearing House is authorised to sell the canola. Any difference in price resulting through such sales, together with interest and all charges, shall be settled with the Clearing House by the Buyer forthwith.

### **Scale of Charges**

- CN.15
- The fees payable in respect of delivery processing excluding all fees and charges incurred in the preparation of canola for delivery, shall be determined by the Board in consultation with the Clearing House from time to time.

### **Default**

- CN.16
- (a) Should a delivery not be duly made by a Clearing Member as provided in these By-Laws or documentation not provided pursuant to CN.5 or CN.6 such Clearing Member shall be in default.
  - (b) Should a delivery not be duly taken by a Clearing Member as provided in these By-Laws such a Clearing Member shall be in default.

## **Undesirable Situations and Practices**

- CN.17 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to the trading or delivery under the contract, the provisions set out in that By-Law shall apply.

## **Disputes**

- CN.18 Disputes which arise as a consequence of any testing procedure shall be the sole responsibility of the testing body and not that of the Exchange or the Clearing House. The Exchange and the Clearing House will consider a Warehouse Receipt submitted to be final and conclusive evidence as to the standards having been met under these By-Laws.

## **Trading Hours**

- CN.19 The trading hours for the Canola Futures Contract shall be determined by the Board.

## **Quotation**

- CN.20 The quoted months for trading in Canola Futures contracts shall be January, March, May, July, September, and November up to eighteen (18) months ahead as shown in the following schedule.

- CN.21 Prices shall be quoted in multiples of Australian Dollars per metric tonne, with tick size of 25c per metric tonne.

## **Safe Document Accommodation Procedure**

- CN.22
- (a) Where a Clearing Member requests that documentation be retained in safe accommodation pursuant to CN.6(f), the Clearing House shall arrange for the documentation referred to in CN.6 to be kept in a secure manner and shall, as soon as reasonably practicable, after the documentation is accepted, deposit the documentation in the safe accommodation provided by it.
  - (b) The Clearing House shall provide the Clearing Member with a safe accommodation receipt evidencing the deposit of the documentation in the safe accommodation.
  - (c) The Clearing House shall record the deposit of the documentation in safe accommodation and once the documentation has been lodged, the Clearing House holds the documentation as bailee for the Clearing Member.
  - (d) Where a safe accommodation receipt is used to tender canola pursuant to the Tendering Procedure, the Clearing House shall issue the Buyer with a safe accommodation receipt evidencing the documentation retained in safe accommodation. The Buyer may subsequently notify the Clearing House of its election to uplift the documentation evidenced by the safe accommodation.

## **Obligation for Loss From Safe Accommodation**

- CN.23 If any documentation held in safe accommodation is lost, stolen, destroyed or damaged:
- (a) the Clearing House must as soon as practicable after it becomes aware of the loss, theft, destruction or damage take all appropriate action required by law or custom for the replacement of the documentation;
  - (b) each Clearing Member must do all things necessary to assist the Clearing House for the purpose of paragraph (a); and
  - (c) if the Clearing House is liable as bailee to a Clearing Member in relation to any loss, theft, destruction of, or damage to, any documentation retained in safe accommodation, the Clearing House shall, subject to the Clearing By-Laws, only be liable to indemnify the Clearing Member for the cost of replacement of such documentation.

## Agency and Indemnity

CN.24 Without prejudice to any other provisions in these By-Laws:

- (a) each Member irrevocably appoints the Clearing House as agent and attorney for that Member to perform all acts on its behalf, and to exercise all powers, specifically delegated to the Clearing House by these By-Laws, together with all powers which are reasonably incidental to those acts and powers;
- (b) the Clearing House may perform any of its duties or obligations under these By-Laws by or through its officers, employees or agents; and
- (c) each Clearing Member must, subject to the Tendering Procedures, indemnify the Clearing House and keep the Clearing House indemnified against any loss or claim arising from the Clearing House's performance of its obligations in relation to the safe accommodation service.

## EXCHANGE TRADED OPTIONS

CNO.100 The contract unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one Canola Futures Contract as described in CN.1.

CNO.101 Trading shall be in those months as set out in the attached options schedule.

CNO.102 The premium of an option shall be in cents per metric tonne in multiples of ten cents.

