



Circular

16 October 2019

Circular No. DC/AM 64 of 2019

Amendment to Contract Specifications of SGX SICOM Rubber Contracts

The Exchange is amending the contract specifications of the following contracts to provide clarity with respect to the method of determining the Port of Loading under the contracts, based on feedback from market participants who are active in the rubber market:

- SGX SICOM TSR 20 Rubber Futures Contract ("TSRF")
- SGX SICOM RSS 3 Rubber Futures Contract ("RSSF")

The specific amendments to the contract specifications are provided in **Appendices A** and **B** respectively, and are deemed amendments to the Futures Trading Rules and the SGX-DC Clearing Rules.

The Port of Loading under Free-on-Board ("FOB") delivery terms is currently determined based on the Selling Member's indicated preference, with the exception where the Buying Member indicates a preference for Port of Singapore, in which case the Port of Singapore will be determined as the Port of Loading. The manner in which the Port of Loading is determined will be amended, such that the determination of the Port of Loading will be solely based on the Selling Member's preference regardless of whether the Buying Member has indicated a preference for the Port of Singapore.

These changes will provide greater logistical efficiency in the physical delivery procedures under the contracts.

The amendments will take effect on 2 January 2020, unless otherwise notified. For clarity, contracts with January 2020 delivery will be based on the revised contract specifications.

Should you require clarifications, please contact Jessie Ng (tel: +65 6236 8077 or email: jessie.ng@sgx.com).

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Equities

Note: Proposed amendments are made in ~~red strikethroughs~~ and underline.

**CONTRACT SPECIFICATIONS
FOR
SICOM TSR 20 (FOB) RUBBER CONTRACTS**

1.	SCOPE OF CHAPTER	3
2.	DEFINITIONS & INTERPRETATION	3
3.	COMMODITY SPECIFICATIONS	7
4.	FUTURES TRADING	7
4.1	Trading Hours & Contract Months	7
4.2	Trading Lot	7
4.3	Minimum Price Fluctuations & Tick Value	7
4.4	Position limits	7
4.5	Variations	8
4.6	Termination of futures trading	8
4.7	Contract Modifications	8
4.8	Daily Settlement Price	8
4.9	Price Limit and Cooling Off Period	8
4.10	Negotiated Large Trade	9
5.	RESPONSIBILITY OF PERSONS HOLDING A MATURING CONTRACT ON LAST DAY OF TRADING AND PERSONS ENTITLED TO PERFORM DELIVERY OBLIGATIONS	9
6.	DELIVERY	9
6.1	Delivery Lot	9
6.2	Method of Delivery	11
6.3	Location of Delivery	11
6.4	General Delivery Terms	11
6.5	Acceptance Notice	12
6.6	Delivery Notice	13
6.7	Delivery Matching & Re-novation	13
6.8	Performance Deposit	15
6.9	Delivery Instructions	15
6.10	Loading or Discharging	16
6.11	Division of Costs	17
6.12	Documents on Delivery	18
6.13	Inspection, Weighing, Sampling, Testing and Claims	19
6.14	Payments and Documents	19
6.15	Return of Performance Deposit	22
6.16	Property and Risk	22
6.17	Exchange Responsibility	23

6.18	Cash Settlement	23
7.	ALTERNATIVE DELIVERY PROCEDURE	23
8.	LATE PERFORMANCE AND FAILURE TO PERFORM	24
9.	BUYING AND SELLING MEMBERS' LIABILITIES	25
10.	CIRCUMSTANCES PREJUDICIAL TO PERFORMANCE	25
11.	RESOLUTION OF DISPUTES	26
12.	LIABILITIES OF PARTIES	26
	ANNEX 1	28
	WAREHOUSE DELIVERY TERMS	28
	SCHEDULE 1	31
	SCHEDULE 2	32
	SCHEDULE 3	33
	ANNEX 2	35
	FOB TERMS	35
A2.1	DEFINITIONS & INTERPRETATION	35
A2.2	DUTY OF SELLING MEMBER	35
A2.3	DUTY OF BUYING MEMBER	36
A2.4	GENERAL DELIVERY TERMS	36
A2.5	WEIGHING	36
A2.6	SAMPLING	37
A2.7	CLAIMS IN RESPECT OF TECHNICAL SPECIFICATIONS	37
A2.8	CLAIMS IN RESPECT OF PACKAGING CONDITION	38
A2.9	CLAIMS – GENERAL	38
A2.10	ARBITRATION	39
A2.11	APPLICATION OF IRA INTERNATIONAL CONTRACT CONDITIONS FOR TECHNICALLY SPECIFIED RUBBERS	40
A2.12	LIST OF REGIONAL TESTING LABORATORIES	40

**CONTRACT SPECIFICATIONS
FOR
TSR 20 (FOB) RUBBER CONTRACTS**

1. SCOPE OF CHAPTER

These contract specifications (together with the relevant annexes hereto, and the schedules of the annexes hereto, as applicable) (hereinafter collectively referred to as the “**SICOM TSR 20 Rubber Contract Specifications**”) set out the Contract Specifications for Contracts in respect of TSR 20 Rubber (as hereinafter defined) which shall apply to trading in, and the Contracts for, TSR 20 Rubber under the Singapore Exchange Derivatives Trading (“**SGX-DT**”) Futures Trading Rules (“**Trading Rules**”) and the Singapore Exchange Derivatives Clearing (“**SGX-DC**”) Clearing Rules (“**Clearing Rules**”) (together “**Rules**”). These SICOM TSR 20 Rubber Contract Specifications shall be read together with the Rules and:

- (a) matters relating to trading in Contracts for TSR 20 Rubber, not specifically covered herein, shall be governed by the Trading Rules and standard rubber industry practice insofar as such practice does not conflict with those Rules;
- (b) matters relating to clearing, delivery and settlement in respect of Contracts for TSR 20 Rubber, not specifically covered herein, shall be governed by the Clearing Rules, and;
- (c) any other matters in respect of Contracts for TSR 20 Rubber, if expressly stated herein to such effect, shall be governed by the Rules and standard rubber industry practice insofar as such practice does not conflict with those Rules.

2. DEFINITIONS & INTERPRETATION

- 2.1. In these SICOM TSR 20 Rubber Contract Specifications, unless the context otherwise requires, the following expressions shall (notwithstanding Chapter 8 of the Trading Rules and Chapter 9 of the Clearing Rules) have the meanings respectively hereafter assigned to them:

“**Acceptance/Rejection Receipt**” means the form prescribed by the Exchange as Schedule 2 of Annex 1 hereto;

“**Alternative Delivery Procedure**” means the procedure prescribed under Section 7;

“**Approved TSR Factory**” means any factory approved by the Exchange as a factory that produces Rubber acceptable for delivery in respect of any Contract;

“**Award**” shall include a decision or award made by an umpire, the Exchange or a Committee or panel appointed by the Exchange, or made pursuant to any arbitration referred to in these SICOM TSR 20 Rubber Contract Specifications, on any dispute arising under or in respect of these SICOM TSR 20 Rubber Contract Specifications;

“**bale**” means a bale of TSR 20 Rubber that is packed in accordance with the size and weight prescribed in these SICOM TSR 20 Rubber Contract Specifications;

“**Bill of Lading**” means the bill of lading referred to in Section 6.12.1(b);

“**Business Day**” means any day other than the following:

- (a) Saturdays;
- (b) Sundays;
- (c) public holidays in Singapore;
- (d) the eve of Chinese New Year; and,
- (e) the eve of New Year’s Day.

“**Buyer**” means the person holding a long position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the

person responsible for taking delivery of the underlying Commodity of the Contract through the Buying Member ;

"Buying Member" means the Clearing Member who Qualifies the Buyer's positions on a Contract;

"Clearing Rules" means SGX-DC Clearing Rules as amended or supplemented from time to time;

"Committee" means a committee established by the Exchange;

"Container" means a 20 foot container;

"Contract" or **"TSR 20 Contract"** means a Contract in respect of TSR 20 Rubber;

"Contract Month" means any one calendar month and two or more such months being referred to as **"Contract Months"**;

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

"Date of Discharge" in relation to a Delivery Lot means the date on which unloading of the Delivery Lot onto the wharf at the Port of Discharge is completed;

"day of late performance" means the twenty-four hour period commencing after 11:59:59 p.m. on the day a Party was to have performed. Each subsequent day of late performance shall commence twenty-four hours after the beginning of the prior day of late performance. When a Party is late in performance, the day when the Party performs shall also be a day of late performance;

"Delivery Instructions" means instructions in writing to deliver the Delivery Lot to the Location of Delivery and shall contain the information listed in Section 6.9;

"Delivery Lot" means a lot for delivery of the amount of TSR 20 Rubber set out in Section 6.1;

"Delivery Matching" has the meaning ascribed to it in Section 6.7.1;

"failure to perform" means the failure of a Party to complete a material act with respect to its delivery, payment or other obligation after the expiration of the period allowed for the late performance of such act;

"Final Documents" means,

- (i) in the case of delivery under Warehouse Delivery Terms, the Quality and Weight Guarantee Certificates, the Weight Note, and such other documents specified by the Exchange from time to time; or
- (ii) in the case of delivery under FOB Terms, the Quality and Weight Guarantee Certificates, the Bill of Lading referred to in Section 6.12.1(b), the Weight Note and such other documents specified by the Exchange from time to time;

"First Contract Month" means the Contract Month immediately following the current month;

"FOB Terms" means delivery free on board in accordance with the terms as prescribed in these SICOM TSR 20 Rubber Contract Specifications including the terms and conditions set out in Annex 2;

“late performance” means the failure of a Party to complete a material act with respect to its delivery, payment or other obligation imposed by, and within the time period prescribed under Section 8.2;

“Location of Delivery” means the places referred to in Section 6.3 at which the Units or bales are to be delivered;

“method of delivery” means the types of delivery terms and conditions referred to in Section 6.2;

“Notice of Assessment” means the notice given to a Defaulting party by the Clearing House under either Section 8.5 or Section 8.7 stipulating the amount of fines payable for late performance or failure to perform;

“Origin” means a mark or other designation under a national scheme for certifying TSR in the country of a relevant Approved TSR Factory and confirming that the TSR which bears such mark or designation meets the prevailing technical specifications of such national scheme;

“OTC TSR 20 Rubber” means rubber of the specifications in the SICOM OTC TSR 20 Rubber Contract Specifications;

“Other Party” means the corresponding Buying Member when the Selling Member is late in performance or has failed to perform or the corresponding Selling Member when the Buying Member is late in performance or has failed to perform;

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

“Performance Deposit” means the deposits referred to in Section 6.8;

“Port of Discharge” means the overseas shipping port at which the Delivery Lot delivered by the Selling Member to the Buying Member is ultimately shipped to;

“Port of Loading” means the Port of Singapore or any other port as may be prescribed by the Exchange from time to time;

“Port of Singapore” means the shipping port of Singapore;

“Provisional Documents” means the commercial invoice issued or to be issued by the Seller (or the Selling Member if it agrees to be the issuing party) to the Buyer (or the Buying Member if it agrees to be the receiving party) and the Certificate of Origin and the test certificate referred to in Section 6.1.1(b)(ii) together with, in the case of delivery under Warehouse Delivery Terms, the Warehouse Receipt, or, in the case of delivery under FOB Terms, an unsigned Bill of Lading pertaining to the TSR 20 Rubber that is to be delivered;

“Quality and Weight Guarantee Certificate” means the certificates evidencing the quality and weight of each Unit or bale recognised by the Exchange;

“Re-novated Contract” has the meaning ascribed to it in Section 6.7.1A;

“Re-novation” has the meaning ascribed to it in Section 6.7.1.A;

“Rubber Committee” means a committee established by the Exchange to assist the Exchange in matters relating to the Contract including but not limited to reviewing and making recommendations to the Exchange on the terms and conditions of the Contract;

“Seller” means the person holding a short Position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the

person responsible for making delivery of the underlying Commodity of the Contract through the Selling Member ;

"Selling Member" means the Clearing Member who Qualifies the Seller's positions on a Contract;

"SGX-DC" means the Singapore Exchange Derivatives Clearing Limited;

"SGX-DT" means the Singapore Exchange Derivatives Trading Limited;

"SGX TSR 20 Options" means the SGX SICOM TSR 20 Rubber Options Contract listed for trading on the market operated by SGX-DT;

"shipping marks" means such marks as shall be instructed by the Buying Member to the Selling Member to be on each Unit or bale and such marks as shall be required to be on each Unit or bale in accordance with relevant governmental laws and regulations;

"Shrinkwrap Packaging Specifications" means the prevailing specifications prescribed by the Exchange in the Exchange's Handbook on Shrinkwrap Packaging Specifications for TSR 20 Rubber in relation to the shrink wrapping of TSR 20 Rubber.

"SICOM OTC TSR 20 Rubber Contract" means the forward contract in respect of OTC TSR 20 Rubber accepted for trade registration and clearing by the Clearing House;

"SICOM OTC TSR 20 Rubber Contract Specifications" means the contract specifications for the SICOM OTC TSR 20 Rubber Contract;

"standard rubber industry practice" shall be the practice of the rubber trade as determined by a Committee or representative of such Committee appointed by the Exchange;

"standard rubber industry tolerance" means such prevailing tolerance levels as the Rubber Committee may from time to time prescribe;

"trading lot" means the units for futures trading of the amount of TSR 20 Rubber set out in Section 4.2;

"Trading Rules" means SGX-DT Futures Trading Rules as amended or supplemented from time to time;

"TSR" means Technically Specified Rubber;

"TSR 20 Rubber" means rubber of the specifications referred to in Sections 3 and 6.1;

"Unit" means 36 bales of TSR 20 rubber, each bale being of 35 kilograms, within standard rubber industry practice;

"US Banking Day" means a day on which banks in the United States of America are generally open for banking business;

"US\$", "US cents" or "US currency" means the lawful currency of the United States of America;

"Warehouse" means any public or private warehouse licensed by the relevant authority for the purposes of storing rubber that is reasonably accessible by road and which is in Singapore;

"Warehouse Delivery Terms" means the terms for delivery to a Warehouse and includes the terms and conditions set out in Annex 1;

"Warehouse Receipt" means the receipt issued by the Buying Member or its representative

when the Delivery Lot is physically delivered into the custody of the Buying Member or its representative as the case may be at the nominated Warehouse; and

“Weight Note” means the note evidencing the weight of a Unit recognised by the Exchange.

- 2.2. References to Sections, Annexes and Schedules in these SICOM TSR 20 Rubber Contract Specifications shall be read as references to the sections of, the annexes to, and the schedules of the annexes to, these SICOM TSR 20 Rubber Contract Specifications.
- 2.3. References to Rules and Chapters shall be read as references to the rules and chapters of the Rules.
- 2.4. All terms and references which are defined or construed in Chapter 1 but not specifically defined or construed in these SICOM TSR 20 Rubber Contract Specifications shall have the same meaning and construction therein ascribed.
- 2.5. Price quotations of TSR 20 Contracts shall be in US currency unless otherwise stated.
- 2.6. For the purpose of, and except to the extent modified in, these SICOM TSR 20 Rubber Contract Specifications, all expressions used in the Warehouse Delivery Terms and the FOB Terms, if not otherwise therein defined, shall bear the respective meanings ascribed to them by standard rubber industry practice.

3. COMMODITY SPECIFICATIONS

- 3.1. TSR 20 Rubber shall be the rubber manufactured from rubber produced from the Hevea Brasiliensis tree by factories approved by the Exchange from time to time and such TSR 20 Rubber must meet the prevailing technical specifications of the relevant country of such factory for TSR 20 Rubber.
- 3.2. The TSR 20 Rubber must be essentially free of mould but traces of dry mould on bale surfaces shall not be objected to. White flecks scattered in the rubber shall not be objected to but virgin rubber is not permitted.

4. FUTURES TRADING

4.1. Trading Hours & Contract Months

Futures trading in TSR 20 Rubber shall be carried out only during such trading sessions and hours as the Exchange may prescribe from time to time. Delivery of TSR 20 Rubber in respect of a Contract shall be effected only during the Contract Months, or such other periods as may be determined by the Exchange from time to time.

4.2. Trading Lot

Futures trading in TSR 20 Rubber may be made in Contracts for a single month which shall be in units of 5 metric tonnes of the TSR 20 Rubber.

4.3. Minimum Price Fluctuations & Tick Value

Minimum price fluctuation shall be 0.1 US cents per kilogramme, equivalent to US\$5.00 per tick.

4.4. Position limits

A person shall not own or control more than 10,000 trading lots net long or net short in respect of any one Contract Month (except for the First Contract Month) or in respect of any or all Contract Months combined and shall not own or control more than 2,000 trading lots net

long or net short in the First Contract Month, unless otherwise permitted by the Clearing House in respect of its member, who is carrying the account of that person. For the purposes of this Section:

- (a) the prescribed position limit shall apply to aggregate positions owned or controlled by a person in the TSR 20 Contracts, SGX TSR 20 Options and the SICOM OTC TSR 20 Rubber Contracts;
- (b) for the purpose of calculation, one (1) trading lot (as defined in the SICOM OTC TSR 20 Rubber Contract Specifications) of the SICOM OTC TSR 20 Rubber Contract shall be deemed to be equivalent to four (4) trading lots of the TSR 20 Contract, and the futures-equivalent of an SGX TSR 20 Options is the relevant option delta computed by the Clearing House for the option series; and
- (c) the positions of all accounts owned or controlled by a person or persons deemed to be acting in concert or in which such person or persons have a proprietary or beneficial interest shall be aggregated.

4.5. **Variations**

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

4.6. **Termination of futures trading**

Futures trading of trading lots of a single month shall terminate on the Last Trading Day of the month preceding the Delivery Month.

4.7. **Contract Modifications**

Subject to the Rules, the Clearing House reserves all rights to modify or add to these SICOM TSR 20 Rubber Contract Specifications from time to time.

4.8. **Daily Settlement Price**

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

4.9. **Price Limit and Cooling Off Period**

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

- (a) “**Cooling-Off Period**” means a period of 15 minutes within the trading hours referred to in Section 4.1 (or such other period as the Exchange may from time to time prescribe) during which trading may only take place at or between the Upper Limit and Lower Limit;
- (b) “**Upper Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time above the settlement price at the close of the previous Trading Day for the Contract; and
- (c) “**Lower Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time below the settlement price at the close of the previous Trading Day for the Contract.

- 4.9.2 The Upper limit and Lower limit shall be rounded to the nearest 0.1 US cent per kilogramme and this amount shall be the Upper Limit or Lower Limit (as the case may be).
- 4.9.3 During the trading hours referred to in Section 4.1 in any Trading Day, there shall be no trading in any Contract at a price above its Upper Limit or below its Lower Limit except as provided for hereafter in Section 4.9.4. If the price for any Contract reaches either its Upper Limit or Lower Limit, the Exchange System will signal a Cooling-Off Period of fifteen (15) minutes during which trading may only take place at or between the Upper Limit and Lower Limit. For the avoidance of doubt, the Cooling Off Period shall apply to trading for all Contract Months.
- 4.9.4 After the termination of the Cooling-Off Period signalled pursuant to Section 4.9.3 there shall be no price limits for the remainder of the trading hours referred to in Section 4.1 of such Trading Day for all Contracts.

4.10. Negotiated Large Trade

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

5. RESPONSIBILITY OF PERSONS HOLDING A MATURING CONTRACT ON LAST DAY OF TRADING AND PERSONS ENTITLED TO PERFORM DELIVERY OBLIGATIONS

- 5.1. On the Last Day of Trading, it shall be the responsibility of all persons not in a position to fulfill its Delivery Obligations in respect of any maturing Contract by prescribed notice and tender, to liquidate its position not later than half an hour before the close of trading for such Contract.
- 5.2. Delivery Obligations in respect of a Contract after the Last Day of Trading may be performed only by Clearing Members.
- 5.3. All Buyers shall be deemed, after the Last Day of Trading where they are not the Buying Members, to have instructed their Buying Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.
- 5.4. All Sellers shall be deemed, after the Last Day of Trading where they are not the Selling Members, to have instructed their Selling Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.
- 5.5. In respect of any and all obligations arising in respect of a Contract after the Last Day of Trading of the Contract:
- (a) all Buying Members and Selling Members performing Delivery Obligations shall be deemed to act as principals against the Clearing House; and
 - (b) all Buying Members and Selling Members performing Delivery Obligations shall be deemed to act, other than against the Clearing House, as agents of their respective Buyers and Sellers (if they are so acting) for which they are performing Delivery Obligations on behalf of.