- CNO.103
- (a) Exercise prices shall be in cents per metric tonne in multiples of five dollars.
  - (b) Trading in puts and calls on the first day of a new option contract month shall be at the following seven exercise prices:
    - (i) the Daily Settlement Price to the nearest five dollar interval for the corresponding Canola Futures Contract delivery month on the preceding business day as determined by the Exchange, rounded to the nearest exercise price as referred to in sub-clause (a) hereof. In the event that the closing call price is precisely midway between the two exercise prices it shall be rounded to the lower exercise price;
    - (ii) the price which is five dollars higher than that described in paragraph (i);
    - (iii) the price which is ten dollars higher than that described in paragraph (i);
    - (iv) the price which is fifteen dollars higher than that described in paragraph (i);
    - (v) the price which is five dollars lower than that described in paragraph (i);
    - (vi) the price which is ten dollars lower than that described in paragraph (i); and
    - (vii) the price which is fifteen dollars lower than that described in paragraph (i).
  - (c) Whenever the Daily Settlement Price for Canola Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars below the highest exercise price or is above the highest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars above the highest listed exercise price for that option contract month.
  - (d) Whenever the Daily Settlement Price for Canola Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars above the lowest exercise price or is below the lowest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars below the lowest listed exercise price for that option contract month.
  - (e) No new exercise price shall be introduced in the option contract month next due to expire after the business day two weeks prior to the expiration of option trading.
  - (f) Notwithstanding the provisions of sub-clauses (a) to (e) hereof the Board may determine, in respect of the listing of an option series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Board.

CNO.104 (a) The Declaration date for a Canola Option Contract shall be the business day seven (7) days prior to the first Notice day of the corresponding Canola Futures Contract delivery month, unless that day is not a business day in which case the Declaration Date shall be the business day immediately prior to that day or such other date as determined by the Board or its designate.

(b) Trading shall cease on the Declaration Date at the time of cessation of Canola Futures Contract trading.

- CNO.105
- (a) The Buyer of an option contract may lodge a Notice of Exercise or Abandonment in respect of that option contract.
  - (b) Subject to sub-clause (c) a Notice of Exercise or Abandonment in a form determined by the Clearing House shall be effective if received by the Clearing House prior to twenty minutes after the close of trading on any business day on which an option contract may be traded.
  - (c) On the Declaration Date of an option contract the Clearing House, unless otherwise directed by a Notice of Exercise or Abandonment received in accordance with sub-clause (b) hereof, shall exercise all in-the-money options, and allow all other options to expire
  - (d) For the purpose of sub-clause (c) hereof, an option shall be in-the money if the Daily Settlement Price for the underlying Canola Futures Contract delivery month for the Declaration Date lies above the exercise price in the case of a call option, or lies below the exercise price in the case of a put option.

CNO.106 The Clearing House shall notify a Seller that an exercise notice has been assigned no later than forty-five (45) minutes prior to the commencement of trading in Canola options on the business day following the day on which the exercise notice has been lodged with the Clearing House in accordance with CNO.105.

CNO.107 The Clearing House shall notify a Seller by no later than forty-five (45) minutes prior to the commencement of trading in Canola options on the business day following the Declaration Date if an option has been exercised in accordance with CNO.105(c).

CNO.108 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to futures contracts or options contracts or both, the provisions set out in that By-Law shall apply.

**Schedule of Months Quoted Referred to in By-Law CN.20**

| During the month of | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |   |   |   |     |   |     |   |     |   |     |   | Succeeding Year |   |     |   |     |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|---|---|---|-----|---|-----|---|-----|---|-----|---|-----------------|---|-----|---|-----|
|                     | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F | M | A | M   | J | J   | A | S   | O | N   | D | J               | F | M   | A | M   |
| JAN                 | x            |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | (x) |   |     |   |     |   |     |   |                 |   |     |   |     |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   |     |   |     |   |     |   |                 |   |     |   |     |
| MAR                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | (x) |   |     |   |     |   |                 |   |     |   |     |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   |     |   |     |   |                 |   |     |   |     |
| MAY                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | (x) |   |     |   |                 |   |     |   |     |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   |     |   |                 |   |     |   |     |
| JULY                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | (x) |   |                 |   |     |   |     |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 |   |     |   |     |
| SEPT                |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 |   | (x) |   |     |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   |     |
| NOV                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   | (x) |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   |                 | x |     |   | x   |

NOTE: In each month in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally from left to right. From the day following the last day of trading in the spot month, those marked “(x)” will commence trading. For example: in September the officially quoted forward months will be current year September, November; in the following year January, March, May, July, September and November; in the succeeding year January and from the day following the last day of trading in the spot month (ie September in this example), March.