6. DELIVERY

6.1. Delivery Lot

- 6.1.1 Delivery shall be made only in parcels of one or more Delivery Lots. Each Delivery Lot shall be composed of 16 Units of TSR 20 Rubber, and each Unit in turn shall be composed of 36 bales of TSR 20 Rubber, each bale weighing 35 kilograms within standard rubber industry tolerance. The aggregate weight of each Delivery Lot shall be 20.16 metric tonnes within standard rubber industry tolerance, and all bales comprised in the Delivery Lot shall be produced in the same factory. Each Unit shall be packed in accordance with the Shrinkwrap Packaging Specifications. Each Delivery Lot shall be accompanied by:

- (a) a Certificate of Origin; and
- (b) a valid test certificate issued by:
 - (i) a laboratory authorised to issue test certificates by the national test authority in the country of the approved factory; or
 - (ii) a regional laboratory in the country of origin which is recognised by the International Rubber Association,

provided that such test certificate is dated not earlier than nine (9) months prior to the date of Bill of Lading or the date of delivery.

- 6.1.2 For the purposes of all contractual obligations between a Buying Member and a Selling Member after the Last Day of Trading and notwithstanding the size of each trading lot, each Delivery Lot shall constitute a separate, distinct and independent contract between the Buying Member and the Selling Member who have been matched and in respect of whom a Renovation is effected. Default in delivery in respect of any one or some Delivery Lots shall not affect any other Delivery Lots. The delivery of each Unit forming part of a Delivery Lot shall be deemed a severable part of the single contract on the Delivery Lot.
- 6.1.3 In the case of delivery under FOB Terms, for the purposes of determination of the respective rights and obligations of the Buying Member and the Selling Member, notwithstanding the fact that separate Bills of Lading may be issued for different Units in a Delivery Lot or if separate Units of a Delivery Lot are packed into different Containers, such Bills of Lading or separate Containers as the case may be, shall not result in separate and distinct contracts in respect of each such Delivery Lot.
- 6.1.4 Subject to Section 4.7, all Delivery Lots shall be of TSR 20 Rubber of homogeneous and satisfactory quality, free of all liens and third party claims, be in sound shippable condition and be available for import into all Ports of Discharge without any restriction whether such restriction arises from the Seller's (if any) identity, Selling Member's identity appearing on any Unit or bale or howsoever.
- 6.1.5 Each Unit or bale (as the case may be) shall be marked in accordance with the Shrinkwrap Packaging Specifications.
- 6.1.6 Should there be any variances between the quantities actually shipped or delivered and the quantity required to be shipped or delivered, such variances shall be settled by the Buying Member and the Selling Member or, failing such agreement, shall be settled as follows:
 - (a) if the excess or deficiency exceeds 1/2% up to and including 1% of the quantity required to be shipped or delivered, the excess or deficiency shall be invoiced or invoiced back, as the case may be, at the market price for Rubber on the date of the Bill of Lading or, where relevant, on the date of the Warehouse Receipt;
 - (b) if the excess or deficiency exceeds 1% of the quantity required, the whole of the excess or deficiency shall be invoiced or invoiced back at the price fixed by arbitration.
- 6.1.7 If a weight deficiency is found and it exceeds 1/2% of the quantity required to be shipped or delivered, the cost of weighing (and reassembling the Units where necessary) shall be borne by the Selling Member, and in all other cases it shall be borne by the Buying Member.
- 6.1.8 Excess or deficiency of the weight of a Unit or bale shall not be greater than three percent of the standard weighs stipulated in these SICOM TSR 20 Rubber Contract Specifications even if the total quantity delivered is within the allowance permitted under Section 6.1.6. This stipulation, however, shall not apply to sampled Units or bales which shall, under any circumstance, be clearly marked for such purpose.

- 6.1.9 Without prejudice to Section 6.1.2 and Section 7, where the Seller or Buyer has failed to provide evidence that all open positions which will not be offset on the Last Trading Day will be completed by the delivery of TSR 20 Rubber and the Clearing Member has failed to liquidate any and all open positions relating to delivery lot sizes less than the Delivery Lot ("Odd Lots") by the Last Trading Day: (a) such Odd Lots shall be cash-settled in accordance with Section 6.18; (b) this may constitute a major offence under Rule 6.04.2 of the Clearing Rules.

6.2. Method of Delivery

Delivery of each Delivery Lot shall only be made in accordance with the following terms and conditions at the Buying Member's option:

- (a) Warehouse Delivery Terms (Annex 1); or
- (b) FOB Terms (Annex 2),

provided that where the Port of Loading as determined in accordance with Section 6.4.8 is not the Port of Singapore, the delivery of each Delivery Lot shall be under FOB Terms only.

6.3. Location of Delivery

- 6.3.1 Delivery shall take place at any of the following locations:

- (a) in respect of delivery under Warehouse Delivery Terms, the Warehouse nominated by the Buying Member at the Port of Singapore;
- (b) in respect of delivery under FOB Terms,
 - (i) on board the vessel nominated by the Buying Member berthed alongside the wharf at the Port of Loading determined in accordance with Section 6.4.8; and
 - (ii) where the Buying Member requires shipment by Container, on board the vessel nominated by the Buying Member berthed alongside the wharf at the Port of Loading determined in accordance with Section 6.4.8.

- 6.3.2 In respect of delivery under FOB Terms where the Port of Singapore is the Port of Loading, the Selling Member shall be entitled by prior written notice to the Buying Member to deliver to any Warehouse at the Port of Singapore in the event that the vessel or any alternate vessel nominated by the Buying Member is not able to complete loading in time for the Selling Member to comply with Section 6.10.5.

6.4. General Delivery Terms

- 6.4.1 All deliveries (including for the avoidance of doubt, deliveries of Commodities, documents, instruments, and other items required to be delivered under the Rules) to be made by a Party shall conform to all relevant orders, rulings, directives and rules of all relevant authorities and regulatory bodies (including the Clearing House) as well as all relevant statutes and regulations, in force at the Location of Delivery at the time of delivery. Provided that if at any time any such order, ruling, directive, rule, statute or regulation conflicts with or adds to the requirements of these SICOM TSR 20 Rubber Contract Specifications, such order, ruling, directive, rule, regulation or statute shall be construed to take precedence over and become part of these SICOM TSR 20 Rubber Contract Specifications which shall be deemed modified to such extent as may be necessary to incorporate or give effect to the same, and all open and new Contracts shall be subject to such order, ruling, directive, rule, regulation or statute. Buying Members and Selling Members are solely responsible for familiarizing themselves and complying with all such requirements and shall procure that their respective Buyers and Sellers familiarise themselves and comply with all such requirements, if applicable.

- 6.4.2 Unless otherwise agreed, in respect of delivery under FOB Terms, the Selling Member shall be responsible for obtaining all necessary governmental clearance in respect of the exportation of the TSR 20 Rubber out of the Port of Loading and the Buying Member shall be responsible for obtaining all necessary governmental clearances in respect of the import of the TSR 20 Rubber into the Port of Discharge.
- 6.4.3 Unless otherwise agreed between the Buying Member and Selling Member and subject to anything to the contrary in these SICOM TSR 20 Rubber Contract Specifications, the Buying Member shall be entitled to nominate the method of delivery, the locations for delivery where applicable and the Port of Discharge.
- 6.4.4 The Buying Member shall ensure that the Location of Delivery accepts the TSR 20 Rubber when delivered by the Selling Member.
- 6.4.5 In the case of delivery to a Warehouse nominated by the Buying Member, the Buying Member shall also ensure that the Warehouse is in a satisfactory state for storing the TSR 20 Rubber and meets with the guidelines prescribed by the relevant authorities for storing TSR 20 Rubber. Pending any acceptance of the Delivery Lot, the Buying Member shall take all reasonable steps to preserve the integrity of each Unit and shall permit the Selling Member reasonable access to the Location of Delivery for inspection of such Unit.
- 6.4.6 In the case of delivery on FOB Terms where the Buying Member requires shipment by Container, the Selling Member shall be obliged to load the Delivery Lot into the Container nominated by the Buying Member before delivering the Container on board the vessel nominated by the Buying Member.
- 6.4.7 Unless otherwise provided in these SICOM TSR 20 Rubber Contract Specifications, delivery of TSR 20 Rubber in respect of a Contract may be made at any time in the relevant Delivery Month of such Contract but not earlier than the fourteenth Business Day of that Delivery Month.
- 6.4.8 The determination of the Port of Loading in respect of each Re-novated Contract shall be as per nominated by the Selling Member in its Delivery Notice., ~~and the~~ The associated locational premium or discount (if any) shall be as prescribed by the Exchange from time to time.
- 6.4.9 In the case of delivery on Warehouse Delivery Terms where the Port of Singapore is the Port of Loading, the Selling Member shall be entitled to levy such premium as the Exchange may from time to time prescribe.
- 6.5. **Acceptance Notice**
- 6.5.1 By 4.00 p.m. on the first Business Day following the expiration of the Last Day of Trading of a matured Contract, a Buying Member as part of its Delivery Obligations in respect of the matured Contract shall submit to the Clearing House a properly completed and signed Acceptance Notice. An Acceptance Notice required to be submitted by a Buying Member shall be in the form prescribed by the Clearing House.
- 6.5.2 The Acceptance Notice shall include the following information:
- (a) the number of Delivery Lots;
 - (b) the identity of the Buyer (if any) and the Buying Member;
 - (c) the preferred method of delivery (and whether Container shipment is required);
 - (d) the preferred Port of Loading; and
 - (e) such other information as may be required from time to time by the Clearing House.

6.5.3 Until and unless Delivery Matching and Re-novation are effected in respect of such Acceptance Notice in accordance with Section 6.7 and the Buying Member (whose Acceptance Notice is so matched and in respect of whom a Re-novation is effected) is deemed to have agreed to accept delivery of TSR 20 Rubber upon the terms specified in Section 6.7.4 (whether or not read together with Section 6.7.5):

- (a) such Acceptance Notice shall be irrevocable; and
- (b) such Buying Member shall be bound by all the terms set out in its Acceptance Notice,

with effect upon submission of such Acceptance Notice to the Clearing House.

6.5.4 The preference expressed by the Buying Member in Section 6.5.2(c) is only to assist the Clearing House for the purposes of Delivery Matching and shall not bind the Selling Member or the Clearing House.

6.6 Delivery Notice

6.6.1 By 4.00 p.m. on the first Business Day following the expiration of the Last Day of Trading of a matured Contract, a Selling Member as part of its Delivery Obligations in respect of the matured Contract shall submit to the Clearing House a properly completed and signed Delivery Notice. The Delivery Notice shall be in a form prescribed by the Clearing House.

6.6.2 The Delivery Notice shall include the following information:

- (a) the number of Delivery Lots;
- (b) the identity of the Seller (if any) and the Selling Member;
- (c) the nominated Origin;
- (d) the preferred method of delivery;
- (e) the preferred Port of Loading; and
- (f) such other information as may be required from time to time by the Clearing House.

6.6.3 Until and unless Delivery Matching and Re-novation are effected in respect of such Delivery Notice in accordance with Section 6.7 and the Selling Member (whose Delivery Notice is so matched and in respect of whom a Re-novation is effected) is deemed to have agreed to deliver TSR 20 Rubber upon the terms specified in Section 6.7.4 (whether or not read together with Section 6.7.5):

- (a) such Delivery Notice shall be irrevocable; and
- (b) such Selling Member shall be bound by all the terms set out in its Delivery Notice, with effect upon submission of such Delivery Notice to the Clearing House.

6.6.4 The preference expressed by the Selling Member in Section 6.6.2(d) is only to assist the Clearing House for the purposes of Delivery Matching and shall not bind the Buying Member or the Clearing House.

6.7 Delivery Matching & Re-novation

6.7.1 Upon receipt of the Acceptance Notices and the Delivery Notices from Buying Members and Selling Members who are taking or making delivery as the case may be, the Clearing House shall match the Buying Members and Selling Members with their respective opposite Selling

Members and Buying Members (such process being described as “**Delivery Matching**”). Without prejudice to the Clearing House’s rights against its Buying Member or Selling Member, in the event that such Buying Member or Selling Member fails to provide an Acceptance Notice or Delivery Notice as the case may be, or if such notice is incomplete, such Acceptance Notice or Delivery Notice shall be deemed to have been submitted with such particulars as the Clearing House may deem necessary for Delivery Matching which particulars shall thereafter be binding on its Buying Member or Selling Member, as the case may be.

- 6.7.1A If a Selling Member’s Delivery Notice(s) has or have been matched by the Clearing House pursuant to these SICOM TSR 20 Rubber Contract Specifications with a Buying Member’s Acceptance Notice(s), all rights and obligations of that Selling Member and that Buying Member with the Clearing House in respect of the Contracts to which such matched Delivery Notice(s) and Acceptance Notice(s) relate, shall be novated and substituted with a new contract which shall arise between that Selling Member and that Buying Member (such process being described as “**Re-novation**”, and such new contract shall be herein referred to as the “**Re-novated Contract**”) for the performance of Delivery Obligations as between such matched parties. Such Re-novation shall be effective upon all required Performance Deposits and Contract Values (as the case may be) being posted or paid to the Clearing House in accordance with these SICOM TSR 20 Rubber Contract Specifications and the Rules.

The new contract arising from such Re-novation shall simultaneously discharge and replace *pro tanto* all rights and obligations between that Selling Member or Buying Member and the Clearing House in respect of the Contracts to which the Re-novation relates, and the Clearing House shall be fully discharged and released from any and all of their respective obligations as a counterparty or central counterparty in respect of such Contracts. For the avoidance of doubt, Re-novation shall not apply to matched positions required to be cash-settled in accordance with Section 6.1.9.

- 6.7.2 The Clearing House shall match the Buying Members and Selling Members with their respective opposite Selling Members and Buying Members by matching the number of Delivery Lots, the method of delivery, and the Port of Loading to the extent reasonably possible. Whilst the Clearing House shall endeavour to minimise the number of ultimate parties, and methods of delivery involved, such Delivery Matching shall be at the sole discretion of the Clearing House and shall be final and not be subject to change except pursuant to Section 6.7.5.
- 6.7.3 The Clearing House shall notify the Buying Members and Selling Members of the other Buying Members and Selling Members who have been matched with them as soon as possible but in any event not later than 4.00 p.m. on the second Business Day of the Delivery Month.
- 6.7.4 Subject to Section 6.7.5, the Buying Member or Selling Member (as the case may be) whose Acceptance Notice or Delivery Notice is matched by the Clearing House shall, upon Re-novation, be deemed to have agreed to accept or deliver the TSR 20 Rubber on the following terms:
- (a) the number of Delivery Lots matched by the Clearing House;
 - (b) the Origin nominated by the Selling Member in its Delivery Notice;
 - (c) the terms and conditions of the method of delivery nominated by the Buying Member in its Delivery Instructions;
 - (d) the Location of Delivery nominated by the Buying Member in its Delivery Instructions;
 - (e) the Port of Loading determined in accordance with Section 6.4.8; and
 - (f) the Port of Discharge nominated by the Buying Member in its Delivery Instructions;

and such Buying Member or Selling Member as the case may be shall also be deemed to have agreed to accept or deliver the TSR 20 Rubber solely from the Selling Member or to the

Buying Member as the case may be to whom it was matched by the Clearing House on the above terms and conditions and except as otherwise provided in the rules of the Clearing House, to accept and look towards the same as being solely liable for any default in relation thereto.

- 6.7.5 In the event that the Buying Members and/or Selling Members are able to negotiate an alternative Delivery Matching acceptable to all the Buying Members and/or Selling Members affected, such Buying Members and/or Selling Members may request the Clearing House in writing to revise the earlier Delivery Matching of such Buying Members and/or Selling Members. The Clearing House may, at its discretion, accede to such request which should in any event be received not later than 12.00 p.m. on the third Business Day of the Delivery Month. The Clearing House shall notify such Buying Member(s) and Selling Member(s) of its/their decision not later than 4.00 p.m. on the third Business Day of the Delivery Month. In the event that the Clearing House accedes to such request, Section 6.7.4 shall be deemed to apply to such alternative Delivery Matching.

6.8. Performance Deposit

- 6.8.1 Each Buying Member and Selling Member shall post with the Clearing House no later than 7.00 p.m. on the sixth Business Day of the Delivery Month, the following Performance Deposits:

- (a) the Selling Member, 5% of the Contract Value of each Delivery Lot; and
- (b) in the case of delivery under FOB Terms:
 - (i) the Buying Member, 10% of the Contract Value of each Delivery Lot; and
 - (ii) the Selling Member shall also post an additional 5% of such Contract Value of each Delivery Lot.

- 6.8.2 The Buying Members and Selling Members referred to in Section 6.8.1(b) shall require their respective Buyer or Seller whom they are acting on behalf of to post the necessary Performance Deposit.

- 6.8.3 In the case where the Buying Member and the Selling Member have agreed to an Alternative Delivery Procedure, no Performance Deposit needs to be posted.

- 6.8.4 The Clearing House may at its sole discretion exempt any person from posting any sum with it.

- 6.8.5 The Clearing House shall act only as stakeholder of the Performance Deposits. In no event shall the Clearing House's liability in relation to the Performance Deposit extend beyond its role as a stakeholder.

- 6.8.6 For the purposes of this Section 6.8, payments are to be made without any set-off or withholding.

6.9. Delivery Instructions

- 6.9.1 As soon as possible after notification of Delivery Matching but not later than 12.00 p.m. on the sixth Business Day of the Delivery Month, the Buying Member shall submit to the Selling Member that it has been matched with, the Delivery Instructions with a copy to the Clearing House in respect of each Delivery Lot. In the event that such Delivery Instructions are not submitted in the manner and within the specified time as aforesaid, without prejudice to the Buying Member's liability to the Clearing House or to the Selling Member for breach of the foregoing submission requirement, and notwithstanding anything in these SICOM TSR 20 Rubber Contract Specifications:

- (a) the Clearing House shall be entitled to require the Buying Member to pay the full Contract Value in respect of that Delivery Lot no later than 7.00 p.m. on the sixth Business Day of the Delivery Month; and,
- (b) the Clearing House shall be entitled to require the Selling Member to post with the Clearing House 10% of the Contract Value in respect of that Delivery Lot no later than 7.00 p.m. on the sixth Business Day of the Delivery Month,

6.9.2 The Delivery Instructions shall include:

- (a) the method of delivery (including whether shipment by Containers is required);
- (b) the address of the Warehouse (if applicable);
- (c) a nomination of the date on which delivery shall commence under Section 6.10.6;
- (d) the name of the Port of Discharge (if applicable);
- (e) the name of the vessel (if applicable);
- (f) shipping marks (if required by the Buying Member);
- (g) any relevant export document(s) (if applicable); and
- (h) such other information as the Clearing House may specify from time to time.

6.9.3 In the case of delivery under FOB Terms, in respect of each Delivery Lot, should any vessel nominated by the Buying Member not be ready to load at the nominated time for delivery under Section 6.10.6, the Buying Member shall, so long as the Selling Member's rights in relation to delivery herein shall not be prejudiced, by written notice to the Selling Member to nominate an alternate vessel for loading, such nomination to comply with these SICOM TSR 20 Rubber Contract Specifications in relation to nomination of the original vessel.

6.9.4 In the case of delivery under Warehouse Delivery Terms, the Buying Member shall, no later than 7.00 p.m. on the date of the issue of the Delivery Instructions, pay to the Clearing House, the full Contract Value of the TSR 20 Rubber to which the Delivery Instructions pertain.

6.10. Loading or Discharging

6.10.1 For the purposes of delivery to a nominated vessel loading or discharging shall be deemed to have been completed when the last Unit crosses the Buying Member's vessel's rail.

6.10.2 For the purposes of delivery to a Warehouse:

- (a) loading shall be deemed to have commenced at the time the first Unit is unloaded from the Selling Member's carrying vehicles onto any point nominated by the Buying Member at the Warehouse; and
- (b) discharging shall be deemed to have been completed when the last Unit is unloaded from the Selling Member's carrying vehicle onto any point nominated by the Buying Member at the Warehouse.

6.10.3 For the purposes of delivery to a Container for loading onto a nominated vessel, loading or discharging shall be deemed to have been completed when the Container crosses the Buying Member's vessel's rail.

6.10.4 Each Unit shall be deemed delivered by the Selling Member to the Buying Member upon the completion of loading or discharging under Section 6.10.1, Section 6.10.2 or Section 6.10.3 as the case may be. Each Delivery Lot shall be deemed delivered by the Selling Member to the Buying Member when all Units forming such Delivery Lot are delivered.