**Schedule of Months Quoted Referred to in By-Law CNO.101**

|                     | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |     |     |   |     |   |   |   |     |   |     |   | Succeeding Year |   |   |   |   |   |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|-----|-----|---|-----|---|---|---|-----|---|-----|---|-----------------|---|---|---|---|---|
| During the month of | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F   | M   | A | M   | J | J | A | S   | O | N   | D | J               | F | M | A | M | J |
| JAN                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |     |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | x              | (x) |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAR                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |     |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |     | (x) |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAY                 |              |   |   |   |   |   | x |   | x |   | x |   | x              |     | x   |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |     | x   |   | (x) |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JULY                |              |   |   |   |   |   |   |   | x |   | x |   | x              |     | x   |   | x   |   | x |   |     |   |     |   |                 |   |   |   |   |   |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |     | x   |   | x   |   | x |   | (x) |   |     |   |                 |   |   |   |   |   |
| SEPT                |              |   |   |   |   |   |   |   |   |   | x |   | x              |     | x   |   | x   |   | x |   | x   |   |     |   |                 |   |   |   |   |   |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |     | x   |   | x   |   | x |   | x   |   | (x) |   |                 |   |   |   |   |   |
| NOV                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |     | x   |   | x   |   | x |   | x   |   | x   |   |                 |   |   |   |   |   |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |     | x   |   | x   |   | x |   | x   |   | x   |   | (x)             |   |   |   |   |   |

NOTE: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked "X" in the other columns reading horizontally from left to right. Options expire seven business days prior to the commencement of the Delivery period, options on the January futures contract will expire in December. From the day following the last day of trading in the spot month, those marked "(x)" will commence trading



## **TWENTY-EIGHTH SCHEDULE**

### **CANOLA FUTURES CONTRACT**

(To be listed on a date to be determined by the Board)

#### **PART A**

##### **APPROVED WAREHOUSES**

Warehouses must be located in Victoria or South Australia in order to be considered for approval by the Exchange.

Warehouse Operators which have been declared Approved by the Exchange (subject to completion of the approval process) are as follows:

- Vicgrain Dunolly
- Vicgrain Yarrawonga
- SACBH Keith
- Australian Bulk Alliance Nullawil
- Vicgrain Murtoa
- SACBH Bowmans
- SACBH Roseworthy

## **TWENTY-EIGHTH SCHEDULE**

#### **PART B**

##### **RECEIVAL STANDARDS AND SAMPLING METHODOLOGY**

Receival Standards are the Australian Oilseed Federation Canola Receival Standards and the applicable Sampling Methodology.

## **TWENTY-EIGHTH SCHEDULE**

#### **PART C**

##### **WAREHOUSE RECEIPT**

The document in the form approved by the Board or its designate. The Warehouse Receipt is available from the Approved Warehouse for completion.

## **TWENTY-EIGHTH SCHEDULE**

#### **PART D**

##### **TENDER DOCUMENTATION**

Tender documentation comprises that documentation as approved by the Board from time to time and must be provided by the Seller to the Clearing House as follows:

- (i) Delivery Notification
- (ii) Tender Information Summary
- (iii) Warehouse Receipt pursuant to By-Law CN.4(d) or
- (iv) Where documentation referred to in (i) to (iii) above is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House

All tender documentation, excluding the Warehouse Receipt, is available from the Clearing House for completion.

## **TWENTY-EIGHTH SCHEDULE**

### **PART E**

#### **BUYER DOCUMENTATION**

Buyer documentation comprises that documentation as approved by the Board from time to time and must be provided to the Clearing House by the Buyer as follows:

- (i) Inventory Report

All Buyer documentation is available from the Clearing House for completion.

## **TWENTY-EIGHTH SCHEDULE**

### **PART F**

#### **DOCUMENTATION LODGMENT SCHEDULE**

The Board, in consultation with the Clearing House has prescribed the following times in relation to CN.6:

- CN.6(a) 3.00 pm Lodgment of Tender Documentation
- CN.6(c) 5.00 pm Lodgment of Buyer Documentation
- CN.6(d) 5.00 pm Lodgment of Tender Documentation (final day of trading)

## **TWENTY-EIGHTH SCHEDULE**

### **PART G**

#### **DELIVERY DOCUMENTS**

Delivery documents comprise those documents as approved by the Board from time to time and provided by the Clearing House as follows:

- (i) Seller Summary
- (ii) Seller Advice
- (iii) Buyer Summary
- (iv) Buyer Invoice

**BY-LAWS OF**  
**SYDNEY FUTURES EXCHANGE LIMITED**  
**SORGHUM FUTURES**  
(To be listed on a date to be determined by the Board)

**Contract Unit**

- SO.1 Each bought and sold contract shall consist of 50.00 metric tonnes of sorghum which meets GraincoAustralia Limited Red Sorghum (1Red) applicable standards and is stored in an Approved Warehouse pursuant to SO.4.

**Applicable Standards**

- SO.2 Applicable Receival Standards and Sampling Methodology are those set out in Part “B” of the Twenty-Seventh Schedule and which are in force at the time of delivery of sorghum to an Approved Warehouse pursuant to SO.4.

**Measurement**

- SO.3 Sorghum must be weighed and tested at the point of delivery according to applicable Sampling Methodology pursuant to SO.2.

**Approved Warehouses**

- SO.4
- (a) The Board of the Exchange or its designate in consultation with the Clearing House shall from time to time approve warehouses at which sorghum must be stored at the time of submission of delivery documentation to the Clearing House in satisfaction of the Sorghum Futures Contract. A list of such warehouses is set out in Part “A” of the Twenty-Seventh Schedule.
  - (b) Warehouses designated in accordance with (a) shall be called Approved Warehouses.
  - (c) Application for approval pursuant to (a) shall be made to the Exchange in such a form and manner as determined by the Board or its designate.
  - (d) In these By-Laws a “Warehouse Receipt” shall refer to a document in a form approved by the Board or its designate from time to time as indicated in Part “C” of the Twenty-Seventh Schedule which confirms that the holder is entitled to ownership of sorghum which meets the specifications contained in these By-Laws and is stored in an Approved Warehouse.

**Tendering Procedures**

- SO.5 Tender documentation shall be in a format determined by the Board or its designate from time to time as indicated in Part “C” and “D” of the Twenty-Seventh Schedule. Buyer documentation shall be in the format determined by the Board or its designate from time to time as indicated in Part “E” of the Twenty-Seventh Schedule.
- SO.6
- (a) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Seventh Schedule Part “F” on any Notice Day within the Delivery Period pursuant to SO.8.
  - (b) Tender documentation lodged on any Notice Day within the Delivery Period after the time prescribed in SO.6(a) shall be carried forward to the next Notice Day.

- (c) Buyer documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Seventh Schedule Part "F". Buyer documentation must be lodged on the first business day in the Delivery Period and each subsequent day of the Delivery Period when any open long positions change.
- (d) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Twenty-Seventh Schedule Part "F" on the final day of trading of the delivery month or such Clearing Members shall be in default.
- (e) A tender shall not be withdrawn or substituted without the consent of the Clearing House.

**Safe Accommodation**

- (f) A Seller may request the Clearing House to retain the documentation in safe accommodation in accordance with SO.22 and SO.23 until such time as the Seller notifies the Clearing House that it intends to deliver the sorghum pursuant to these By-Laws.
- (g) The Clearing House will not act on any instructions received from a Member unless it is satisfied that all requirements under these By-Laws have been complied with.
- (h) Where tender documentation is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House together with any other certificate which may be determined by the Board and indicated in the Twenty-Seventh Schedule.
- (i) The Seller is obliged to ensure and undertake that at the time of tendering the safe accommodation receipt, all documentation evidenced by the safe accommodation receipt continues to satisfy all requirements and specifications as provided for in these By-Laws.

**Final Day of Trading**

SO.7 The "final day of trading" permitted shall be the third Tuesday of each delivery month if that day is a business day otherwise the last business day prior thereto or such other day as the Board may determine.

**Delivery Period**

SO.8 The Delivery Period begins on the first business day of the delivery month and ends with the close of trade on the final day of trading in the delivery month.

- SO.9
- (a) Notice Day for the purposes of these By-Laws is any business day in the Delivery Period on which tender documentation may be lodged with the Clearing House but excludes the final day of trading of the delivery month.
  - (b) Settlement Day for the purposes of these By-Laws is the business day following a Notice Day and is the day on which settlement funds are required to be remitted and a Warehouse Receipt is required to be transferred to the Buyer.