- 6.10.5 For all methods of delivery and subject to any exception allowed under the applicable method of delivery, the Selling Member shall be bound to complete loading or discharging by the last day of the Delivery Month.
- 6.10.6 Subject to anything to the contrary in these SICOM TSR 20 Rubber Contract Specifications, the Buying Member shall be entitled to nominate any day (or in the case of where the nominated vessel is not available, an alternate day) in the Delivery Month on which loading or discharging as the case may be of each Delivery Lot by the Selling Member shall commence provided such day shall afford the Selling Member sufficient time to complete delivery of all Delivery Lots to the Buying Member in the ordinary course of business by the last day of the Delivery Month and provided:
- (a) in the case of delivery under Warehouse Delivery Terms, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day;
 - (b) in the case of delivery under FOB Terms for conventional shipment, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day; and
 - (c) in the case of delivery under FOB Terms for shipment by Container, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day.
- 6.10.7 In the case of delivery under Warehouse Delivery Terms:
- (a) the Selling Member shall commence delivery on such nominated day and shall deliver continuously once loading or discharging commences until all Units are delivered. The Selling Member shall load or discharge at a minimum rate of 10 Delivery Lots per day; and
 - (b) delivery in the ordinary course of business shall mean a maximum delivery of 25 Delivery Lots per day. The working hours per day shall be 8.30 a.m. to 5.00 p.m. on weekdays and 8.30 am to 1.00 p.m. on Saturdays and the Selling Member shall not be bound to deliver on Sundays or Holidays unless the Parties so agree.
- 6.10.8 The Selling Member and the Buying Member shall co-operate with each other to attain a proper and smooth delivery of each Unit to the Location of Delivery.
- 6.11. Division of Costs**
- 6.11.1 In the case of delivery under Warehouse Delivery Terms:
- (a) the Selling Member shall bear all costs of delivery, transportation and other expenses (including governmental duties, taxes or levies that may be imposed up to delivery) relating to each Unit until such time as such Unit shall be deemed delivered and the Buying Member shall bear all costs of thereafter; and
 - (b) the Buying Member shall (where requested by the Selling Member) supply the workers and the equipment to load or unload each Unit at the Warehouse from the Selling Member's carrying vehicles and for supplying such workers and equipment the charges as may be prescribed by the Exchange from time to time shall be payable by the Selling Member to the Buying Member.
- 6.11.2 In the case of delivery under FOB Terms:
- (a) all costs other than those set out in this Section shall be borne by the Selling Member prior to completion of delivery and by the Buying Member upon and

after completion of delivery, and the point of completion of delivery is to be construed in accordance with standard rubber industry practice; and

- (b) without prejudice to the foregoing, “**standard rubber industry practice**” in this connection shall be deemed to prescribe for the following allocation and payment of costs:

Subject to the proviso below, all costs shall be apportioned between the Buying Members and Selling Members by reference to when delivery is deemed to be completed:

- (i) where the contract is on FOB (conventional) terms, delivery is deemed to be completed as if the contract were concluded in accordance with the current market practice for “Free Alongside Ship”; and
- (ii) where the contract is on FOB (Container) terms and in the case of sea transport:
 - (1) where the Units to be delivered constitute a full Container load (“**FCL**”), delivery is deemed to be completed either when the loaded Container is taken over by the sea carrier or in the case where the loaded Container is carried to an operator of a transport terminal acting on behalf of the carrier, when the Container is entered into the premises of that terminal; and
 - (2) where the Units to be delivered are less than a Container load (“**LCL**”), delivery is deemed to be completed when the Selling Member delivers them to the transport terminal and the Units are handed over to the sea carrier or to another person acting on the carrier’s behalf,

provided always that the Terminal Handling Charges (“**THC**”), where applicable, at the port of loading for Contracts on the above terms shall be borne by the Buying Member and provided further that the above shall not be construed as varying any other provisions in these SICOM TSR 20 Rubber Contract Specifications relating to delivery, passing of risk and passing of property.

- 6.11.3 All reasonable expenses and charges arising from inspection, weighing, sampling, testing, supervision, analysis, prompt dispatch of samples, including the cost of fumigation and phytosanitary certification, shall be borne by the Buying Member unless mutually agreed to the contrary or if the Buying Member claims a rejection which is upheld by an Award, such costs shall be for the Selling Member’s account. Where such costs equal or exceed the amount of the Award, the persons giving the award shall have the discretion to award such excess charges against either person.

6.12. Documents on Delivery

- 6.12.1 Upon delivery of each Unit or Delivery Lot as the case may be, the Selling Member shall be entitled to the following documents to be issued or procured by the Buying Member:

- (a) in the case of delivery under Warehouse Delivery Terms, a Warehouse Receipt; and
- (b) in the case of delivery under FOB Terms, a clean, on-board signed Bill of Lading.

- 6.12.2 Where the Selling Member has exercised its right under Section 6.3.2, the receipt obtained by the Selling Member upon delivery of the TSR 20 Rubber to the Warehouse shall be treated for all purposes under these SICOM TSR 20 Rubber Contract Specifications to be equivalent to the Bill of Lading referred to in Section 6.12.1(b).

- 6.12.3 The Buying Member shall be deemed to have accepted each Unit or Delivery Lot upon the

issue of the documents pertaining to it as referred to in Sections 6.12.1 or 6.12.2 and the expiration of the time stipulated in Section 6.13 for the lodgment of claims provided no claim has been lodged within such time.

6.13. Inspection, Weighing, Sampling, Testing and Claims

6.13.1 The procedures for inspection, weighing, sampling, testing and for the lodging of claims in respect of each Delivery Lot shall be as specified in the relevant Annexes.

6.13.2 In the case of delivery under Warehouse Delivery Terms:

- (a) inspection, weighing, sampling, and testing shall take place before acceptance of each Unit;
- (b) notwithstanding any provision to the contrary in these SICOM TSR 20 Rubber Contract Specifications, the Buying Member shall lodge its claim (if any) in the Acceptance/Rejection Receipt for shortage in weight or defect in quality of the TSR20 Rubber delivered to it with the Clearing House with a copy to the Selling Member within 10 Business Days after the date of the completion of delivery or, if the Buying Member elects to test the Delivery Lot and the test certificate is issued on or after the 10th Business Day, within two Business Days after the date the test certificate is issued; and
- (c) no claim whatsoever may be lodged against the Selling Member after such time.

6.13.3 In the case of delivery under FOB Terms:

- (a) inspection, weighing, sampling, and testing of each Delivery Lot shall take place after shipment;
- (b) the time limit within which the Buying Member shall lodge its claim (if any) for shortage in weight or defect in quality of the TSR 20 Rubber delivered shall be as specified in the relevant Part of Annex 2; and
- (c) no claim whatsoever may be lodged against the Selling Member after such time.

6.14. Payments and Documents

6.14.1 Notwithstanding the lodging of any claim by a Buying Member in relation to any Unit or Delivery Lot:

- (a) the Selling Member shall within eight Business Days after the date of the Warehouse Receipt or the date of the Bill of Lading (or the receipt referred to in Section 6.12.2) or by the thirty-second day after the day on which the Delivery Notice is issued whichever is earlier, deliver the Provisional Documents to the Buying Member with a copy to the Clearing House. Delivery of such Provisional Documents after 12.00 noon on any day shall be deemed to be a delivery made on the following day.
- (b) on the next Business Day following receipt of the Provisional Documents from the Selling Member by the Clearing House:
 - (i) in the case of delivery under Warehouse Delivery Terms, the Clearing House shall issue a credit note to the Selling Member specifying the amount of moneys with the Clearing House on deposit by the Buying Member as required under Section 6.9.4; and
 - (ii) in the case of delivery under FOB Terms,
 - (1) the Clearing House shall issue a debit note to the Buying Member specifying the Contract Value of the Delivery Lot; and

- (2) the Clearing House shall issue a credit note to the Selling Member specifying the Contract Value of the Delivery Lot;
- (c) in the case of delivery under FOB Terms:
 - (i) the Buying Member shall pay to the Clearing House the sum of money stated in the debit note, no later than the end of the second Business Day after its receipt of the debit note;
 - (ii) the Selling Member shall deliver the Final Documents to the Clearing House, no later than 10.00 a.m. on the third Business Day after its receipt of the credit note. In the event that the Selling Member delivers the Final Documents on the third Business Day after its receipt of the credit note, but does so later than 10.00 a.m. on that Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(c)(ii), such delivery shall be deemed to have been made on the fourth Business Day after its receipt of the credit note;
 - (iii) the Selling Member shall deliver a copy of the Final Documents to the Buying Member, no later than 4.00 p.m. on the first Business Day after its receipt of the credit note. The Buying Member shall confirm to the Clearing House if the copy of the Final Documents delivered by the Selling Member is acceptable by 4.00 p.m. on the next Business Day after the Selling Member's delivery of the copy of the Final Documents; and
 - (iv) the Buying Member may request within reason that the Selling Member provide any other necessary documentation other than those prescribed in these SICOM TSR 20 Rubber Contract Specifications, such as fumigation and phytosanitary certifications issued in the country of the relevant Approved TSR Factory, provided that at least five business days' prior notice is given by the Buying Member to the Selling Member. In the event of any dispute, including on the necessity of the documents or adequacy of notice, the Exchange's decision will be final and binding.
- (d) in the case of delivery under Warehouse Delivery Terms:
 - (i) the Buying Member shall pay to the Clearing House the full Contract Value as set out in Section 6.9.4;
 - (ii) the Selling Member shall deliver the Final Documents to the Buying Member through the Clearing House, no later than 10.00 a.m. on the tenth Business Day after it delivers the Warehouse Receipt to the Clearing House. In the event that the Selling Member delivers the Final Documents on the tenth Business Day after it delivers the Warehouse Receipt but does so later than 10.00 a.m. on that Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(d)(ii), such delivery shall be deemed to have been made on the eleventh Business Day after it delivered the Warehouse Receipt to the Clearing House. In the event that the Buying Member elects to test the Delivery Lot and the expiry date for the Buying Member to lodge its claim in the Acceptance/Rejection Receipt for shortage in weight or defect in quality of the TSR 20 Rubber is extended to two Business Days after the date the test certificate is issued as provided for under Section 6.13.2 (b), the Selling Member shall deliver the Final Documents to the Buying Member through the Clearing House, no later than 10.00 a.m. on the second Business Day after the test certificate referred to in Section 6.13.2(b) is issued. If the Selling Member delivers the Final Documents within two Business Days after the date the test certificate referred to in Section 6.13.2(b) is issued, but does so later than 10.00 a.m. on that

Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(d)(ii), such delivery shall be deemed to have been made on the next Business Day; and

- (iii) the Buying Member shall deliver the Acceptance/Rejection Receipt to the Clearing House, as set out in Section 6.13.2(b).

6.14.2 In the case of delivery under Warehouse Delivery Terms:

- (a) upon receipt by the Clearing House of the Acceptance/Rejection Receipt indicating an absence of claim and of the Final Documents, by 10.00 a.m. of a Business Day, the Clearing House shall:
 - (i) deliver the Final Documents to the Buying Member on the same Business Day; and
 - (ii) pay to the Selling Member the moneys referred to in Section 6.9.4, no later than:
 - (1) the end of the same Business Day, if the same Business Day is also a US Banking Day; or
 - (2) where the same Business Day is not a US Banking Day, the end of such next Business Day which is also a US Banking Day.
- (b) where the Acceptance/Rejection Receipt indicating an absence of claim and/or the Final Documents are received by the Clearing House after 10.00 a.m. on a Business Day, the Clearing House shall:
 - (i) deliver the Final Documents to the Buying Member on the next Business Day; and
 - (ii) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day, which is also a US Banking Day.
- (c) where Final Documents are submitted to the Clearing House, and there is no submission of an Acceptance/Rejection Receipt, the Clearing House shall:
 - (i) deliver the Final Documents to the Buying Member on the next Business Day after the date of expiry of claims under Section 6.13.2; and
 - (ii) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day after the date of expiry of claims under Section 6.13.2, which is also a US Banking Day.

6.14.3 In the case of delivery under FOB Terms, upon the receipt by the Clearing House of the payment and the documents as referred to in Sections 6.14.1(c)(i) and 6.14.1(c)(ii) as the case may be,

- (a) the Clearing House shall deliver the Final Documents to the Buying Member; and
- (b) the Clearing House shall simultaneously pay to the Selling Member the payment referred to in Section 6.14.1(c)(i), provided that the Buying Member has confirmed under Section 6.14.1(c)(iii) that the copy of the Final Documents delivered by the Selling Member is acceptable,

no later than the end of the Business Day of such receipt.

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

6.14.5 In the event of a claim, the Clearing House shall release any payment(s) and/or document(s) (where it still holds such payment(s) and or document(s)) as directed by the Award resolving such claim or in the event of a settlement, in accordance with instructions jointly issued by the Buying Members and Selling Members.

6.15. Return of Performance Deposit

6.15.1 Subject to Section 6.15.3, the Clearing House shall return the Performance Deposit to its respective Buying Members and Selling Members as the case may be either (1) upon their request but no earlier than the occurrence of any of the events listed in sub-Sections (a) to (e) below or (2) if no request is received, upon the earliest occurrence of any of the events listed in sub-Sections (a) to (e) below:

- (a) one (1) day after the expiry of the time limit for the lodgment of claims in the case of delivery under FOB Terms;
- (b) the making of the payment referred to in Section 6.14.2 in the case of delivery under Warehouse Delivery Terms;
- (c) upon notification by the Buying Member and the Selling Member that the Buyer and the Seller have agreed to an Alternative Delivery Procedure;
- (d) at any time after a notification has been lodged by the Buying Member that no claim whatsoever will be made by it or the Buyer on the Delivery Lots delivered by the Selling Member; or
- (e) upon notification by the Selling Member that it or the Seller has paid or settled all liabilities to the Buyer in respect of any claim on the Delivery Lots delivered by the Selling Member to the Buying Member and for which the Performance Deposit to be released has been posted,

provided that:

- (i) in the event under Sections 6.15.1(a), 6.15.1(b) and 6.15.1(e), the Clearing House shall not release any of the Performance Deposits to the relevant party unless the Buying Member is first notified of the requests to so release and thereafter given an opportunity to raise its objections (if any and whether on behalf of the Buyer or not) to such release; and
- (ii) if the last day on which the Clearing House shall return the Performance Deposit under the foregoing provisions of this Section 6.15.1 is not both a Business Day and a US Banking Day, the Clearing House shall return the Performance Deposit on the next Business Day which is also a US Banking Day.

6.15.2 The Date of Discharge shall in all cases, be presumed until notified by the Buying Member to the contrary, to be 45 days after the date of Bill of Lading.

6.15.3 If a claim shall have been lodged by a Buyer and thereafter notified to the Clearing House within the periods aforementioned in Sections 6.15.1(a) and 6.15.1(b), the Clearing House shall not release any of the Performance Deposits to the relevant person except in accordance with Section 6.15.1(e) or Section 12. The lodging of a claim by a Buyer which is not *bona fide* may subject the Clearing Member of the Buyer to disciplinary proceedings and actions under the rules of the Clearing House, including but not limited to, the forfeiture of its Performance Deposit (if any) by the Clearing House.

6.16. Property and Risk

6.16.1 In all methods of delivery, risk of loss or damage to each Unit shall pass to the Buying

Member from the Selling Member when the same is deemed delivered under Section 6.10.

6.16.2 Ownership and property in each Unit shall not pass to the Buying Member until the payment referred to in Sections 6.14.2 and 6.14.3 has been received by the Selling Member. Until such payment, the Buying Member shall hold each Unit delivered to it or if it has disposed, or disposes of the same thereafter, the value therefor, in trust for the Selling Member.

6.17. Exchange and Clearing House Responsibility

6.17.1 For the avoidance of doubt, the liabilities which the Exchange would have been subject to pursuant to Rule 7.02 of the Clearing Rules shall remain in effect only up to the operation of Section 6.7 and such liabilities shall be deemed to be fully and finally discharged thereafter.

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

- (a) the authenticity, validity or accuracy of any document or instrument given, delivered, submitted or lodged by the Buying Member or Selling Member before or after Delivery Matching and Re-novation pursuant to these SICOM TSR 20 Rubber Contract Specifications. The Exchange and Clearing House merely act as a conduit for the onward transmission of documents or instruments between Buying Member and Selling Member and shall not be liable or responsible in any way for any negligence, misconduct, fraud, wilful default or any other default, wrongdoing or breach of duty howsoever caused and however serious of the Buying Member, Selling Member or any other person responsible for the transmission, lodgment, preparation, or delivery of any document or instrument pursuant to or arising out of these SICOM TSR 20 Rubber Contract Specifications; and
- (b) the availability, suitability, efficiency or competence of any Port of Loading or Location of Delivery approved by it except only to designate such locations as one which a Buying Member or Selling Member as the case may be may choose to consider for the purposes of effecting delivery under these SICOM TSR 20 Rubber Contract Specifications. Neither the Exchange nor the Clearing House shall be liable or responsible in any way for the condition, availability, suitability or efficiency of any such Location of Delivery or any Approved TSR Factory arising out of the performance of the Buying Member's or Selling Member's obligation under these SICOM TSR 20 Rubber Contract Specifications.

6.18. Cash Settlement

The Clearing House reserves the right to cash-settle a contract, based on methodology and procedures as determined by the Clearing House from time to time. The decision of the Clearing House in relation to the cash settlement under a Contract (including but not limited to the procedures for payment and the Party making payment) shall be binding upon all Clearing Members.

7. ALTERNATIVE DELIVERY PROCEDURE

7.1. Notwithstanding any provision otherwise in these SICOM TSR 20 Rubber Contract Specifications, a Seller and Buyer who have been matched through their respective Selling Member and Buying Member pursuant to Section 6.7 may agree to make and take delivery of any Delivery Lot under terms and conditions which differ from the terms and conditions prescribed by these SICOM TSR 20 Rubber Contract Specifications. In such a case, the Seller and Buyer shall jointly execute a notice of Alternative Delivery Procedure on the form prescribed by the Exchange and shall deliver a completed executed copy of such notice to each of the Clearing House not later than 12.00 noon on the last Business Day of the Delivery Month.

7.2. The delivery of a notice of Alternative Delivery Procedure under Section 7.1 to the Clearing

House shall vest sole responsibility for the making and taking of delivery onto the Seller and Buyer and shall release the Buying Member, the Selling Member and the Clearing House from their respective obligations under the rules of the Clearing House.

- 7.3. In executing such Alternative Delivery Procedure, the Seller and Buyer shall jointly and severally indemnify the Clearing House against any liability, costs or expense it may incur for any reason as a result of the execution, delivery or performance of any agreement reached between the Buyer and the Seller pursuant to this Section 7, or any breach thereof or default under any such agreement.:
- 7.4. For the avoidance of doubt, nothing in the application of Section 7 shall be construed as imposing any obligation on the Clearing House which it would not otherwise have been subjected to.

8. LATE PERFORMANCE AND FAILURE TO PERFORM

8.1. Responsibilities of Parties to delivery:

- (a) Parties to a delivery shall make commercially reasonable efforts to perform their respective Delivery Obligations at all times until a Party has failed to perform.
- (b) Where there has been a failure to perform by any Party as determined under Section 8.4, both Parties shall be released from their Delivery Obligations. For the avoidance of doubt, such release shall not prejudice any remedies available to the Other Party.
- (c) No Party shall be deemed to be late in performance or have failed to perform if the performance of their respective duties is contingent upon the Other Party's prior performance of another duty which has not been performed.

8.2. In the case of delivery under FOB Terms, late performance shall not exceed seven (7) Business Days. In the case of delivery under Warehouse Delivery Terms, late performance shall not exceed five (5) Business Days.

8.3. Subject to the number of days of late performance allowed under Section 8.2 and to anything to the contrary in these SICOM TSR 20 Rubber Contract Specifications, each Party shall in addition to any disciplinary proceedings and actions which may be imposed by the Clearing House, be responsible to the Other Party for all loss, costs and damages reasonably foreseeable and arising from any late performance or failure to perform on its part provided if the late performance or failure to perform arises as a result of an event beyond the control of and not in any way attributable to either the Buying Member or the Selling Member, each of them shall bear their respective costs.

8.4. Late performance or failure to perform shall be determined by the Clearing House.

8.5. Whenever a Party is found by the Clearing House to be late in the performance of or to have failed to perform a delivery, the Clearing House shall issue a Notice of Assessment specifying its findings with respect to the late performance or failed performance.

8.6. Subject to the number of days of late performance allowed under Section 8.2, each Buying Member and Selling Member shall be assessed one or more fines to be paid to the Clearing House for each day of late performance as follows:

- (a) first day of late performance - 0.5% of Contract Value but not less than US\$250 per Delivery Lot;
- (b) second day of late performance - 0.5% of Contract Value but not less than US\$375 per Delivery Lot;
- (c) third day of late performance - 0.5% of Contract Value but not less than US\$500 per

Delivery Lot;

- (d) fourth day of late performance - 1% of Contract Value but not less than US\$625 per Delivery Lot;
- (e) fifth day of late performance - 1% of Contract Value but not less than US\$750 per Delivery Lot;
- (f) sixth day of late performance (in the case of delivery under FOB Terms) - 1% of Contract Value but not less than US\$875 per Delivery Lot; and
- (g) seventh day of late performance (in the case of delivery under FOB Terms) - 2% of Contract Value but not less than US\$1,000 per Delivery Lot.

For the avoidance of doubt, the fines to be paid to the Clearing House for each day of late performance shall be cumulative.

- 8.7. When a Party has failed to perform, the Clearing House shall issue a Notice of Assessment assessing fines of 10% of the Contract Value, but not less than US\$5,000 per Delivery Lot, in addition to any fines assessed pursuant to Section 8.6, to be paid to the Clearing House. A Party is deemed to have failed to perform if full and complete performance is not effected by that Party within the number of days of late performance allowed under Section 8.2.
- 8.8. The Notice of Assessment shall be final.
- 8.9. For the avoidance of doubt, any disciplinary proceedings or actions (including the fines as aforesaid) imposed on a Party by the Clearing House pursuant to this Section 8 for late performance or failure to perform, shall not prejudice any remedies available to the Other Party.

9. BUYING AND SELLING MEMBERS' LIABILITIES

Any obligation or liability of the Buyer, Seller, Selling Member or Buying Member (the “**Defaulting party**”) to the other of them (the “**Non-defaulting parties**”) as the case may be arising out of a default by the Defaulting party of any obligation under these SICOM TSR 20 Rubber Contract Specifications shall, except in the case where an Alternative Delivery Procedure has been elected, also be deemed a joint and several obligation or liability of the Defaulting party to the Clearing House. Settlement of such obligation or liability shall be made to the Clearing House in the manner it shall determine from time to time.

10. CIRCUMSTANCES PREJUDICIAL TO PERFORMANCE

Notwithstanding any provision otherwise whether in these SICOM TSR 20 Rubber Contract Specifications or in the Clearing Rules:

- 10.1. If delivery or acceptance or any precondition or requirement of the Buying Member or Selling Member as the case may be is prevented or threatened to be prevented as a consequence of or arising out of an event of Force Majeure, such Buying Member or Selling Member as the case may be shall immediately notify the Clearing House. If the Clearing House determines that an event of Force Majeure exists, it shall take such action as it in its discretion deems necessary under the circumstances and its decision shall be binding upon its Buying Member or Selling Member. For example, and without limiting the powers of the Clearing House, the Clearing House may extend delivery dates and designate alternative approved facilities in the event of the Approved Delivery Facilities being unavailable by reason of any of the aforesaid events. In the event however that the event of Force Majeure shall continue for a period of 3 months, such obligations of the Buying Member or Selling Member as the case may be shall be deemed cancelled and no claim shall lie by either person against the other in respect of loss or damage arising out of such cancellation.

- 10.2. Without prejudice to the foregoing provisions of this Section 10, in the event that the Clearing House in its discretion determines that for any reason whatsoever there exists or is likely to come into existence a shortage of deliverable TSR 20 Rubber or circumstances prejudicial to the Delivery Obligations arising out of these SICOM TSR 20 Rubber Contract Specifications, the Clearing House may take such action as may in its discretion appear necessary to prevent, correct, or alleviate such shortage of deliverable TSR 20 Rubber or such circumstances and their decision shall be binding upon all Buying Members and the Selling Members. For example and without limiting the foregoing, the Clearing House may designate as Exchange-approved, facilities not currently approved by the Exchange or determine a cash settlement price for the settlement of open long or short positions.

11. RESOLUTION OF DISPUTES

- 11.1. All parties (Buyer, Seller, Buying Member and Selling Member) shall first attempt to resolve any dispute arising from or in connection with these SICOM TSR 20 Rubber Contract Specifications by way of good faith negotiations. As part of this process, Members may agree to participate in mediation administered by any impartial third party as Members may agree to elect. Should such good faith negotiations and/or mediation not be successful, the Buying Member or Selling Member may elect to have the dispute referred to and finally resolved by arbitration in Singapore before the Singapore International Arbitration Centre (SIAC) in accordance with the SIAC SGX-DC Arbitration Rules as may be prevailing from time to time. In the event that the SIAC SGX-DC Arbitration Rules are no longer in force, then arbitration shall be held in accordance with the prevailing rules of the SIAC. In the event of a dispute as to which set of arbitration rules is applicable, the Parties agree that the Registrar of the SIAC or any person holding at least an equivalent appointment shall be empowered to decide the applicable set of arbitration rules and such decision shall be binding upon the Parties.
- 11.2. For the avoidance of doubt, the Selling Member acknowledges that it is authorised to enter into this Section 10 by the Seller, and the Buying Member acknowledges that it is authorised to enter into this Section 10 by the Buyer. The award of the SIAC shall be final and binding upon the Buyer and the Seller.
- 11.3. Any arbitration to be conducted pursuant to this Section 10 shall be commenced within six (6) months from the Last Trading Day of the relevant Contract. All Parties shall not be entitled to bring any claim (whether through arbitration or court proceedings) after the expiry of the said six (6) months.
- 11.4. If neither Buyer nor Seller elects for arbitration, they are free to resolve their dispute in such manner as they deem fit.

12. LIABILITIES OF PARTIES

- 12.1. For each Unit delivered by the Selling Member to the Buying Member, such Unit shall be deemed upon acceptance of the same by the Buying Member for subsequent sales by the Buying Member to third parties, to have been packed by the Buying Member notwithstanding the retention of the symbols and marks and/or the Quality Guarantee and Weight Note of the original packer, the Selling Member or Seller.
- 12.2. Without prejudice to any other provision in these SICOM TSR 20 Rubber Contract Specifications, in the event that an Award is given in favour of a Buyer against a Seller in respect of any Delivery Lot delivered by the Selling Member (on the Seller's behalf) to the Buying Member (on the Buyer's behalf), the Buyer shall be entitled (subject to Section 12.3), to proceed against the following persons in the manner set out below:
- (a) a notice of the Award shall first be served on the Clearing House;
 - (b) in the case of delivery under FOB Terms (except in the case where an Alternative Delivery Procedure shall have been elected prior to such Award):

- (i) the Buyer shall be entitled to claim the balance of the Performance Deposit referred to in Section 6.8.1(b)(ii) held by the Clearing House upon satisfactory proof of such failure;
 - (ii) in the event that such Performance Deposit is insufficient to satisfy the Buyer's claim, the Buyer shall be entitled to claim the balance of such claim from the Performance Deposit referred to in Section 6.8.1(a) held by the Clearing House.
 - (c) where the aforesaid Performance Deposits shall be unable to satisfy the Buyer's claim, the Buyer shall be entitled to pursue the balance of its claim against the Seller;
 - (d) in the event that none of the items in Sections 12.2(a) to 12.2(c) is sufficient to satisfy the Buyer's claim, the Buyer shall be entitled to apply to the Exchange which will decide on the compensation (if any) to be paid by the Selling Member to the Buyer whether or not such compensation will amount to a full indemnity of the Buyer's claim.
- 12.3. Without prejudice to any other provision in these SICOM TSR 20 Rubber Contract Specifications, in the event that an Award is given in favour of a Seller against a Buyer in respect of any Delivery Lot delivered by the Selling Member (on the Seller's behalf) to the Buying Member (on the Buyer's behalf), sub-sections (a), (b), (c) and (d) of Section 12.2 shall apply (amended as required), and Section 12.3 shall apply in whole, with all references to:
- (a) "Buyer" and "Seller" being read as references to "Seller" and "Buyer" respectively; and
 - (b) "Buying Member" and "Selling Member" being read as references to "Selling Member" and "Buying Member" respectively.

ANNEX 1
OF THE CONTRACT SPECIFICATIONS FOR
TSR 20 (FOB) RUBBER
WAREHOUSE DELIVERY TERMS

A1.1 DEFINITIONS & INTERPRETATION

- (1) In this Annex, unless the context otherwise requires, the following expressions shall have the meanings respectively hereafter assigned to them:

“Regional Testing Laboratory” means a laboratory for the time being approved by International Rubber Association for the testing of Rubber;

“Rubber” means TSR 20 Rubber; and

“Sampler” means a sampler recognised by the International Rubber Association.

- (2) Any other expression used in this Annex (but not otherwise defined in this Annex) shall bear the same meaning ascribed thereto in either the Rules or elsewhere in the SICOM TSR 20 Rubber Contract Specifications (as applicable).
- (3) All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

A1.2 INSPECTION, WEIGHING, SAMPLING AND TESTING

- (1) In the course of delivery, each Delivery Lot, shall be inspected, weighed and sampled by the Buying Member’s and Selling Member’s representatives.
- (2) (i) Testing of Rubber shall be at the Buyer’s option.
- (ii) Where the option for testing is selected, sampling shall upon mutual agreement between Buying Member and Selling Member be conducted by the Buying Member’s and Selling Member’s representatives jointly. In the absence of such agreement, sampling shall be conducted by a Sampler nominated by the Buying Member. The Buying Member’s and Selling Member’s representatives shall be entitled to be present. If the Selling Member’s representative fail to be present sampling shall proceed as if the Selling Member’s representative is present.
- (iii) The samples shall be sent to the Regional Testing Laboratory for testing and its findings on the samples shall be deemed final and conclusive.
- (3) Procedures for inspection, weighing, sampling and testing are prescribed in Schedule 3 to this Annex.
- (4) In case of disputes relating to Shrinkwrap Packaging Specifications, weight or non-technical specifications, which cannot be settled amicably, the following additional procedures shall apply:
- (a) Inspection, weighing and sampling shall be conducted by a Sampler nominated by the Buying Member. The Buying Member’s and Selling Member’s representatives shall be entitled to be present. If the Selling Member’s representatives fail to be present, inspection, weighing and sampling, shall proceed as if the Selling Member’s representatives were present.

- (b) The Sampler's inspection, weighing, or sampling shall be final and shall commence immediately upon the occurrence of a dispute and in any case not later than the third Business Day following delivery. Inspection, weighing and sampling shall be a continuous process and shall be completed expeditiously.
 - (c) For disputes relating to Shrinkwrap Packaging Specifications, the findings of the Sampler shall be final. Any damaged shrinkwrapped Units deemed by the Sampler to be fit for export shall be repaired by the Buying Member at Selling Member's expense. Damaged shrinkwrapped Units deemed by the Sampler to be unfit for export shall be replaced by the Selling Member. The Sampler shall issue a certificate certifying whether the Delivery Lot meet or does not meet the Shrinkwrap Packaging Specifications.
 - (d) For disputes relating to non-technical specifications, the following additional procedures shall apply:
 - (i) The dispute shall be submitted for immediate arbitration.
 - (ii) The samples for arbitration for virgin rubber, vulcanized rubber knuckles or white flecks shall be only drawn on a full working day by the Sampler and shall be kept in sealed plastic bags and forwarded to the Clearing House by 1.00 p.m. on the full working day following the day the samples were drawn. Consequently, Fridays, Saturdays, Sundays and Public Holidays are non-sampling days.
 - (iii) Arbitration shall commence on the day on which the samples are received by the Clearing House.
 - (iv) The Clearing House shall nominate an umpire from the panel of umpires in Section 11 to consider the submissions. The umpire's decision shall be final.
 - (v) In the event of a dispute arising from the presence of virgin rubber, knuckles or white flecks, the umpire shall consider any guidelines established and maintained by the Clearing House.
 - (e) For disputes relating to weight, the Sampler shall furnish a certificate on the weight of the Delivery Lot. The weight of the Rubber as certified in the certificate shall be final.
- (5) Without prejudice to any other limitation or exclusion of liability otherwise available to the Exchange, and to the fullest extent permitted by law, the Exchange (and each person acting on its behalf including a Director or a member of any Committee) shall not be liable to any person for any loss (consequential or otherwise, including, without limitation, loss or profit), damage, injury or delay, whether direct or indirect, arising from any loss, damage or deterioration of quality whatsoever, of any sample (in whole or in part) deposited with the Clearing House pursuant to paragraph A1.2(4)(d).

A1.3 CLAIMS

- (1) In the event of rejection or other dispute which the Buying Member and Selling Member shall have resolved amicably, the Buying Member and Selling Member shall jointly issue a notice evidencing the terms of their settlement to the Clearing House. The Clearing House shall then make payment of the Contract Value to the Selling Member in accordance with the terms of the settlement reached and refund the balance, if any, to the Buying Member. Any accrued interest shall be apportioned between the Buying Member and the Selling Member in proportion to their respective payments.
- (2) In the event that a rejection is claimed and upon an Award in favour of the Buying Member, the Buying Member shall be entitled if the Award so directs, to a refund of the Contract Value from the Clearing House. The Selling Member shall thereafter immediately cause the Rubber

to be removed from the Warehouse at which the delivery of the same was made at its own expense failing which the Buying Member shall be entitled to levy a storage charge of \$20 per Delivery Lot per day for each day of non-removal commencing from the date of refund of the Contract Value to the Buying Member.

- (3) In the event of a claim for rejection and upon an amicable settlement or an Award in favour of the Selling Member, the Selling Member shall be entitled, if the Award so directs to receive payment from the Buying Member of the Contract Value together with any interest accrued.
- (4) In the event of rejection and an Award in favour of the Buying Member, unless the Award provides otherwise, the Buying Member shall have the option:
 - (a) to require the Selling Member to replace the rejected Rubber within five days from the date of the Award; or
 - (b) to require that the Rubber shall be invoiced back to the Selling Member at a price to be fixed by an umpire nominated by the Exchange under Section 11 and the difference between the Contract Value and the invoicing back price shall be debt due from the Selling Member to the Buying Member, such debt to be payable forthwith. The invoicing back price shall include liquidated damages at such rate as may be fixed by the Exchange against the Selling Member and such liquidated damages shall be deemed to include all penalties, fines, damages, loss or profit, costs and expenses incurred or suffered by the Buying Member.
- (5) The Clearing House shall be entitled to deduct from interest paid to such Buying Member and Selling Member under the above clauses a service charge amounting to one half of one percent calculated on an annual rate.

**SCHEDULE 1
OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR
TSR 20 RUBBER**

(Buying Member's Letterhead)

WAREHOUSE RECEIPT

To Messrs (Selling Member)

_____ 20_____

Received from and on account of Messrs [,,] Rubber of the following description and estimated weight:-

Delivery No: [,,]

Quality (said to be): [,,]

No. of Lots/Units: [,,]

Estimated Weight: [,,]

We, the Buying Member, agree to conduct inspection, weighing, sampling and testing in accordance with the SICOM TSR 20 Rubber Contract Specifications (including, for the avoidance of doubt, Annex 1 thereto) (the "**Contract Specifications**") by _____.

On obtaining the results of the weighing, sampling or testing, we will immediately submit to the Clearing House the Acceptance/Rejection Notice pursuant to the Contract Specifications.

We confirm that the Rubber shall from delivery at the Warehouse, be at our risk.

In the event we reject the Rubber or fail to have an amicable settlement with the Selling Member, the Rubber herein described will be delivered on demand to the bearer of this Receipt.

The capitalised expressions used herein, but not defined herein, shall have the same meanings respectively ascribed to them in the Contract Specifications.

**(Buying Member's Company Stamp
and Signature of Storekeeper/Receiver)**

**SCHEDULE 2
OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR
TSR 20 RUBBER**

(Buying Member's Letterhead)

ACCEPTANCE/REJECTION RECEIPT

To Messrs (Selling Member)

_____20____

Warehouse Receipt Dated [,,]

From [,,]

Received from Messrs [,,]

Rubber of the following description and weight:- [,,]

Delivery No: [,,]

Quality: [,,]

No. of Lots/Units: [,,]

Actual Net Weight: [,,]

*1 We confirm the consignment is in good order.

*2 We reject the Rubber on the following ground(s):-

(a) [,,]

(b) [,,]

*3 We accept the consignment but hereby lodge the following complaint/claim:-

4 The capitalised expressions used herein, but not defined herein, shall have the same meanings respectively ascribed to them in the SICOM TSR 20 Rubber Contract Specifications (including, for the avoidance of doubt, Annex 1 thereto).

**(Buying Member's Company Stamp and
Signature of Storekeeper/Receiver)**

* Buying Member must delete any 2 of the above which are not applicable.

SCHEDULE 3
OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR
TSR 20 RUBBER

PROCEDURE 1: INSPECTION

- a. Check that markings on each Unit correspond with the particulars supplied by the Selling Member.
- b. Check that Units are in acceptable condition, ie.
 - (i) Built according to the Exchange's "Handbook on Shrinkwrap Packaging Specifications."
 - (ii) Not damaged, wet or contaminated.
 - (iii) Free from borers
 - (iv) May require recoupment at Selling Member's cost.
- c. The Buying Member's Warehouse shall store the Units by Delivery Lots.
- d. Select at random 2 Units from each Delivery Lot for unpacking. The selected Units must be marked "Sample Units".
- e. During unpacking check
 - (i) Correct use of polythene lining, interlayers, and polybags (no cardboard or chipboard used).
 - (ii) Correct thickness and quality.
 - (iii) Foreign contamination, e.g. splinters, poly-propylene, etc.
 - (iv) Surface for wet rubber, vulcanized rubber, knuckles and virgin rubber.

PROCEDURE 2 – WEIGHING

- a. For weighing purposes, 1 of the 2 Units selected for inspection shall be completely unpacked and the rubber nett weighed at removal.
- b. Weighing shall normally be in quantities of 210 kilograms in any one weighing operation and weights are to be recorded to the nearest 210 grams. Larger or smaller quantities may be weighed provided weights are recorded to the same proportionate degree of accuracy.
- c. Randomly select 4 bales which should not have been subjected to prior sampling at the producer's premises. These will be individually weighed. The bales that have been sampled must be marked "Sample Bales" using miscible polythene wrapping of the same thickness as that used for wrapping the bales. On no account should paper or other non-miscible material be used to bear the words "Sample Bales".
- d. During weighing, as an additional check the surface of all bales shall be examined for wet rubber, knuckles, vulcanized rubber, virgin rubber and foreign matter contamination, e.g. splinters, poly-propylene, etc.

PROCEDURE 3 – SAMPLING

- a. Draw another 4 randomly selected bales (whether previously sampled at the producer's premises or not) from the 2 selected Units -- two bales each from two Units. Each bale must be from a different tier. The bales that have been samples must be marked "Sample Bales" using miscible polythene wrapping of the same thickness as that used for wrapping the bales. On no account should paper or other non-miscible material be used to bear the words "Sample Bales".
- b. The 4 bales selected for sampling shall be cut in half (through the centre and across as required) so as to expose the bale interior to enable viewing for signs of wet rubber, knuckles, virgin rubber and foreign contamination. If a single bale is found to contain wet rubber, knuckles, vulcanised rubber, virgin rubber or foreign matter, the Delivery Lot will be rejected.
- c. Each of the 4 bales is placed on a clean, horizontal platform with the shortest edges in a vertical position. A clean, dry knife is used to cut a sub-piece of triangular section (about 50 x 50 x 70 mm) down the entire length of one vertical edge without the use of lubricant so that a sub-piece of minimum weight of 150g is obtained.