**Value of Sorghum**

- SO.10
- (a) No price premium shall apply to sorghum that is of higher quality than that specified in these By-Laws.
  - (b) In the event of an excess above 50.00 metric tonnes the deliverer shall forego all rights to such excess and the weight shall be deemed to be 50.00 metric tonnes.
  - (c) Sorghum which is stored in an Approved Warehouse will be subject to a location differential, set for the life of the contract, as determined by the Board or its designate from time to time.
  - (d) When sorghum is stored in an Approved Warehouse:
    - (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the sorghum have been paid prior to any Warehouse Receipt being issued; and
    - (ii) the Seller shall be responsible for payment of all charges, by whatever name, made/levied by the Approved Warehouse, prior to effective delivery pursuant to SO.11 including charges described as "storage", "handling", "delivery", "entrance", "exit", "in charges", "out charges" and the like.

### **Effective Delivery**

- SO.11
- (a) On receipt of tender documentation from the Seller, the Clearing House shall assign sorghum as tendered for delivery to a Buyer. The Seller irrevocably appoints the Clearing House as its agent and attorney to perform all acts on its behalf, and to exercise all powers necessary to assign sorghum as tendered for delivery to a Buyer.  
Such assignment by the Clearing House shall be final. A Buyer to whom a delivery has been assigned by the Clearing House is obligated to take such delivery and make payment pursuant to SO.13.
  - (b) For the purposes of assignment, Clearing Members must provide information to the Clearing House in relation to open positions by such a time and in such a format as determined by the Board of the Clearing House from time to time.
  - (c) Effective delivery shall be made by the Clearing House delivering to the Buyer either:
    - (i) a Warehouse Receipt endorsed by the Clearing House and any other party required by the receipt, and any other documents required by these By-Laws; or
    - (ii) a safe accommodation receipt evidencing the endorsed Warehouse Receipt and other documents in (i) above.

### **Documents**

- SO.12
- Delivery documents as indicated in Part "G" of the Twenty-Seventh Schedule must be taken up and given by Clearing Members without prejudice to and regardless of any question in dispute and such question shall be referred to arbitration. All differences, interests and all other charges are for prompt settlement.

### **Payment**

- SO.13
- (a) The "invoice price" shall be the daily settlement price per metric tonne for that day on which the Clearing House accepts tender documentation, less any applicable location differential pursuant to SO.10(c).
  - (b) The "settlement value" is calculated by multiplying the invoice price by 50.
  - (c) The "Tax Adjusted Settlement Value" will be calculated by:
    - (i) multiplying the settlement value by the then current Goods and Services Tax rate to calculate the "Goods and Services Tax amount"; and
    - (ii) adding the Goods and Services Tax amount to the settlement value.
  - (d) Payment of the Tax Adjusted Settlement Value is to be made by the Buyer to the Clearing House by 10.30 am on the settlement day. The method of payment shall be determined by the Clearing House from time to time.
  - (e) Payment of the Tax Adjusted Settlement Value shall be made by the Clearing House to the Seller by 12.00 pm on the settlement day. The method of payment shall be determined by the Clearing House from time to time.

- SO.14
- Should payment for any tender not be duly made, the Clearing House is authorised to sell the sorghum. Any difference in price resulting through such sales, together with interest and all charges, shall be settled with the Clearing House by the Buyer forthwith.

### **Scale of Charges**

- SO.15
- The fees payable in respect of delivery processing excluding all fees and charges incurred in the preparation of sorghum for delivery, shall be determined by the Board in consultation with the Clearing House from time to time.

### **Default**

- SO.16
- (a) Should a delivery not be duly made by a Clearing Member as provided in these By-Laws or documentation not provided pursuant to SO.5 or SO.6 such Clearing Member shall be in default.
  - (b) Should a delivery not be duly taken by a Clearing Member as provided in these By-Laws such a Clearing Member shall be in default.

## **Undesirable Situations and Practices**

- SO.17 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to the trading or delivery under the contract, the provisions set out in that By-Law shall apply.

## **Disputes**

- SO.18 Disputes which arise as a consequence of any testing procedure shall be the sole responsibility of the testing body and not that of the Exchange or the Clearing House. The Exchange and the Clearing House will consider a Warehouse Receipt submitted to be final and conclusive evidence as to the standards having been met under these By-Laws.

## **Trading Hours**

- SO.19 The trading hours for the Sorghum Futures Contract shall be determined by the Board.

## **Quotation**

- SO.20 The quoted months for trading in Sorghum Futures contracts shall be January, March, May, July, September, and November up to eighteen (18) months ahead as shown in the following schedule.
- SO.21 Prices shall be quoted in multiples of Australian Dollars per metric tonne, with tick size of 25c per metric tonne.

## **Safe Document Accommodation Procedure**

- SO.22
- (a) Where a Clearing Member requests that documentation be retained in safe accommodation pursuant to SO.6(f), the Clearing House shall arrange for the documentation referred to in SO.6 to be kept in a secure manner and shall, as soon as reasonably practicable, after the documentation is accepted, deposit the documentation in the safe accommodation provided by it.
  - (b) The Clearing House shall provide the Clearing Member with a safe accommodation receipt evidencing the deposit of the documentation in the safe accommodation.
  - (c) The Clearing House shall record the deposit of the documentation in safe accommodation and once the documentation has been lodged, the Clearing House holds the documentation as bailee for the Clearing Member.
  - (d) Where a safe accommodation receipt is used to tender sorghum pursuant to the Tendering Procedure, the Clearing House shall issue the Buyer with a safe accommodation receipt evidencing the documentation retained in safe accommodation. The Buyer may subsequently notify the Clearing House of its election to uplift the documentation evidenced by the safe accommodation.

## **Obligation for Loss From Safe Accommodation**

- SO.23 If any documentation held in safe accommodation is lost, stolen, destroyed or damaged:
- (a) the Clearing House must as soon as practicable after it becomes aware of the loss, theft, destruction or damage take all appropriate action required by law or custom for the replacement of the documentation;
  - (b) each Clearing Member must do all things necessary to assist the Clearing House for the purpose of paragraph (a); and
  - (c) if the Clearing House is liable as bailee to a Clearing Member in relation to any loss, theft, destruction of, or damage to, any documentation retained in safe accommodation, the Clearing House shall, subject to the Clearing By-Laws, only be liable to indemnify the Clearing Member for the cost of replacement of such documentation.



## **Agency and Indemnity**

SO.24

Without prejudice to any other provisions in these By-Laws:

- (a) each Member irrevocably appoints the Clearing House as agent and attorney for that Member to perform all acts on its behalf, and to exercise all powers, specifically delegated to the Clearing House by these By-Laws, together with all powers which are reasonably incidental to those acts and powers;
- (b) the Clearing House may perform any of its duties or obligations under these By-Laws by or through its officers, employees or agents; and
- (c) each Clearing Member must, subject to the Tendering Procedures, indemnify the Clearing House and keep the Clearing House indemnified against any loss or claim arising from the Clearing House's performance of its obligations in relation to the safe accommodation service.

## **EXCHANGE TRADED OPTIONS**

SOO.100

The contract unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one Sorghum Futures Contract as described in SO.1.

SOO.101

Trading shall be in those months as set out in the attached options schedule.

SOO.102

The premium of an option shall be in cents per metric tonne in multiples of ten cents.

SOO.103

- (a) Exercise prices shall be in cents per metric tonne in multiples of five dollars.
- (b) Trading in puts and calls on the first day of a new option contract month shall be at the following seven exercise prices:
  - (i) the Daily Settlement Price to the nearest five dollar interval for the corresponding Sorghum Futures Contract delivery month on the preceding business day as determined by the Exchange, rounded to the nearest exercise price as referred to in sub-clause (a) hereof. In the event that the closing call price is precisely midway between the two exercise prices it shall be rounded to the lower exercise price;
  - (ii) the price which is five dollars higher than that described in paragraph (i);
  - (iii) the price which is ten dollars higher than that described in paragraph (i);
  - (iv) the price which is fifteen dollars higher than that described in paragraph (i);
  - (v) the price which is five dollars lower than that described in paragraph (i);
  - (vi) the price which is ten dollars lower than that described in paragraph (i); and
  - (vii) the price which is fifteen dollars lower than that described in paragraph (i).
- (c) Whenever the Daily Settlement Price for Sorghum Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars below the highest exercise price or is above the highest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars above the highest listed exercise price for that option contract month.
- (d) Whenever the Daily Settlement Price for Sorghum Futures Contracts in the delivery month corresponding to an option contract month is less than seven dollars above the lowest exercise price or is below the lowest exercise price, then a new exercise price for both puts and calls shall be introduced on the following business day. The new exercise price shall be five dollars below the lowest listed exercise price for that option contract month.
- (e) No new exercise price shall be introduced in the option contract month next due to expire after the business day two weeks prior to the expiration of option trading.
- (f) Notwithstanding the provisions of sub-clauses (a) to (e) hereof the Board may determine, in respect of the listing of an option series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Board.