Another similar sub-piece is cut from the diagonally opposite vertical edge. Each of the two sub-pieces are half and separated are placed into 2 polythene bags marked TSR 20, the identification label complete with the necessary details is inserted and the bags are heat-sealed immediately. The two sets of sub-pieces together constitute the sample representing the bale.
- d. The two sets of 4 samples drawn shall form the basis for any test of technical quality of the Delivery Lot.
- e. One set of the 4 samples shall be retained by the Sampler (or the Buying Member) and the other set shall be deposited by the Sampler (or Buying Member) no later than 4.00 p.m. on the next business day following the drawing of the samples with Regional Testing Laboratories. It shall be the duty of the Buying Member to ensure that suitable instructions to deposit the samples within the time frame are given to the Sampler and complied with by him.
- f. In the event there is non compliance with (e) above and it is shown that such non compliance is not prompted or caused by the collusion of the party calling for the sampling, the umpire or arbitrators (if there is arbitration) shall be entitled to give such weight as he thinks fit to the sealed samples.
- g. Unless the piece is to be tested immediately, it shall be placed in an air tight container, which shall be immediately sealed and kept sealed until it is tested. When testing for quality, all such pieces shall be blended and homogenised together by a Regional Testing Laboratory agreed upon by the Buying Member and the Selling Member and tested in duplicate. If the Buying Member and the Selling Member cannot agree upon the Regional Testing Laboratory, either Party may request the Exchange to nominate the Regional Testing Laboratory.
- h. In testing for volatile matter only, a sample weighing 150 grams may be taken as a continuous piece from any part of the bale and need not be sampled as specified in the paragraph (c) above. For rejection, a minimum of four separate bales from at least two Units should be drawn and tested individually. The average results of the testing on these samples for volatile matter shall be used to determine the acceptability of the Delivery Lot.

PROCEDURE 4 – TESTING

Method of testing shall follow the test method of the Regional Testing Laboratory.

ANNEX 2
OF THE CONTRACT SPECIFICATIONS FOR
TSR 20 RUBBER

FOB TERMS

A2.1 DEFINITIONS & INTERPRETATION

- (1) In this Annex, unless the context otherwise requires, the following expressions shall have the meanings respectively hereafter assigned to them:

“**Analyst**” means a Regional Testing Laboratory;

“**Association**” means a member of the International Rubber Association;

“**Award**” means an award given by an Arbitrator(s);

“**Coordinating Test Laboratory**” means the Standards Laboratory of the Malaysian Rubber Board, or such other laboratory as the Exchange may specify;

“**Declaration of Shipment**” means the declaration of shipment to be issued by the Selling Member under paragraph A2.2;

“**Rubber**” means TSR 20 Rubber;

“**Regional Centre**” means any one or more of the regional centres for arbitration listed in paragraph A2.10(3);

“**Regional Testing Laboratories**” means any of the IRA approved laboratory listed in paragraph A2.12 below, as from time to time added to, or deleted by the International Rubber Association;

“**Sampler**” mean a sampler recognised by the International Rubber Association.

- (2) Any other expression used in this Annex (but not otherwise defined in this Annex) shall bear the same meaning ascribed thereto in either the Rules or elsewhere in the SICOM TSR 20 Rubber Contract Specifications (as applicable).
- (3) All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

A2.2 DUTY OF SELLING MEMBER

- (1) The Selling Member or its duly authorised representative shall issue to the Buying Member a Declaration of Shipment which must indicate the Contract reference, leading mark, number of delivery units, weight, name of vessel and Bill of Lading date.
- (2) The Declaration of Shipment must be issued by facsimile or electronic mail transmission (and the Selling Member shall maintain written records evidencing such transmission, whether in the form of a successful transmission or similar report) within nine calendar days of the date of the Bill of Lading (subject to the provision of sub-paragraph A2.2(4) below).
- (3) Failure by the Selling Member to issue the Declaration of Shipment within the period specified in sub-paragraph A2.2(2) above shall entitle the Buying Member to claim for such damages as he shall prove to have sustained.

- (4) In no case shall a Declaration of Shipment be issued by the Selling Member or his duly authorised representative later than the 21st calendar day following the last day of the period of shipment. Failure to issue the declaration of shipment within this period shall constitute a default.
- (5) Without the consent of the Buying Member, a Declaration of Shipment, which upon the face of it complies with the Contract, shall not be withdrawn or altered except in the case of a bona fide error, of which the Selling Member must furnish adequate proof.

A2.3 DUTY OF BUYING MEMBER

Without prejudice to any other obligations on the Buying Member, it shall be the duty of the Buying Member to effect the proper insurance cover for the Rubber from the time the Rubber is delivered to the Location of Delivery upon the issue of the Declaration Of Shipment by the Selling Member.

A2.4 GENERAL DELIVERY TERMS

- (1) The Rubber shall be shipped by vessel or vessels loading or commencing to load at the Port of Loading (and loading continuously thereat until the date of shipment), with transit direct and/or indirect, with liberty to call at other ports.
- (2) The Rubber shall be shipped by a vessel scheduled to sail to the Port of Discharge. In the event that the Port of Loading is determined to be the Port of Singapore pursuant to Section 6.4.8, the Buying Member shall select a vessel that is able to provide shipping from the originating port to the Port of Discharge through the Port of Singapore. The Selling Member shall assume the additional cost that the Buying Member may have had to assume, arising from the use of a vessel other than the Buying Member's originally intended vessel, if the Buying Member is able to provide evidence of such price differential.
- (3) The Bill of Lading date shall be proof of time of shipment in the absence of conclusive evidence to the contrary.
- (4) A Bill of Lading dated in the month immediately following the Delivery Month shall be valid for tender to the Clearing House provided that it contains the following warranty endorsed on the Bill of Lading and signed by the carrier or on its behalf by its authorised agents:-

"Warranted that the vessel commenced loading at the Port of Loading in _____ (month) and has been continuously loading thereat until the date of shipment which is the date of this Bill of Lading."

- (5) Such warranty shall, as between the Buying Member and the Selling Member and in the absence of fraud, be conclusive evidence of the facts so stated.
- (6) Each Bill of Lading shall be treated as a separate contract in respect of conventional or break bulk shipments. However where shipment is effected in Containers, each Container load shall be treated as a separate contract.
- (7) Shipment of more than one country of origin and/or more than one producer factory on one Bill of Lading shall not be permitted.

A2.5 WEIGHING

- (1) The Buying Member shall have the option of weighing the Rubber at the Port of Discharge or in the consumer's factory.
- (2) Any difference so ascertained between shipped and landed weights (excluding theft, pilferage

and damage in transit) shall be for Selling Member's account and be invoiced back at contract price.

- (3) Landed weights, if taken shall be certified by a Sampler. These weights shall be furnished to the Selling Member within 28 days of the Date of Discharge, whether the Rubber is weighed at the Port of Discharge or in consumer's factory.
- (4) For shipments effected in Containers, each Container shall be treated as a separate contract and for shipments effected by conventional-break bulk, each Bill of Lading shall be treated as a separate contract.
- (5) In the case of shipments in palletised Units, 10% (to the nearest whole number) of the Units shipped shall be unpacked and the Rubber nett weighed after removal.
- (6) Weighing shall normally be in quantities of 210 kilograms in any one weighing operation and weights are to be recorded to the nearest 210 grams. Larger or smaller quantities may be weighed provided weights are recorded to the same proportionate degree of accuracy.

A2.6 SAMPLING

- (1) Sampling shall take place either at the Port of Destination or at the consumer's factory, or at a point otherwise mutually agreed upon between the Buying Member and the Selling Member.
- (2) Sampling must be completed and samples sent by the Buying Member to the Selling Member or his authorised representative within 28 days of the Date of Discharge at the Port of Discharge.
- (3) Upon mutual agreement between the Buying Member and the Selling Member, sampling shall be conducted by the Buying Member's and the Selling Member's representative jointly. If they are unable to agree to use their representatives jointly for sampling, sampling shall be conducted by a Sampler. The Buying Member's and the Selling Member's representatives shall be entitled to be present. If the Selling Member has not named his representative, the labels of the samples shall be signed and sealed by the Buying Member in conjunction with a Sampler and such samples shall be accepted by the Selling Member.
- (4) Samples shall be drawn at random from 10 percent of the Units (to the next higher whole number if necessary). A minimum of one bale from each of two separate randomly chosen Units shall be taken, but not more than 4 bales may be taken from each Unit sampled. The person(s) sampling shall decide on the number of bales to be taken.
- (5) The samples drawn in support of a claim on the quality of the Rubber shall be cut with a clean knife through the entire bale normal to the largest surface area and unless the piece is tested immediately it shall be placed in an air tight container, which shall be immediately sealed and kept sealed until it is tested. In each instance a piece weighing not less than 150 grams shall be taken from each sampled bale.
- (6) When testing for quality (other than volatile matter), all such pieces shall be blended and homogenised together by an Analyst and tested in duplicate.
- (7) In testing for volatile matter only, a sample weighing 150 grams may be taken as a continuous piece from any part of the bale and need not be sampled as specified in sub-paragraph A2.6(5) above. For rejection of a consignment a minimum of 4 samples (each weighing 150 grams) from 4 separate bales from at least 2 Units should be drawn and tested individually. The average results of the testing on these samples for volatile matter shall be used to determine the acceptability of the consignment.
- (8) In case of complaints in respect of excessive mould or virgin Rubber, samples shall be submitted in accordance with sub-paragraph A2.6(7) above.

A2.7 CLAIMS IN RESPECT OF TECHNICAL SPECIFICATIONS

- (1) In the event of any claim in respect of the technical specification of the Rubber that is not amicably settled, samples shall be tested by the Analyst agreed between the Buying Member and the Selling Member. If the analysis is to be final and binding on the other party then their prior written agreement must be obtained. In the case where this agreement is not obtained, then the analysis of the samples shall be performed by the Coordinating Test Laboratory whose analysis shall be final and binding.
- (2) If the quality of any Bill of Lading or Container quantity is below the technical specification, then that Bill of Lading or Container quantity shall be deemed to be a non-bona fide shipment, and the Buying Member shall have the option to claim rejection of that Bill of Lading or Container quantity as the case may be. This option is to be exercised within five Business Days after receipt of the Analyst's report or the Coordinating Test Laboratory's report by the Buying Member.

A2.8 CLAIMS IN RESPECT OF PACKAGING CONDITION

- (1) If any Bill of Lading or Container quantity does not conform to the Shrinkwrap Packaging Specifications, such Rubber shall be surveyed by a Sampler or jointly by the Buying Member's and the Selling Member's representative. The survey report shall include a paragraph relating to the external damage to the packaging.
- (2) Where the aforesaid report shows that the condition of the wrapping is caused by factors not relating to the handling in transit, then such Rubber shall be accepted and, failing an amicable settlement, an allowance shall be decided by the appropriate Regional Centre provided the Arbitrators are of the opinion that the Rubber as shipped was a bona fide fulfilment of the Contract. If the Arbitrators shall decide that any Bill of Lading or Container quantity is a non-bona fide shipment in respect of packaging condition, the Buying Member shall have the option to claim rejection of that Bill of Lading or Container quantity as the case may be. This option shall be exercised within five Business Days after receipt of the Award.

A2.9 CLAIMS – GENERAL

- (1) Each Bill of Lading shall be treated as a separate contract in respect of conventional/break bulk shipment. However where shipment is effected in Containers, each Container load shall be treated as a separate contract.
- (2) Sample or samples in support of the claim must be produced by the Buying Member to the Selling Member or his authorised representative, within 28 days of the Date of Discharge at the Port of Discharge. However, this period may be extended by agreement between the Parties or at the discretion of the arbitrator, if the delay is due to circumstances over which the Buying Member has no control. The cost of sampling, supervision, analysis, despatch of samples promptly by air and all reasonable expenses and charges of the Buying Member shall be paid by the Selling Member if a claim is sustained except in a case where such charges equal or exceed the amount of the Award when the arbitrator shall have the discretion to Award these charges against either Party.
- (3) Final notice in writing of the claim stating the grounds of the complaint must be given by the Buying Member to the Selling Member or his authorised representative within five business days of the expiry of the period stipulated above for the production of sample or samples. Any claim lodged prior to the production of sample or samples will, if not so finalised, be null and void.
- (4) **"Factory"** in this Annex 2 shall include premises used for storage by the proprietor of the factory whether or not the same shall be within the compound of the factory. The Selling Member further agrees that the destination for the purpose of inspecting the Rubber shall be deemed, if the Buying Member so wishes, to be the factory or factories instead of the Port of Discharge, provided always that the cost of transport and insurance from Port of Discharge to the factory

shall be for the Buying Member's account. Whilst in the factory, the Rubber shall be at the Buying Member's risk.

- (5) In the event of rejection, the Selling Member shall, within ten Business Days of the receipt of the Analyst's report, the Coordinating Test Laboratory's report or the Award (as the case may be), notify the Buying Member by facsimile or electronic mail transmission (and shall maintain written records evidencing such transmission, whether in the form of a successful transmission or similar report), naming the warehouse to which the Rubber is to be returned together with any instructions regarding sampling, weighing and insurance. The Buying Member shall carry out such instructions without undue delay and also insure the Rubber in transit. The Buying Member shall be entitled to debit the Selling Member with the cost of returning the Rubber to warehouse, including insurance in transit. The cost of receiving the Rubber into warehouse and of working and sampling shall be for the Selling Member's account.
- (6) Where the Rubber is delivered to a factory or factories without passing through a warehouse, or where part of the Rubber is delivered to a warehouse and the remainder is delivered to a factory or factories without passing through a warehouse, neither the onward movement of the Rubber from the Port of Discharge nor the breaking of bulk by distribution of one Contract quantity between two or more factories shall be deemed an acceptance by the Buying Member so as to cause the Buying Member to lose thereby his right of claim or rejection.

A2.10 ARBITRATION

- (1) Where any Party claims that a default has occurred in respect of a Contract, then failing an amicable settlement, the dispute shall be placed before Arbitrators and if the Arbitrators decide that a default has occurred, the Contract shall be closed out at a price and weight, which price shall be the estimated market value of the Rubber contracted for on the day that default has occurred or is established within the discretion of the Arbitrators with a fine of not less than 1% of the value of the Contract in the currency of the Contract.
- (2) Arbitration shall be held in accordance with the provisions of the constitution of an Association in the appropriate Regional Centre and, unless Arbitrators otherwise decide, all differences due under any Award, whether arising out of claims for default, or claims on quality, or otherwise, shall be paid in cash within seven Business Days from the receipt of the Award. In the event of an appeal, payment may be suspended pending the result of the appeal; but should the Award be upheld, the amount due shall be increased by interest at bank rate in the country of the sustained party and payment shall be due within three days of the result of the appeal being made known to the losing party.
- (3) Any dispute arising in respect of the Contract shall be finally settled at the designated Regional Centre mentioned below, unless otherwise agreed upon between the Buying Member and the Selling Member.

<u>Regional Port of Destination</u>	<u>Regional Centre of Arbitration</u>
Central and North America	New York
Europe (including Russia and Turkey)	London
Australasia, Asia, Africa and South America	Singapore or Kuala Lumpur or Jakarta or Bangkok at the choice of the party whose application for arbitration is first received at that Regional Centre of Arbitration. If applications are received from both parties at different Regional Centres of Arbitration on the same date, Selling Member's choice of Regional Arbitration Centre shall prevail.
Japan	Tokyo

The Contract shall be construed according to the laws of the country where the arbitration shall take place whatever be the residence or nationality of the Parties and its performance shall, in every part and incident, be considered due in that country for the purpose of jurisdiction, and the Arbitrators in that country shall have to the extent permitted by law absolute jurisdiction over all disputes which may arise under the Contract, and decisions shall to the extent permitted by law be enforceable as final judgment in any country.

- (4) In the event of there being more than one Contract existing between the same Parties, which shall be closed in pursuance of an Association's constitution, an account shall be taken of what is due from one Party to the other in respect of such Contracts, and the sum due from one Party shall be set-off against the sum from the other Party, and the balance of the accounts and no more shall be claimed or paid on either side respectively.
- (5) All arbitrations in respect of quality or condition shall be held between the Seller and the Buyer or their duly authorised representatives and the Award made in pursuance thereof, subject of the right of appeal to the Association, shall also be binding on all intermediary parties provided that the terms of the Contract have been duly fulfilled so far as they are concerned.

A2.11 APPLICATION OF IRA INTERNATIONAL CONTRACT CONDITIONS FOR TECHNICALLY SPECIFIED RUBBERS

The provisions of the IRA International Contract Conditions for Technically Specified Rubber (as from time to time amended) for which no equivalent provision has been made in these SICOM TSR 20 Rubber Contract Specifications shall apply to all Contracts so far as such provisions do not conflict, and are not inconsistent, with these SICOM TSR 20 Rubber Contract Specifications.

A2.12 LIST OF REGIONAL TESTING LABORATORIES

The list of IRA approved laboratories is published and updated on the International Rubber Association website from time to time.

- end of Annex 2 -

**CONTRACT SPECIFICATIONS
FOR
SICOM RSS 3 RUBBER (INTERNATIONAL NO. 3 RIBBED SMOKED SHEET) CONTRACTS**

1. SCOPE OF CHAPTER	3
2. DEFINITIONS & INTERPRETATION	3
3. COMMODITY SPECIFICATIONS	7
4. FUTURES TRADING	7
4.1. Trading Hours & Contract Months	7
4.2. Trading Lot	7
4.3. Minimum Price Fluctuations & Tick Value	7
4.4. Position limits	7
4.5. Variations	8
4.6. Termination of futures trading	8
4.7. Contract Modifications	8
4.8. Daily Settlement Price	8
4.9. Price Limit and Cooling Off Period	8
4.10. Negotiated Large Trade	8
5. RESPONSIBILITY OF PERSONS HOLDING A MATURING CONTRACT ON LAST DAY OF TRADING AND PERSONS ENTITLED TO PERFORM DELIVERY OBLIGATIONS	9
6. DELIVERY	9
6.1. Delivery Lot	9
6.2. Method of Delivery	10
6.3. Location of Delivery	10
6.4. General Delivery Terms	11
6.5. Acceptance Notice	12
6.6. Delivery Notice	12
6.7. Delivery Matching & Re-novation	13
6.8. Performance Deposit	14
6.9. Delivery Instructions	15
6.10. Loading or Discharging	15
6.11. Division Of Costs	17
6.12. Documents on Delivery	18
6.13. Sampling, Weighing and Claims	18
6.14. Payments and Documents	18
6.15. Return of Performance Deposit	21
6.16. Property and Risk	23
6.17. Exchange Responsibility	23

6.18. Cash Settlement	23
7. ALTERNATIVE DELIVERY PROCEDURE	24
8. LATE PERFORMANCE AND FAILURE TO PERFORM	24
9. BUYING AND SELLING MEMBERS' LIABILITIES	25
10. CIRCUMSTANCES PREJUDICIAL TO PERFORMANCE	25
11. RESOLUTION OF DISPUTES	26
12. LIABILITIES OF PARTIES	26
ANNEX 1	28
WAREHOUSE DELIVERY TERMS	28
A1.1 DEFINITIONS & INTERPRETATION	28
A1.2 INSPECTION, WEIGHING AND SAMPLING	28
A1.3 WEIGHING	29
A1.4 CLAIMS	29
SCHEDULE 1	31
SCHEDULE 2	32
SCHEDULE 3	33
PROCEDURE 1 - WEIGHING	33
PROCEDURE 2 - DRAWING OF SAMPLES	33
PROCEDURE 3 - BALE COATING	34
ANNEX 2	36
FOB TERMS	36
A2.1 DEFINITIONS & INTERPRETATION	36
A2.2 DUTY OF SELLING MEMBER	36
A2.3 DUTY OF BUYING MEMBER	36
A2.4 GENERAL DELIVERY TERMS	37
A2.5 WEIGHING	37
A2.6 SAMPLING	37
A2.7 SECOND SAMPLING	38
A2.8 CLAIMS IN RESPECT OF QUALITY AND PACKING	39
A2.9 CLAIMS IN RESPECT OF EXCESS BALE COATING	40
ANNEX 3	41
SPECIAL TERMS	41
A3.1 DEFINITIONS & INTERPRETATION	41
A3.2 SAMPLING, WEIGHING AND INSPECTION	41
A3.3 DOCUMENTARY EVIDENCE	41
A3.4 CLAIMS IN RESPECT OF QUALITY AND PACKING	41

**CONTRACT SPECIFICATIONS
FOR
SICOM RSS 3 RUBBER (INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)**

1. SCOPE OF CHAPTER

These contract specifications (together with the relevant annexes hereto, and the schedules of the annexes hereto, as applicable) (hereinafter collectively referred to as the **"SICOM RSS 3 Rubber Contract Specifications"**) set out the Contract Specifications for Contracts in respect of RSS 3 Rubber (as hereinafter defined) which shall apply to trading in, and the Contracts for, RSS 3 Rubber under the Singapore Exchange Derivatives Trading (**"SGX-DT"**) Futures Trading Rules (**"Trading Rules"**) and the Singapore Exchange Derivatives Clearing (**"SGX-DC"**) Clearing Rules (**"Clearing Rules"**) (together **"Rules"**). These SICOM RSS 3 Rubber Contract Specifications shall be read together with the Rules and:

- (a) matters relating to trading in Contracts for RSS 3 Rubber, not specifically covered herein, shall be governed by the Trading Rules and standard rubber industry practice insofar as such practice does not conflict with those Rules;
- (b) matters relating to clearing, delivery and settlement in respect of Contracts for RSS 3 Rubber, not specifically covered herein, shall be governed by the Clearing Rules, and;
- (c) any other matters in respect of Contracts for RSS 3 Rubber, if expressly stated herein to such effect, shall be governed by the Rules and standard rubber industry practice insofar as such practice does not conflict with those Rules.