- SOO.104 (a) The Declaration date for a Sorghum Option Contract shall be the business day seven (7) days prior to the first Notice day of the corresponding Sorghum Futures Contract delivery month, unless that day is not a business day in which case the Declaration Date shall be the business day immediately prior to that day or such other date as determined by the Board or its designate.
- (b) Trading shall cease on the Declaration Date at the time of cessation of Sorghum Futures Contract trading.
- SOO.105 (a) The Buyer of an option contract may lodge a Notice of Exercise or Abandonment in respect of that option contract.
- (b) Subject to sub-clause (c) a Notice of Exercise or Abandonment in a form determined by the Clearing House shall be effective if received by the Clearing House prior to twenty minutes after the close of trading on any business day on which an option contract may be traded.
- (c) On the Declaration Date of an option contract the Clearing House, unless otherwise directed by a Notice of Exercise or Abandonment received in accordance with sub-clause (b) hereof, shall exercise all in-the-money options, and allow all other options to expire.
- (d) For the purpose of sub-clause (c) hereof, an option shall be in-the money if the Daily Settlement Price for the underlying Sorghum Futures Contract delivery month for the Declaration Date lies above the exercise price in the case of a call option, or lies below the exercise price in the case of a put option.
- SOO.106 The Clearing House shall notify a Seller that an exercise notice has been assigned no later than forty-five (45) minutes prior to the commencement of trading in Sorghum options on the business day following the day on which the exercise notice has been lodged with the Clearing House in accordance with SOO.105.
- SOO.107 The Clearing House shall notify a Seller by no later than forty-five (45) minutes prior to the commencement of trading in Sorghum options on the business day following the Declaration Date if an option has been exercised in accordance with SOO.105(c).
- SOO.108 In the event that an undesirable situation within the meaning of General By-Law G.13 is developing or has developed in relation to futures contracts or options contracts or both, the provisions set out in that By-Law shall apply.

**Schedule of Months Quoted Referred to in By-Law SO.20**

| During the month of | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |   |   |   |     |   |     |   |     |   |     |   | Succeeding Year |   |     |   |     |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|---|---|---|-----|---|-----|---|-----|---|-----|---|-----------------|---|-----|---|-----|
|                     | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F | M | A | M   | J | J   | A | S   | O | N   | D | J               | F | M   | A | M   |
| JAN                 | x            |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | (x) |   |     |   |     |   |     |   |                 |   |     |   |     |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   |     |   |     |   |     |   |                 |   |     |   |     |
| MAR                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | (x) |   |     |   |     |   |                 |   |     |   |     |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   |     |   |     |   |                 |   |     |   |     |
| MAY                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | (x) |   |     |   |                 |   |     |   |     |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   |     |   |                 |   |     |   |     |
| JULY                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | (x) |   |                 |   |     |   |     |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   | x               |   |     |   |     |
| SEPT                |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   | x               |   | (x) |   |     |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   | x               |   | x   |   |     |
| NOV                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   | x               |   | x   |   | (x) |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |   | x |   | x   |   | x   |   | x   |   | x   |   | x               |   | x   |   | x   |

NOTE: In each month in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally from left to right. From the day following the last day of trading in the spot month, those marked “(x)” will commence trading. For example: in September the officially quoted forward months will be current year September, November; in the following year January, March, May, July, September and November; in the succeeding year January and from the day following the last day of trading in the spot month (ie September in this example), March.