2. DEFINITIONS & INTERPRETATION

- 2.1. In these SICOM RSS 3 Rubber Contract Specifications, unless the context otherwise requires, the following expressions shall (notwithstanding Chapter 8 of the Trading Rules and Chapter 9 of the Clearing Rules) have the meanings respectively hereafter assigned to them:

"Acceptance/Rejection Receipt" means the form prescribed by the Exchange as Schedule 2 of Annex 1 hereto;

"Alternative Delivery Procedure" means the procedure prescribed under Section 7;

"Approved Packer" means any person who is licensed to pack rubber by the relevant authority in the country where the packer operates and approved by the Exchange to pack RSS 3 Rubber which may be accepted for delivery in respect of any Contract;

"Award" shall include a decision or award made by an umpire, the Exchange or a Committee or panel appointed by the Exchange, or made pursuant to any arbitration referred to in these SICOM RSS 3 Rubber Contract Specifications, on any dispute arising under or in respect of these SICOM RSS 3 Rubber Contract Specifications;

"bale" means a bale of RSS 3 Rubber that is packed in accordance with the size and weight prescribed in these SICOM RSS 3 Rubber Contract Specifications;

"Bill of Lading" means the bill of lading referred to in Section 6.12.1(b);

"Buyer" means the person holding a long position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the person responsible for taking delivery of the underlying Commodity of the Contract through the Buying Member ;

"Business Day" means any day other than the following:

- (a) Saturdays;
- (b) Sundays;
- (c) public holidays in Singapore;
- (d) the eve of Chinese New Year; and,
- (e) the eve of New Year's Day.

"Buying Member" means the Clearing Member who Qualifies the Buyer's positions on a Contract;

"Clearing Rules" means SGX-DC Clearing Rules as amended or supplemented from time to time;

"Container" means a 20 foot container;

"Contract" or **"RSS3 Contract"** means a Contract in respect of RSS 3 Rubber;

"Contract Month" means any one calendar month and two or more such months being referred to as **"Contract Months"**;

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

"Date of Discharge" in relation to a Delivery Lot means the date on which unloading of the Delivery Lot onto the wharf at the Port of Discharge is completed;

"day of late performance" means the twenty-four hour period commencing after 11:59:59 p.m. on the day a Party was to have performed. Each subsequent day of late performance shall commence twenty-four hours after the beginning of the prior day of late performance. When a Party is late in performance, the day when the Party performs shall also be a day of late performance;

"Delivery Instructions" means instructions in writing to deliver the Delivery Lot to the Location of Delivery and shall contain the information listed in Section 6.9;

"Delivery Lot" means a lot for delivery of the amount of RSS 3 Rubber set out in Section 6.1;

"Delivery Matching" has the meaning ascribed to it in Section 6.7.1;

"failure to perform" means the failure of a Party to complete a material act with respect to its delivery, payment or other obligation after the expiration of the period allowed for the late performance of such act;

"Final Documents" means:

- (a) in the case of delivery under Warehouse Delivery Terms, the Quality and Weight Guarantee Certificates, the Weight Note, the certificate of Origin (if required by the Buying Member), and such other documents specified by the Exchange from time to time; or
- (b) in the case of delivery under FOB Terms, the Quality and Weight Guarantee Certificates, the Bill of Lading referred to in Section 6.12.1(b), the Weight Note, the certificate of Origin (if required by the Buying Member), and such other documents specified by the Exchange from time to time;

"First Contract Month" means the Contract Month immediately following the current month;

"FOB Terms" means delivery free on board in accordance with the terms as prescribed in these SICOM RSS 3 Rubber Contract Specifications including the terms and conditions set

out in Annex 2 provided that where the Buying Member opts for Special Terms in its Delivery Instructions, the terms and conditions set out in both Annex 3 and Annex 2 shall be applicable;

“late performance” means the failure of a Party to complete a material act with respect to its delivery, payment or other obligation imposed by, and within the time period prescribed under Section 8.2;

“Location of Delivery” means the places referred to in Section 6.3 at which the bales are to be delivered;

“Manufacturer” means any major tyre manufacturer;

“method of delivery” means the types of delivery terms and conditions referred to in Section 6.2;

“Notice of Assessment” means the notice given to a defaulting Party by the Clearing House under either Section 8.5 or Section 8.7 stipulating the amount of fines payable for late performance or failure to perform;

“Origin” means a mark or other designation under a national scheme for certifying RSS in the country of a relevant Approved Packer;

“Other Party” means the corresponding Buying Member when the Selling Member is late in performance or has failed to perform or the corresponding Selling Member when the Buying Member is late in performance or has failed to perform;

“packing licence” means a licence recognised by the Exchange entitling the holder thereof to pack RSS 3 Rubber;

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

“Performance Deposit” means the deposits referred to in Section 6.8;

“Port of Discharge” means the overseas shipping port at which the Delivery Lot delivered by the Selling Member to the Buying Member is ultimately shipped to;

“Port of Bangkok” means the shipping port of Bangkok;

“Port of Laem Chabang” means the shipping port of Laem Chabang;

“Port of Loading” means the Port of Bangkok and/or the Port of Laem Chabang and/or the Port of Penang, and/or the Port of Singapore;

“Port of Penang” means the shipping port of Penang;

“Port of Singapore” means the shipping port of Singapore;

“Provisional Documents” means the commercial invoice issued or to be issued by the Seller (or the Selling Member if it agrees to be the issuing party) to the Buyer (or the Buying Member if it agrees to be the receiving party) together with, in the case of delivery under Warehouse Delivery Terms the Warehouse Receipt, or in the case of delivery under FOB Terms an unsigned Bill of Lading pertaining to the RSS 3 Rubber that is to be delivered;

“Quality and Weight Guarantee Certificate” means the certificates evidencing the quality and weight of each bale recognised by the Exchange;

“Re-novated Contract” has the meaning ascribed to it in Section 6.7.1A;

“Re-novation” has the meaning ascribed to it in Section 6.7.1A;

"RSS 3 Rubber" means rubber of the specifications referred to in Sections 3 and 6.1;

"Rubber Committee" means a committee established by the Exchange to assist the Exchange in matters relating to the Contract including but not limited to reviewing and making recommendations to the Exchange on the terms and conditions of the Contract;

"Seller" means the person holding a short Position in respect of a Contract and in the case of a Position in respect of a Contract subsisting past the Last Trading Day of that Contract, the person responsible for making delivery of the underlying Commodity of the Contract through the Selling Member ;

"Selling Member" means the Clearing Member who Qualifies the Seller's positions on a Contract;

"SGX-DC" means the Singapore Exchange Derivatives Clearing Limited;

"SGX-DT" means the Singapore Exchange Derivatives Trading Limited;

"SGX standard" means quality as per the Exchange's RSS 3 Master Sample established from time to time;

"shipping marks" means such marks as shall be instructed by the Buying Member to the Selling Member to be on each bale and such marks as shall be required to be on each bale in accordance with relevant governmental laws and regulations;

"Special Terms" means the terms on sampling, weighing and inspection as prescribed in these SICOM RSS 3 Rubber Contract Specifications, including the terms and conditions set out in Annex 3 hereto;

"standard rubber industry practice" shall be the practice of the rubber trade as determined by a Committee or representative of such Committee appointed by the Exchange;

"standard rubber industry tolerance" means such prevailing tolerance levels as the Rubber Committee may from time to time prescribe;

"trading lot" means the units for futures trading of the amount of RSS 3 Rubber set out in Section 4.2;

"Trading Rules" means SGX-DT Futures Trading Rules as amended or supplemented from time to time;

"US Banking Day" means a day on which banks in the United States of America are generally open for banking business;

"US\$", "US cents" or "US currency" means the lawful currency of the United States of America;

"Warehouse" means any public or private warehouse licensed by the relevant authority for the purposes of storing rubber that is reasonably accessible by road and which is in Singapore;

"Warehouse Delivery Terms" means the terms for delivery to a Warehouse and includes the terms and conditions set out in Annex 1 and where the Buying Member opts for Special Terms, includes the terms and conditions set out in Annex 3;

"Warehouse of Manufacturer" means a Warehouse located in Singapore which is owned or operated by a Manufacturer;

"Warehouse Receipt" means the receipt issued by the Buying Member or its representative when the Delivery Lot is physically delivered into the custody of the Buying Member or its representative as the case may be at the nominated Warehouse or the Warehouse of Manufacturer; and

“Weight Note” means the note evidencing the weight of a bale recognised by the Exchange.

- 2.2. References to Sections, Annexes and Schedules in these SICOM RSS 3 Rubber Contract Specifications shall be read as references to the sections of, the annexes to, and the schedules of the annexes to, these SICOM RSS 3 Rubber Contract Specifications.
- 2.3. References to Rules and Chapters shall be read as references to the rules and chapters of the Rules.
- 2.4. All terms and references which are defined or construed in Chapter 1 but not specifically defined or construed in these SICOM RSS 3 Rubber Contract Specifications shall have the same meaning and construction therein ascribed.
- 2.5. Price quotations of RSS 3 Contracts shall be in US currency unless otherwise stated.
- 2.6. For the purpose of, and except to the extent modified in, these SICOM RSS 3 Rubber Contract Specifications, all expressions used in the Warehouse Delivery Terms, the FOB Terms and the Special Terms, if not otherwise therein defined, shall bear the respective meanings ascribed to them by standard rubber industry practice.

3. COMMODITY SPECIFICATIONS

RSS 3 Rubber shall be the rubber produced from the Hevea Braziliensis tree in accordance with the type and grade descriptions and packing specifications published by the International Rubber Quality and Packing Conference’s “Green Book” in force from time to time. RSS 3 Rubber delivered under each Contract should not be in a frozen or crystallised state.

4. FUTURES TRADING

4.1. Trading Hours & Contract Months

Futures trading in RSS 3 Rubber shall be carried out only during such trading sessions and hours as the Exchange may prescribe from time to time. Delivery of RSS 3 Rubber in respect of a Contract shall be effected only during the Contract Months, or such other periods as may be determined by the Exchange from time to time.

4.2. Trading Lot

Futures trading in RSS 3 Rubber may be made in Contracts for a single month which shall be in units of 5 metric tonnes of the RSS 3 Rubber.

4.3. Minimum Price Fluctuations & Tick Value

Minimum price fluctuation shall be 0.1 US cents per kilogramme, equivalent to US\$5.00 per tick.

4.4. Position limits

A person shall not:

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

unless otherwise permitted by the Clearing House in respect of its member, who is carrying the account of that person.

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

4.5. Variations

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

4.6. Termination of futures trading

Futures trading of trading lots of a single month shall terminate on the Last Trading Day of the month preceding the Delivery Month.

4.7. Contract Modifications

Subject to the Rules, the Clearing House reserves all rights to modify or add to these SICOM RSS 3 Rubber Contract Specifications from time to time.

4.8. Daily Settlement Price

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

4.9. Price Limit and Cooling Off Period

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

- (a) “**Cooling-Off Period**” means a period of 15 minutes within the trading hours referred to in Section 4.1 (or such other period as the Exchange may from time to time prescribe) during which trading may only take place at or between the Upper Limit and Lower Limit;
- (b) “**Upper Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time above the settlement price at the close of the previous Trading Day for the Contract; and
- (c) “**Lower Limit**” for any Contract means a price of ten per cent (10%) or such other percentage as the Exchange may prescribe from time to time below the settlement price at the close of the previous Trading Day for the Contract.

4.9.2 The Upper Limit and Lower Limit shall be rounded to the nearest 0.1 US cent per kilogramme and this amount shall be the Upper Limit or Lower Limit (as the case may be).

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

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

4.10. Negotiated Large Trade

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

5. RESPONSIBILITY OF PERSONS HOLDING A MATURING CONTRACT ON LAST DAY OF TRADING AND PERSONS ENTITLED TO PERFORM DELIVERY OBLIGATIONS

- 5.1. On the Last Day of Trading, it shall be the responsibility of all persons not in a position to fulfill its Delivery Obligations in respect of any maturing Contract by prescribed notice and tender, to liquidate its position not later than half an hour before the close of trading for such Contract.
- 5.2. Delivery Obligations in respect of a Contract after the Last Day of Trading may be performed only by Clearing Members.
- 5.3. All Buyers shall be deemed, after the Last Day of Trading where they are not the Buying Members, to have instructed their Buying Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.
- 5.4. All Sellers shall be deemed, after the Last Day of Trading where they are not the Selling Members, to have instructed their Selling Members to perform on their behalf, Delivery Obligations in respect of any matured Contract which they are holding.
- 5.5. In respect of any and all obligations arising in respect of a Contract after the Last Day of Trading of the Contract:
 - (a) all Buying Members and Selling Members performing Delivery Obligations shall be deemed to act as principals against the Clearing House; and
 - (b) all Buying Members and Selling Members performing Delivery Obligations shall be deemed to act, other than against the Clearing House, as agents of their respective Buyers and Sellers (if they are so acting) for which they are performing Delivery Obligations on behalf of.

6. DELIVERY

6.1. Delivery Lot

- 6.1.1 Delivery shall be made only in parcels of one or more Delivery Lots. Each Delivery Lot shall be composed of such bales of homogeneous bale size whose aggregate weight shall be 20 metric tonnes within standard rubber industry tolerance.
- 6.1.2 For the purposes of all contractual obligations between a Buying Member and a Selling Member after the Last Day of Trading and notwithstanding the size of each trading lot, each Delivery Lot shall constitute a separate, distinct and independent contract between the Buying Member and the Selling Member who have been matched and in respect of whom a Renovation is effected. Default in delivery in respect of any one or some Delivery Lots shall not affect any other Delivery Lots. The delivery of each bale forming part of a Delivery Lot shall be deemed a severable part of the single contract on the Delivery Lot.
- 6.1.3 In the case of delivery under FOB Terms, for the purposes of determination of the respective rights and obligations of the Buying Member and the Selling Member, notwithstanding the fact that separate Bills of Lading may be issued for different bales in a Delivery Lot or if separate bales of a Delivery Lot are packed into different Containers, such Bills of Lading or separate Containers as the case may be, shall not result in separate and distinct contracts in respect of each such Delivery Lot.
- 6.1.4 Subject to Section 4.7, all Delivery Lots shall be of RSS 3 Rubber of homogeneous and satisfactory quality, free of all liens and third party claims, contain a packing licence number each, be in sound shippable condition and be available for import into all Ports of Discharge without any restriction whether such restriction arises from the Seller's (if any) identity, Selling Member's identity or the packing licence number appearing on any bale or howsoever.

- 6.1.5 Each bale shall be visibly marked in accordance with standard rubber industry practice. The marks shall take up two-thirds of the face of the bale in 8 inch letters and number for the grade and 6 inch letters and number for the contracts in clear heavy lines. No marks other than such marks or shipping marks shall appear on any bale without the Buying Member's consent but any slight variation in such marks (other than quality marks) shall not avoid the contract to deliver such bale.
- 6.1.6 Each Delivery Lot shall not be of an average quality more than one half grade below the contracted grade. Where the average quality is found to be more than one half grade below the contracted grade, the Buying Member shall be entitled to reject the Delivery Lot. Where the average quality is found to be one half or more full grades below the contracted grade, the Selling Member, shall be liable to pay such fines as may be imposed under the rules of the Clearing House.
- 6.1.6A Each bale should measure 0.142 cubic meters (five cubic feet) in volume, and is considered misshapen if it is less than 30 centimeters (0.984 feet) in height. Each Delivery Lot shall not contain more than five percent misshapen bales.
- 6.1.7 The bale size for each bale shall be 111.11 kilogram net within standard rubber industry tolerance. Standard rubber industry tolerance requires that each Delivery Lot be invoiced at net weights, but should any loss or shortage in weight during transit, excluding theft and pilferage, occur and such loss or shortage exceeds a half (1/2) percent but not more than one (1) per cent of the bale size for each bale, all the loss or shortage in weight shall be invoiced back to the Selling Member at the Contract Value. Should the loss or shortage in weight exceed one (1) per cent, then all the loss or shortage in weight shall be invoiced back at a price to be mutually agreed upon between the Buying Member and the Selling Member or failing which at a price to be determined by the Exchange.
- 6.1.8 Without prejudice to Section 6.1.2 and Section 7, where the Seller or Buyer has failed to provide evidence that all open positions which will not be offset on the Last Trading Day will be completed by the delivery of RSS 3 Rubber and the Clearing Member has failed to liquidate any and all open positions relating to delivery lot sizes less than the Delivery Lot ("Odd Lots") by the Last Trading Day: (a) such Odd Lots shall be cash-settled in accordance with the Section 6.18; (b) this may constitute a major offence under Rule 6.04.2 of the Clearing Rules.

6.2. Method of Delivery

Delivery of each Delivery Lot shall only be made in accordance with the following terms and conditions at the Buying Member's option:

- (a)
 - (i) Warehouse Delivery Terms (Annex 1);
 - (ii) Warehouse Delivery Terms with Special Terms (Annex 1 and Annex 3);
 - (iii) Warehouse Delivery Terms with SGX standard (Annex 1);
- (b)
 - (i) FOB Terms (Annex 2); or
 - (ii) FOB Terms with Special Terms (Annex 2 and Annex 3),

provided that where the Port of Loading as determined in accordance with Section 6.4.7 is not the Port of Singapore, the delivery of each Delivery Lot shall be made in accordance with the Section 6.2(b)(i) only.

6.3. Location of Delivery

- 6.3.1 Subject to the provisions in Annex 3 on Special Terms, delivery shall take place at any of the following locations:

- (a) in respect of delivery under Warehouse Delivery Terms, the Warehouse nominated by the Buying Member at the Port of Singapore;
 - (b) in respect of delivery under FOB Terms, on board the vessel nominated by the Buying Member berthed alongside the wharf at the Port of Loading determined in accordance with Section 6.4.7. Where the Buying Member requires shipment by Container, the Selling Member shall be obliged to load the Delivery Lot into the Container nominated by the Buying Member and ensure delivery of the Container with its contents on board the vessel nominated by the Buying Member.
- 6.3.2 In respect of delivery under FOB Terms where the Port of Singapore is the Port of Loading, the Selling Member shall be entitled by prior written notice to the Buying Member to deliver to any Warehouse at the Port of Singapore in the event that the vessel or any alternate vessel nominated by the Buying Member is not able to complete loading in time for the Selling Member to comply with Section 6.10.4.
- 6.4. General Delivery Terms**
- 6.4.1 All deliveries (including, for the avoidance of doubt, deliveries of Commodities, documents, instruments, and other items required to be delivered under the Rules) to be made by a Party shall conform to all relevant orders, rulings, directives and rules of all relevant authorities and regulatory bodies (including the Clearing House) as well as all relevant statutes and regulations, in force at the Location of Delivery at the time of delivery. Provided that if at any time any such order, ruling, directive, rule, statute or regulation conflicts with or adds to the requirements of these SICOM RSS 3 Rubber Contract Specifications, such order, ruling, directive, rule, regulation or statute shall be construed to take precedence over and become part of these SICOM RSS 3 Rubber Contract Specifications which shall be deemed modified to such extent as may be necessary to incorporate or give effect to the same, and all open and new Contracts shall be subject to such order, ruling, directive, rule, regulation or statute. Buying Members and Selling Members are solely responsible for familiarizing themselves and complying with all such requirements and shall procure that their respective Buyers and Sellers familiarise themselves and comply with all such requirements, if applicable.
- 6.4.2 Unless otherwise agreed, in respect of delivery under FOB Terms, the Selling Member shall be responsible for obtaining all necessary governmental clearance in respect of the exportation of the RSS 3 Rubber out of the Port of Loading and the Buying Member shall be responsible for obtaining all necessary governmental clearances in respect of the import of the RSS 3 Rubber into the Port of Discharge.
- 6.4.3 Unless otherwise agreed between the Buying Member and Selling Member and subject to anything to the contrary in these SICOM RSS 3 Rubber Contract Specifications, the Buying Member shall be entitled to nominate the method of delivery, the locations for delivery where applicable and the Port of Discharge.
- 6.4.4 The Buying Member shall ensure that the Location of Delivery accepts the RSS 3 Rubber when delivered by the Selling Member.
- 6.4.5 In the case of delivery to a Warehouse nominated by the Buying Member, the Buying Member shall also ensure that the Warehouse is in a satisfactory state for storing the RSS 3 Rubber and meets with the guidelines prescribed by the relevant authorities for storing RSS 3 Rubber. Pending any acceptance of the Delivery Lot, the Buying Member shall take all reasonable steps to preserve the integrity of each bale and shall permit the Selling Member reasonable access to the Location of Delivery for inspection of such bale.
- 6.4.6 The RSS 3 Rubber must be supplied by Approved Packers as may from time to time be prescribed by the Exchange.
- 6.4.7 The Port of Loading in respect of each Re-novated Contract shall be as per nominated by the Selling Member in its Delivery Notice. ~~and the~~ The associated locational premium or discount (if any) shall be as prescribed by the Exchange from time to time.

- 6.4.8 In respect of delivery where Special Terms apply, the Selling Member shall be entitled to levy such premium as the Exchange may from time to time prescribe.
- 6.4.9 In the case of delivery on Warehouse Delivery Terms, where the SGX standard applies, the Selling Member shall be entitled to levy such premium as the Exchange may from time to time prescribe.
- 6.4.10 Unless otherwise provided in these SICOM RSS 3 Rubber Contract Specifications, delivery of RSS 3 Rubber in respect of a Contract may be made at any time in the relevant Delivery Month of such Contract but not earlier than the fourteenth Business Day of that Delivery Month.

6.5. Acceptance Notice

- 6.5.1 By 4.00 p.m. on the first Business Day following the expiration of the Last Day of Trading of a matured Contract, a Buying Member as part of its Delivery Obligations in respect of the matured Contract shall submit to the Clearing House a properly completed and signed Acceptance Notice. An Acceptance Notice required to be submitted by a Buying Member shall be in the form prescribed by the Clearing House.
- 6.5.2 The Acceptance Notice shall include the following information:
- (a) the number of Delivery Lots;
 - (b) the identity of the Buyer (if any) and the Buying member;
 - (c) the preferred method of delivery (including whether Special Terms or Container shipment are required);
 - (d) the preferred Port of Loading; and
 - (e) such other information as may be required from time to time by the Clearing House of the Buying Member submitting such notice.
- 6.5.3 Until and unless Delivery Matching and Re-novation are effected in respect of such Acceptance Notice in accordance with Section 6.7 and the Buying Member (whose Acceptance Notice is so matched and in respect of whom a Re-novation is effected) is deemed to have agreed to accept delivery of RSS 3 Rubber upon the terms specified in Section 6.7.4 (whether or not read together with Section 6.7.5):
- (a) such Acceptance Notice shall be irrevocable; and
 - (b) such Buying Member shall be bound by all the terms set out in its Acceptance Notice, with effect upon submission of such Acceptance Notice to the Clearing House.
- 6.5.4 The preference expressed by the Buying Member in Section 6.5.2(c) is only to assist the Clearing House for the purposes of Delivery Matching and shall not bind the Selling Member or the Clearing House.

6.6. Delivery Notice

- 6.6.1 By 4.00 p.m. on the first Business Day following the expiration of the Last Day of Trading of a matured Contract, a Selling Member as part of its Delivery Obligations in respect of the matured Contract shall submit to the Clearing House a properly completed and signed Delivery Notice. The Delivery Notice shall be in a form prescribed by the Clearing House.
- 6.6.2 The Delivery Notice shall include the following information:
- (a) the number of Delivery Lots;
 - (b) the identity of the Seller (if any) and the Selling Member;

- (c) the preferred method of delivery (and whether Special Terms are applicable);
 - (d) the preferred Port of Loading; and
 - (e) such other information as may be required from time to time by the Clearing House.
- 6.6.3 Until and unless Delivery Matching and Re-novation are effected in respect of such Delivery Notice in accordance with Section 6.7. and the Selling Member (whose Delivery Notice is so matched and in respect of whom a Re-novation is effected) is deemed to have agreed to deliver RSS 3 Rubber upon the terms specified in Section 6.7.4 (whether or not read together with Section 6.7.5):
- (a) such Delivery Notice shall be irrevocable; and
 - (b) such Selling Member shall be bound by all the terms set out in its Delivery Notice, with effect upon submission of such Delivery Notice to the Clearing House.
- 6.6.4 The preference expressed by the Selling Member in Section 6.6.2(c) is only to assist the Clearing House for the purposes of Delivery Matching and shall not bind the Buying Member or the Clearing House.
- 6.7. **Delivery Matching & Re-novation**
- 6.7.1 Upon receipt of the Acceptance Notices and the Delivery Notices from Buying Members and Selling Members who are taking or making delivery as the case may be, the Clearing House shall match the Buying Members and Selling Members with their respective opposite Selling Members and Buying Members (such process being described as “**Delivery Matching**”). Without prejudice to the Clearing House’s rights against its Buying Member or Selling Member, in the event that such Buying Member or Selling Member fails to provide an Acceptance Notice or Delivery Notice as the case may be, or if such notice is incomplete, such Acceptance Notice or Delivery Notice shall be deemed to have been submitted with such particulars as the Clearing House may deem necessary for Delivery Matching which particulars shall thereafter be binding on its Buying Member or Selling Member, as the case may be.
- 6.7.1A If a Selling Member’s Delivery Notice(s) has or have been matched by the Clearing House pursuant to these SICOM RSS 3 Rubber Contract Specifications with a Buying Member’s Acceptance Notice(s), all rights and obligations of that Selling Member and that Buying Member with the Clearing House in respect of the Contracts to which such matched Delivery Notice(s) and Acceptance Notice(s) relate, shall be novated and substituted with a new contract which shall arise between that Selling Member and that Buying Member (such process being described as “**Re-novation**”, and such new contract shall be herein referred to as the “**Re-novated Contract**”) for the performance of Delivery Obligations as between such matched parties. Such Re-novation shall be effective upon all required Performance Deposits and Contract Values (as the case may be) being posted and paid to the Clearing House in accordance with these SICOM RSS 3 Rubber Contract Specifications and the Rules.
- The new contract arising from such Re-novation shall simultaneously discharge and replace *pro tanto* all rights and obligations between that Selling Member or Buying Member and the Clearing House in respect of the Contracts to which the Re-novation relates, and the Clearing House shall be fully discharged and released from any and all of their respective obligations as a counterparty or central counterparty in respect of such Contracts. For the avoidance of doubt, Re-novation shall not apply to matched positions required to be cash-settled in accordance with Section 6.1.8.
- 6.7.2 The Clearing House shall match the Buying Members and Selling Members with their respective opposite Selling Members and Buying Members by matching the number of Delivery Lots, the Location of Delivery, the method of delivery and the Port of Loading to the extent reasonably possible. Whilst the Clearing House shall endeavour to minimise the number of ultimate parties, locations and methods of delivery involved, such Delivery Matching shall be at the sole discretion of the Clearing House and shall be final and not be subject to

change except pursuant to Section 6.7.5.

6.7.3 The Clearing House shall notify the Buying Members and Selling Members of the other Buying Members and Selling Members who have been matched with them as soon as possible but in any event not later than 4.00 p.m. on the second Business Day of the Delivery Month.

6.7.4 Subject to Section 6.7.5, the Buying Member or Selling Member (as the case may be) whose Acceptance Notice or Delivery Notice is matched by the Clearing House shall, upon Renovation, be deemed to have agreed to accept or deliver the RSS 3 Rubber on the following terms:

- (a) the number of Delivery Lots matched by the Clearing House;
- (b) the terms and conditions of the method of delivery nominated by the Buying Member in its Delivery Instructions;
- (c) the Location of Delivery nominated by the Buying Member in its Delivery Instructions;
- (d) the Port of Loading determined in accordance with Section 6.4.7; and
- (e) the Port of Discharge nominated by the Buying Member in its Delivery Instructions;

and such Buying Member or Selling Member as the case may be shall also be deemed to have agreed to accept or deliver the RSS 3 Rubber solely from the Relevant Selling Member or to the Relevant Buying Member as the case may be to whom it was matched by the Clearing House on the above terms and conditions and except as otherwise provided in the rules of the Clearing House, to accept and look towards the same as being solely liable for any default in relation thereto.

6.7.5 In the event that the Buying Members and/or Selling Members are able to negotiate an alternative Delivery Matching acceptable to all the Buying Members and/or Selling Members affected, such Buying Members and/or Selling Members may request the Clearing House in writing to revise the earlier Delivery Matching of such Buying Members and/or Selling Members. The Clearing House may, at its discretion, accede to such request which should in any event be received not later than 12.00 p.m. on the third Business Day of the Delivery Month. The Clearing House shall notify such Buying Member(s) and Selling Member(s) of its/their decision not later than 4.00 p.m. on the third Business Day of the Delivery Month. In the event that the Clearing House accedes to such request, Section 6.7.4 shall be deemed to apply to such alternative Delivery Matching.

6.8. Performance Deposit

6.8.1 Each Buying Member and Selling Member shall post with the Clearing House no later than 7.00 p.m. on the sixth Business Day of the Delivery Month, the following Performance Deposits:

- (a) the Selling Member, 5% of the Contract Value of each Delivery Lot; and
- (b) in the case of delivery under FOB Terms:
 - (i) the Buying Member, 10% of the Contract Value of each Delivery Lot; and
 - (ii) the Selling Member shall also post an additional 5% of such Contract Value of each Delivery Lot.

6.8.2 The Buying Members and Selling Members referred to in Section 6.8.1(b) shall require their respective Buyer or Seller whom they are acting on behalf of to post the necessary Performance Deposit.

6.8.3 In the case where the Buying Member and the Selling Member have agreed to an Alternative Delivery Procedure, no Performance Deposit needs to be posted.

6.8.4 The Clearing House may at its sole discretion exempt any person from posting any sum with it.

6.8.5 The Clearing House shall act only as stakeholder of the Performance Deposits. In no event shall the Clearing House's liability in relation to the Performance Deposit extend beyond its role as a stakeholder.

6.8.6 For the purposes of this Section 6.8, payments are to be made without any set-off or withholding.

6.9. Delivery Instructions

6.9.1 As soon as possible after notification of Delivery Matching but not later than 12.00 p.m. on the sixth Business Day of the Delivery Month, the Buying Member shall submit to the Selling Member that it has been matched with, the Delivery Instructions with a copy to the Clearing House in respect of each Delivery Lot. In the event that such Delivery Instructions are not submitted in the manner and within the specified time as aforesaid, without prejudice to the Buying Member's liability to the Clearing House or to the Selling Member for breach of the foregoing submission requirement, and notwithstanding anything in these SICOM RSS 3 Rubber Contract Specifications:

- (a) the Clearing House shall be entitled to require the Buying Member to pay the full Contract Value in respect of that Delivery Lot no later than 7.00 p.m. on the sixth Business Day of the Delivery Month; and
- (b) the Clearing House shall be entitled to require the Selling Member to post with the Clearing House 10% of the Contract Value in respect of that Delivery Lot no later than 7.00 p.m. on the sixth Business Day of the Delivery Month.

6.9.2 The Delivery Instructions shall include:

- (a) the method of delivery (including whether Special Terms, SGX standard or shipment by Containers is required), and, where Special Terms are required, the name of the Manufacturer;
- (b) if applicable, the address of the Warehouse or Warehouse of Manufacturer;
- (c) a nomination of the date on which delivery shall commence under Section 6.10.6;
- (d) the name of the Port of Discharge (if applicable);
- (e) the name of the vessel (if applicable);
- (f) shipping marks (if required by the Buying Member);
- (g) any relevant export document(s); and
- (h) such other information as the Clearing House may specify from time to time.

6.9.3 In the case of delivery under FOB Terms, in respect of each Delivery Lot, should any vessel nominated by the Buying Member not be ready to load at the nominated time for delivery under Section 6.10.6, the Buying Member shall, so long as the Selling Member's rights in relation to delivery herein shall not be prejudiced, by written notice to the Selling Member to nominate an alternate vessel for loading, such nomination to comply with these SICOM RSS 3 Rubber Contract Specifications in relation to nomination of the original vessel.

6.9.4 In the case of delivery under Warehouse Delivery Terms, the Buying Member shall, no later than 7.00 p.m. on the date of the issue of the Delivery Instructions, pay to the Clearing House, the full Contract Value of the RSS 3 Rubber to which the Delivery Instructions pertain.

6.10. Loading or Discharging

- 6.10.1 For the purposes of delivery to a nominated vessel, loading or discharging shall be deemed to have been completed when the last bale crosses the Buying Member's vessel's rail.
- 6.10.2 For the purposes of delivery to a Warehouse:
- (a) loading shall be deemed to have commenced at the time the first bale is unloaded from the Selling Member's carrying vehicles onto any point nominated by the Buying Member at the Warehouse; and
 - (b) discharging shall be deemed to have been completed when the last bale is unloaded from the Selling Member's carrying vehicle onto any point nominated by the Buying Member at the Warehouse.
- 6.10.3 For the purposes of delivery to a Container for loading onto a nominated vessel, loading or discharging shall be deemed to have been completed when the Container crosses the Buying Member's vessel's rail.
- 6.10.4 Each bale shall be deemed delivered by the Selling Member to the Buying Member upon the completion of loading or discharging under Section 6.10.1, Section 6.10.2 or Section 6.10.3 as the case may be. Each Delivery Lot shall be deemed delivered by the Selling Member to the Buying Member when all bales forming such Delivery Lot are delivered.
- 6.10.5 For all methods of delivery and subject to any exception allowed under the applicable method of delivery, the Selling Member shall be bound to complete loading or discharging by the last day of the Delivery Month.
- 6.10.6 Subject to anything to the contrary in these SICOM RSS 3 Rubber Contract Specifications, the Buying Member shall be entitled to nominate any day (or in the case of where the nominated vessel is not available, an alternate day) in the Delivery Month on which loading or discharging as the case may be of each Delivery Lot by the Selling Member shall commence provided such day shall afford the Selling Member sufficient time to complete delivery of all Delivery Lots to the Buying Member in the ordinary course of business by the last day of the Delivery Month and provided:
- (a) in the case of delivery under Warehouse Delivery Terms, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day;
 - (b) in the case of delivery under FOB Terms for conventional shipment, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day;
 - (c) in the case of delivery under FOB Terms for shipment by Container, the Selling Member shall be entitled to at least ten Business Days between the day of receipt of the Delivery Instructions from the Buying Member and such nominated day; and
- 6.10.7 In the case of delivery under Warehouse Delivery Terms:
- (a) the Selling Member shall commence delivery on such nominated day and shall deliver continuously once loading or discharging commences until all units are delivered. The Selling Member shall load or discharge at a minimum rate of 10 Delivery Lots per day; and
 - (b) delivery in the ordinary course of business shall mean a maximum delivery of 25 Delivery Lots per day. The working hours per day shall be 8.30 a.m. to 5.00 p.m. on weekdays and 8.30 am to 1.00 p.m. on Saturdays and the Selling Member shall not be bound to deliver on Sundays or Holidays unless the Parties so agree.
- 6.10.8 The Selling Member and the Buying Member shall co-operate with each other to attain a proper and smooth delivery of each bale to the Location of Delivery.

6.11. Division Of Costs

6.11.1 In the case of delivery under Warehouse Delivery Terms:

- (a) the Selling Member shall bear all costs of delivery, transportation and other expenses (including governmental duties, taxes or levies that may be imposed up to delivery) relating to each bale until such time as such bale shall be deemed delivered and the Buying Member shall bear all costs of thereafter; and
- (b) the Buying Member shall (where requested by the Selling Member) supply the workers and the equipment to load or unload each bale at the Warehouse from the Selling Member's carrying vehicles and the charges as may be prescribed by the Exchange from time to time shall be payable by the Selling Member to the Buying Member.

6.11.2 In the case of delivery under FOB Terms:

- (a) all costs other than those set out in this Section shall be borne by the Selling Member prior to completion of delivery and by the Buying Member upon and after completion of delivery, and the point of completion of delivery is to be construed in accordance with standard rubber industry practice; and
- (b) the cost of the certificate of Origin for the RSS 3 Rubber shall be borne by the Buying Member but shall be procured by the Selling Member for the Buying Member if so required;

Without prejudice to the foregoing, "**standard rubber industry practice**" in this connection shall be deemed to prescribe for the following allocation and payment of costs:

Subject to the proviso below, all costs shall be apportioned between the Buying Members and Selling Members by reference to when delivery is deemed to be completed:

- (i) where the contract is on FOB (conventional) terms, delivery is deemed to be completed as if the contract were concluded in accordance with the current market practice for "Free Alongside Ship"; and
- (ii) where the contract is on FOB (Container) terms and in the case of sea transport:
 - (1) where the bales to be delivered constitute a full Container load ("**FCL**"), delivery is deemed to be completed either when the loaded Container is taken over by the sea carrier or in the case where the loaded Container is carried to an operator of a transport terminal acting on behalf of the carrier, when the Container is entered into the premises of that terminal; and
 - (2) where the bales to be delivered are less than a Container load ("**LCL**"), delivery is deemed to be completed when the Selling Member delivers them to the transport terminal and the bales are handed over to the sea carrier or to another person acting on the carrier's behalf,

provided always that the above shall not be construed as varying any other provisions in these RSS 3 Contract Specifications relating to delivery, passing of risk and passing of property.

6.11.3 All reasonable expenses and charges arising from weighing, sampling, testing, supervision, analysis, and prompt dispatch of samples, including the costs of fumigation and phytosanitary certification, shall be borne by the Buying Member unless mutually agreed to the contrary or if

the Buying Member claims a rejection which is upheld by an Award, such costs shall be for the Selling Member's account. Where such costs equal or exceed the amount of the Award, the persons giving the award shall have the discretion to award such excess charges against either person.

6.12. Documents on Delivery

6.12.1 Upon delivery of each bale or Delivery Lot as the case may be, the Selling Member shall be entitled to the following documents to be issued or procured by the Buying Member:

- (a) in the case of delivery under Warehouse Delivery Terms, a Warehouse Receipt; and
- (b) in the case of delivery under FOB Terms, a clean, on-board signed Bill of Lading.

6.12.2 Where the Selling Member has exercised its right under Section 6.3.2, the receipt obtained by the Selling Member upon delivery of the RSS 3 Rubber to the Warehouse shall be treated for all purposes under these SICOM RSS 3 Rubber Contract Specifications to be equivalent to the Bill of Lading referred to in Section 6.12.1(b).

6.12.3 The Buying Member shall be deemed to have accepted each bale or Delivery Lot upon the issue of the documents pertaining to it as referred to in Sections 6.12.1 or 6.12.2 and the expiration of the time stipulated in Section 6.13 for the lodging of claims provided no claim has been lodged within such time.

6.13. Sampling, Weighing and Claims

6.13.1 The procedures for sampling, weighing and for the lodging of claims in respect of each Delivery Lot shall be as specified in the relevant Annexes.

6.13.2 In the case of delivery under Warehouse Delivery Terms:

- (a) sampling and weighing shall take place before acceptance of each bale;
- (b) notwithstanding any provision to the contrary in these SICOM RSS 3 Rubber Contract Specifications (but subject to paragraph A3.2(3)(a) of Annex 3, where applicable), the Buying Member shall lodge its claim (if any) in the Acceptance/Rejection Receipt for shortage in weight or defect in quality of the RSS 3 Rubber delivered to it with the Clearing House with a copy to the Selling Member within 2 Business Days after the date of receipt of the Warehouse Receipt by the Clearing House from the Selling Member;
- (c) no claim whatsoever may be lodged against the Selling Member after such time.

6.13.3 In the case of delivery under FOB Terms:

- (a) sampling and weighing of each bale shall take place after shipment;
- (b) the time limit within which the Buying Member shall lodge its claim (if any) for shortage in weight or defect in quality of the RSS 3 Rubber delivered shall be as specified in the relevant Part of Annex 2;
- (c) no claim whatsoever may be lodged against the Selling Member after such time.

6.13.4 In respect of delivery where Special Terms apply, the provisions in Annex 3 shall prevail over the provisions in the Rules, in these SICOM RSS 3 Rubber Contract Specifications (but excluding all Annexes), and in Annexes 1 and 2 where there is inconsistency.