**Schedule of Months Quoted Referred to in By-Law SOO.101**

|                     | Current Year |   |   |   |   |   |   |   |   |   |   |   | Following Year |   |     |   |     |   |   |   |     |   |     |   | Succeeding Year |   |   |   |   |   |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|---|---|----------------|---|-----|---|-----|---|---|---|-----|---|-----|---|-----------------|---|---|---|---|---|
| During the month of | J            | F | M | A | M | J | J | A | S | O | N | D | J              | F | M   | A | M   | J | J | A | S   | O | N   | D | J               | F | M | A | M | J |
| JAN                 |              |   | x |   | x |   | x |   | x |   | x |   | x              |   |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| FEB                 |              |   | x |   | x |   | x |   | x |   | x |   | (x)            |   |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAR                 |              |   |   |   | x |   | x |   | x |   | x |   | x              |   |     |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| APRIL               |              |   |   |   | x |   | x |   | x |   | x |   | x              |   | (x) |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| MAY                 |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x   |   |     |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JUNE                |              |   |   |   |   |   | x |   | x |   | x |   | x              |   | x   |   | (x) |   |   |   |     |   |     |   |                 |   |   |   |   |   |
| JULY                |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x   |   | x   |   | x |   |     |   |     |   |                 |   |   |   |   |   |
| AUG                 |              |   |   |   |   |   |   |   | x |   | x |   | x              |   | x   |   | x   |   | x |   | (x) |   |     |   |                 |   |   |   |   |   |
| SEPT                |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x   |   | x   |   | x |   | x   |   |     |   |                 |   |   |   |   |   |
| OCT                 |              |   |   |   |   |   |   |   |   |   | x |   | x              |   | x   |   | x   |   | x |   | x   |   | (x) |   |                 |   |   |   |   |   |
| NOV                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |   | x   |   | x   |   | x |   | x   |   | x   |   |                 |   |   |   |   |   |
| DEC                 |              |   |   |   |   |   |   |   |   |   |   |   | x              |   | x   |   | x   |   | x |   | x   |   | x   |   | (x)             |   |   |   |   |   |

NOTE: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally from left to right. Options expire seven business days prior to the commencement of the Delivery period, options on the January futures contract will expire in December. From the day following the last day of trading in the spot month, those marked “(x)” will commence trading.

## **TWENTY-SEVENTH SCHEDULE**

### **SORGHUM FUTURES CONTRACT**

(To be listed on a date to be determined by the Board)

#### **PART A**

##### **APPROVED WAREHOUSES**

Warehouses must be located in Queensland in order to be considered for approval by the Exchange.

Warehouse Operators which (subject to completion of the approval process) have been declared Approved by the Exchange are as follows:

- Grainco Goondiwindi
- Grainco Malu
- Grainco Dalby West

## **TWENTY-SEVENTH SCHEDULE**

#### **PART B**

##### **RECEIVAL STANDARDS AND SAMPLING METHODOLOGY**

Receival Standards are the National Agricultural Commodity Marketing Association Sorghum Receival Standards and the applicable Sampling Methodology.

## **TWENTY-SEVENTH SCHEDULE**

#### **PART C**

##### **WAREHOUSE RECEIPT**

The document in the form approved by the Board or its designate. The Warehouse Receipt is available from the Approved Warehouse for completion.

## **TWENTY-SEVENTH SCHEDULE**

#### **PART D**

##### **TENDER DOCUMENTATION**

Tender documentation comprises that documentation as approved by the Board from time to time and must be provided by the Seller to the Clearing House as follows:

- (i) Delivery Notification
- (ii) Tender Information Summary
- (iii) Warehouse Receipt pursuant to By-Law SO.4(d) or
- (iv) Where documentation referred to in (i) to (iii) above is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House.

All tender documentation, excluding the Warehouse Receipt is available from the Clearing House for completion.

**TWENTY-SEVENTH SCHEDULE**

**PART E**

**BUYER DOCUMENTATION**

Buyer documentation comprises that documentation as approved by the Board from time to time and must be provided to the Clearing House by the Buyer as follows:

- (i) Inventory Report

All Buyer documentation is available from the Clearing House for completion.

**TWENTY-SEVENTH SCHEDULE**

**PART F**

**DOCUMENTATION LODGMENT SCHEDULE**

The Board, in consultation with the Clearing House has prescribed the following times in relation to SO.6:

- SO.6(a) 3.00 pm Lodgment of Tender Documentation
- SO.6(c) 5.00 pm Lodgment of Buyer Documentation
- SO.6(d) 5.00 pm Lodgment of Tender Documentation (final day of trading)

**TWENTY-SEVENTH SCHEDULE**

**PART G**

**DELIVERY DOCUMENTS**

Delivery documents comprise those documents as approved by the Board from time to time and provided by the Clearing House as follows:

- (i) Seller Summary
- (ii) Seller Advice
- (iii) Buyer Summary
- (iv) Buyer Invoice