6.14. Payments and Documents

6.14.1 Notwithstanding the lodging of any claim by a Buying Member in relation to any bale or Delivery Lot:

- (a) the Selling Member shall within eight Business Days after the date of the Warehouse Receipt or the date of the Bill of Lading (or the receipt referred to in Section 6.12.2) or by the thirty-second day after the day on which the Delivery Notice is issued whichever is earlier, deliver the Provisional Documents to the Buying Member with a copy to the Clearing House. Delivery of such Provisional Documents after 12.00 noon on any day shall be deemed to be a delivery made on the following day.
- (b) on the next Business Day following receipt of the Provisional Documents from the Selling Member by the Clearing House:
 - (i) in the case of delivery under Warehouse Delivery Terms, the Clearing House shall issue a credit note to the Selling Member specifying the amount of moneys with the Clearing House on deposit by the Buying Member as required under Section 6.9.4; and
 - (ii) in the case of delivery under FOB Terms,
 - (1) the Clearing House shall issue a debit note to the Buying Member specifying the Contract Value of the Delivery Lot; and
 - (2) the Clearing House shall issue a credit note to the Selling Member specifying the Contract Value of the Delivery Lot;
- (c) in the case of delivery under FOB Terms:
 - (i) the Buying Member shall pay to the Clearing House the sum of money stated in the debit note at such time, no later than the end of the second Business Day after its receipt of the debit note;
 - (ii) the Selling Member shall deliver the Final Documents to the Buying Member through the Clearing House, no later than 10.00 a.m. on the third Business Day after its receipt of the credit note. In the event that the Selling Member delivers the Final Documents on the third Business Day after its receipt of the credit note, but does so later than 10.00 a.m. on that Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(c)(ii), such delivery shall be deemed to have been made on the fourth Business Day after its receipt of the credit note;
 - (iii) the Selling Member shall deliver a copy of the Final Documents to the Buying Member, no later than 4.00 p.m. on the first Business Day after its receipt of the credit note. The Buying Member shall confirm to the Clearing House if the copy of the Final Documents delivered by the Selling Member is acceptable by 4.00 p.m. on the next Business Day after the Selling Member's delivery of the copy of the Final Documents; and
 - (iv) the Buying Member may request within reason that the Selling Member provide any other necessary documentation other than those prescribed in these SICOM RSS 3 Rubber Contract Specifications, such as fumigation and phytosanitary certifications issued in the country of the relevant Approved Packer, provided that at least five business days' prior notice is given by the Buying Member to the Selling Member. In the event of any dispute, including on the necessity of the documents or adequacy of notice, the Exchange's decision will be final and binding.
- (d) in the case of delivery under Warehouse Delivery Terms, where Special Terms do not apply:
 - (i) the Buying Member shall pay to the Clearing House the full Contract Value as set out in Section 6.9.4;

- (ii) the Selling Member shall deliver the Final Documents to the Buying Member through the Clearing House, no later than 10.00 a.m. on the second Business Day after it delivers the Warehouse Receipt to the Clearing House. In the event that the Selling Member delivers the Final Documents on the second Business Day after it delivers the Warehouse Receipt, but does so later than 10.00 a.m. on that Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(d)(ii), such delivery shall be deemed to have been made on the third Business Day after it delivered the Warehouse receipt to the Clearing House.
 - (iii) the Buying Member shall deliver the Acceptance/Rejection Receipt to the Clearing House, as set out in Section 6.13.2(b).
 - (e) in the case of delivery under Warehouse Delivery Terms, where Special Terms apply:
 - (i) the Buying Member shall pay to the Clearing House the full Contract Value as set out in Section 6.9.4;
 - (ii) the Selling Member shall deliver the Final Documents to the Buying Member through the Clearing House, no later than 10.00 a.m. on the fifth Business Day after it delivers the Warehouse Receipt to the Clearing House. In the event that the Selling Member delivers the Final Documents on the fifth Business Day after it delivers the Warehouse Receipt, but does so later than 10.00 a.m. on that Business Day, then without prejudice to the Selling Member's liability to the Clearing House for its breach of the foregoing requirement of this Section 6.14.1(e)(ii), such delivery shall be deemed to have been made on the sixth Business Day after it delivered the Warehouse receipt to the Clearing House; and
 - (iii) the Buying Member shall deliver the Acceptance/Rejection Receipt to the Clearing House, in accordance with A3.2(3)(a) of Annex 3.
- 6.14.2 (a) In the case of delivery under Warehouse Delivery Terms where Special Terms do not apply,
- (i) upon receipt by the Clearing House of the Acceptance/Rejection Receipt indicating an absence of claim and of the Final Documents, by 10.00 a.m. of a Business Day, the Clearing House shall:-
 - (1) deliver the Final Documents to the Buying Member on the same Business Day; and
 - (2) pay to the Selling Member the moneys referred to in Section 6.9.4, no later than:
 - (A) the end of the same Business Day, if the same Business Day is also a US Banking Day; or
 - (B) where the same Business Day is not a US Banking Day, the end of such next Business Day which is also a US Banking Day;
 - (ii) where either the Acceptance/Rejection Receipt indicating an absence of claim or the Final Documents are received by the Clearing House after 10.00 a.m. on a Business Day, the Clearing House shall:
 - (1) deliver the Final Documents to the Buying Member no later than the end of the next Business Day; and

- (2) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day, which is also a US Banking Day;
 - (iii) where Final Documents are submitted to the Clearing House, and there is no submission of an Acceptance/Rejection Receipt, the Clearing House shall:
 - (1) deliver the Final Documents to the Buying Member on the next Business Day after the date of expiry of claims under Section 6.13.2; and
 - (2) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day after the date of expiry of claims under Section 6.13.2, which is also a US Banking Day.
 - (b) In the case of delivery under Warehouse Delivery Terms where Special Terms apply,
 - (i) upon receipt by the Clearing House of the Acceptance/Rejection Receipt indicating an absence of claim and of the Final Documents, by 10.00 a.m. of a Business Day, the Clearing House shall:
 - (1) deliver the Final Documents to the Buying Member on the same Business Day; and
 - (2) pay to the Selling Member the moneys referred to in Section 6.9.4, no later than:
 - (A) the end of the same Business Day , if the same Business Day is also a US Banking Day; or
 - (B) where the same Business Day is not a US Banking Day, the end of such next Business Day which is also a US Banking Day;
 - (ii) where either the Acceptance/Rejection Receipt indicating an absence of claim or the Final Documents are received by the Clearing House after 10.00 a.m. on a Business Day, the Clearing House shall:
 - (1) deliver the Final Documents to the Buying Member on the next Business Day; and
 - (2) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day, which is also a US Banking Day.
 - (iii) where Final Documents are submitted to the Clearing House, and there is no submission of an Acceptance/Rejection Receipt, the Clearing House shall:
 - (1) deliver the Final Documents to the Buying Member on the next Business Day after the date of expiry of claims under A3.2(3)(a) of Annex 3; and
 - (2) pay to the Selling Member the moneys referred to in Section 6.9.4 no later than the end of such next Business Day after the date of expiry of claims under A3.2(3)(a) of Annex 3, which is also a US Banking Day.
- 6.14.3 In the case of delivery under FOB Terms, upon the receipt by the Clearing House of the payment and the documents as referred to in Section 6.14.1(c) as the case may be,

- (a) the Clearing House shall deliver the Final Documents to the Buying Member no later than the end of the Business Day of its receipt of the Final Documents under 6.14.1(c)(ii); and
- (b) the Clearing House shall pay to the Selling Member the sum of money referred to in Section 6.14.1(c)(i), provided that the Buying Member has confirmed under Section 6.14.1(c)(iii) that the copy of the Final Documents delivered by the Selling Member is acceptable,
 - (i) no later than the end of the same Business Day, if the same Business Day is also a US Banking Day; or
 - (ii) where the same Business Day is not a US Banking Day, the end of such next Business Day which is also a US Banking Day.

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

6.14.5 In the event of a claim, the Clearing House shall release any payment(s) and/or document(s) (where it still holds such payment(s) and/or document(s)) as directed by the Award resolving such claim or in the event of a settlement, in accordance with instructions jointly issued by the Buying Members and Selling Members.

6.15. Return of Performance Deposit

6.15.1 Subject to Section 6.15.3, the Clearing House shall return the Performance Deposit to the Buying Members and Selling Members either (1) upon their request but no earlier than the occurrence of any of the events listed in sub-Sections (a) to (e) below or (2) if no request is received, upon the earliest occurrence of any of the events listed in sub-Sections (a) to (e) below:

- (a) one (1) day after the expiry of the time limit for the lodgment of claims in the case of delivery under FOB Terms;
- (b) the making of the payment referred to in Section 6.14.2 in the case of delivery under Warehouse Delivery Terms;
- (c) upon notification by the Buying Member and the Selling Member that the Buyer and the Seller have agreed to an Alternative Delivery Procedure;
- (d) at any time after a notification has been lodged by the Buying Member that no claim whatsoever will be made by it or the Buyer on the Delivery Lots delivered by the Selling Member; or
- (e) upon notification by the Selling Member that it or the Seller has paid or settled all liabilities to the Buyer in respect of any claim on the Delivery Lots delivered by the Selling Member to the Buying Member and for which the Performance Deposit to be released has been posted,

provided that :

- (i) in the event under Sections 6.15.1(a), 6.15.1(b) and 6.15.1(e), the Clearing House shall not release any of the Performance Deposits to the relevant party unless the Buying Member is first notified of the requests to so release and thereafter given an opportunity to raise its objections (if any and whether on behalf of the Buyer or not) to such release; and
- (ii) if the last day on which the Clearing House shall return the Performance Deposit under the foregoing provisions of this Section 6.15.1 is not both a Business Day and a US Banking Day, the Clearing House shall return the Performance Deposit on the next Business Day which is also a US Banking Day.

6.15.2 The Date of Discharge shall in all cases, be presumed until notified by the Buying Member to the contrary, to be 45 days after the date of Bill of Lading.

6.15.3 If a claim shall have been lodged by a Buyer and thereafter notified to the Clearing House within the periods aforementioned in Sections 6.15.1(a) and 6.15.1(b), the Clearing House shall not release any of the Performance Deposits to the relevant person except in accordance with Section 6.15.1(e) or Section 12. The lodging of a claim by a Buyer which is not *bona fide* may subject the Clearing Member of the Buyer to disciplinary proceedings and actions under the rules of the Clearing House, including but not limited to, the forfeiture of its Performance Deposit (if any) by the Clearing House.

6.16. Property and Risk

6.16.1 In all methods of delivery, risk of loss or damage to each bale shall pass to the Buying Member from the Selling Member when the same is deemed delivered under Section 6.10.

6.16.2 Ownership and property in each bale shall not pass to the Buying Member until the payment referred to in Sections 6.14.2 and 6.14.3 has been received by the Selling Member. Until such payment, the Buying Member shall hold each bale delivered to it or if it has disposed, or disposes of the same thereafter, the value therefor, in trust for the Selling Member.

6.17. Exchange and Clearing House Responsibility

6.17.1 For the avoidance of doubt, the liabilities which the Clearing House would have been subject to pursuant to Rule 7.02 of the Clearing Rules shall remain in effect only up to the operation of Section 6.7 and such liabilities shall be deemed to be fully and finally discharged thereafter.

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

(a) the authenticity, validity or accuracy of any document or instrument given, delivered, submitted or lodged by the Buying Member or Selling Member before or after Delivery Matching and Re-novation pursuant to these SICOM RSS 3 Rubber Contract Specifications. The Exchange and Clearing House merely act as a conduit for the onward transmission of documents or instruments between Buying Member and Selling Member and shall not be liable or responsible in any way for any negligence, misconduct, fraud, wilful default or any other default, wrongdoing or breach of duty howsoever caused and however serious of the Buying Member, Selling Member or any other person responsible for the transmission, lodgment, preparation, or delivery of any document or instrument pursuant to or arising out of these SICOM RSS 3 Rubber Contract Specifications; and

(b) the availability, suitability, efficiency or competence of any Port of Loading or Location of Delivery approved by it except only to designate such locations as one which a Buying Member or Selling Member as the case may be may choose to consider for the purposes of effecting delivery under these SICOM RSS 3 Rubber Contract Specifications. Neither the Exchange nor the Clearing House shall be liable or responsible in any way for the condition, availability, suitability or efficiency of any such Location of Delivery arising out of the performance of the Buying Member's or Selling Member's obligation under these SICOM RSS 3 Rubber Contract Specifications.

6.18. Cash Settlement

The Clearing House reserves the right to cash-settle a contract, based on methodology and procedures as determined by the Clearing House from time to time. The decision of the Clearing House in relation to the cash settlement under a Contract (including but not limited to the procedures for payment and the Party making payment) shall be binding upon all Clearing Members.

7. ALTERNATIVE DELIVERY PROCEDURE

- 7.1. Notwithstanding any provision otherwise in these SICOM RSS 3 Rubber Contract Specifications, a Seller and Buyer who have been matched through their respective Selling Member and Buying Member pursuant to Section 6.7 may agree to make and take delivery of any Delivery Lot under terms and conditions which differ from the terms and conditions prescribed by these SICOM RSS 3 Rubber Contract Specifications. In such a case, the Seller and Buyer shall jointly execute a notice of Alternative Delivery Procedure on the form prescribed by the Exchange and shall deliver a completed executed copy of such notice to the Clearing House not later than 12.00 noon on the last Business Day of the Delivery Month.
- 7.2. The delivery of a notice of Alternative Delivery Procedure under Section 7.1 to the Clearing House shall vest sole responsibility for the making and taking of delivery onto the Seller and Buyer and shall release the Buying Member, the Selling Member and the Clearing House from their respective obligations under the rules of the Clearing House.
- 7.3. In executing such Alternative Delivery Procedure, the Seller and Buyer shall jointly and severally indemnify the Clearing House against any liability, costs of expense it may incur for any reason as a result of the execution, delivery or performance of any agreement reached between the Buyer and the Seller pursuant to this Section 7, or any breach thereof or default under any such agreement.
- 7.4. For the avoidance of doubt, nothing in the application of Section 7 shall be construed as imposing any obligation on the Clearing House which it would not otherwise have been subjected to.

8. LATE PERFORMANCE AND FAILURE TO PERFORM

- 8.1. Responsibilities of Parties to delivery:
- (a) Parties to a delivery shall make commercially reasonable efforts to perform their respective Delivery Obligations at all times until a Party has failed to perform.
 - (b) Where there has been a failure to perform by any Party as determined under Section 8.4, both Parties shall be released from their Delivery Obligations. For the avoidance of doubt, such release shall not prejudice any remedies available to the Other Party.
 - (c) No Party shall be deemed to be late in performance or have failed to perform if the performance of their respective duties is contingent upon the Other Party's prior performance of another duty which has not been performed.
- 8.2. In the case of delivery under FOB Terms, late performance shall not exceed seven (7) Business Days. In the case of delivery under Warehouse Delivery Terms, late performance shall not exceed five (5) Business Days.
- 8.3. Subject to the number of days of late performance allowed under Section 8.2 and to anything to the contrary in these SICOM RSS 3 Rubber Contract Specifications, each Party shall in addition to any disciplinary proceedings and actions which may be imposed by the Clearing House, be responsible to the Other Party for all loss, costs and damages reasonably foreseeable and arising from any late performance or failure to perform on its part provided if the late performance or failure to perform arises as a result of an event beyond the control of and not in any way attributable to either the Buying Member or the Selling Member, each of them shall bear their respective costs.
- 8.4. Late performance or failure to perform shall be determined by the Clearing House.
- 8.5. Whenever a Party is found by the Clearing House to be late in the performance of or to have failed to perform a delivery, the Clearing House shall issue a Notice of Assessment, specifying its findings with respect to the late performance or failed performance.

8.6. Subject to the number of days of late performance allowed under Section 8.2, each Buying Member and Selling Member shall be assessed one or more fines to be paid to the Clearing House for each day of late performance as follows:

- (a) first day of late performance - 0.5% of Contract Value but not less than US\$250 per Delivery Lot;
- (b) second day of late performance - 0.5% of Contract Value but not less than US\$375 per Delivery Lot;
- (c) third day of late performance - 0.5% of Contract Value but not less than US\$500 per Delivery Lot;
- (d) fourth day of late performance - 1% of Contract Value but not less than US\$625 per Delivery Lot;
- (e) fifth day of late performance - 1% of Contract Value but not less than US\$750 per Delivery Lot;
- (f) sixth day of late performance (in the case of delivery under FOB Terms) - 1% of Contract Value but not less than US\$875 per Delivery Lot; and
- (g) seventh day of late performance (in the case of delivery under FOB Terms) - 2% of Contract Value but not less than US\$1,000 per Delivery Lot.

For the avoidance of doubt, the fines to be paid to the Clearing House for each day of late performance shall be cumulative.

8.7. When a Party has failed to perform, the Clearing House shall issue a Notice of Assessment assessing fines of 10% of the Contract Value, but not less than US\$5,000 per Delivery Lot, in addition to any fines assessed pursuant to Section 8.6, to be paid to the Clearing House. A Party is deemed to have failed to perform if full and complete performance is not effected by that Party within the number of days of late performance allowed under Section 8.2.

8.8. The Notice of Assessment shall be final.

8.9. For the avoidance of doubt, any disciplinary proceedings or actions (including the fines as aforesaid) imposed on a Party by the Clearing House pursuant to this Section 8 for late performance or failure to perform, shall not prejudice any remedies available to the Other Party.

9. BUYING AND SELLING MEMBERS' LIABILITIES

Any obligation or liability of the Buyer, Seller, Selling Member or Buying Member (the "**Defaulting party**") to the other of them (the "**Non-defaulting parties**") as the case may be arising out of a default by the defaulting party of any obligation under these SICOM RSS 3 Rubber Contract Specifications shall, except in the case where an Alternative Delivery Procedure has been elected, also be deemed a joint and several obligation or liability of the defaulting party to the Clearing House. Settlement of such obligation or liability shall be made to the Clearing House in the manner it shall determine from time to time.

10. CIRCUMSTANCES PREJUDICIAL TO PERFORMANCE

Notwithstanding any provision otherwise whether in these SICOM RSS 3 Rubber Contract Specifications or in the Clearing Rules:

10.1. If delivery or acceptance or any precondition or requirement of the Buying Member or Selling Member as the case may be is prevented or threatened to be prevented as a consequence of or arising out of an event of Force Majeure, such Buying Member or Selling Member as the case may be shall immediately notify the Clearing House. If the Clearing House determines

that an event of Force Majeure exists, it shall take such action as it in its discretion deems necessary under the circumstances and its decision shall be binding upon its Buying Member or Selling Member. For example, and without limiting the powers of the Clearing House, the Clearing House may extend delivery dates and designate alternative approved facilities in the event of the Approved Delivery Facilities being unavailable by reason of any of the aforesaid events. In the event however that the event of Force Majeure shall continue for a period of 3 months, such obligations of the Buying Member or Selling Member as the case may be shall be deemed cancelled and no claim shall lie by either person against the other in respect of loss or damage arising out of such cancellation.

- 10.2. Without prejudice to the foregoing provisions of this Section 10, in the event that the Clearing House in its discretion determines that for any reason whatsoever there exists or is likely to come into existence a shortage of deliverable RSS 3 Rubber or circumstances prejudicial to the Delivery Obligations arising out of these SICOM RSS 3 Rubber Contract Specifications, the Clearing House may take such action as may in its discretion appear necessary to prevent, correct, or alleviate such shortage of deliverable RSS 3 Rubber or such circumstances and their decision shall be binding upon all Buying Members and the Selling Members. For example and without limiting the foregoing, the Clearing House may designate as Exchange-approved, facilities not currently approved by the Exchange or determine a cash settlement price for the settlement of open long or short positions.

11. RESOLUTION OF DISPUTES

- 11.1. All parties (Buyer, Seller, Buying Member and Selling Member) shall first attempt to resolve any dispute arising from or in connection with these SICOM RSS 3 Rubber Contract Specifications by way of good faith negotiations. As part of this process, Members may agree to participate in mediation administered by any impartial third party as Members may agree to elect. Should such good faith negotiations and/or mediation not be successful, the Buying Member or Selling Member may elect to have the dispute referred to and finally resolved by arbitration in Singapore before the Singapore International Arbitration Centre (SIAC) in accordance with the SIAC SGX-DC Arbitration Rules as may be prevailing from time to time. In the event that the SIAC SGX-DC Arbitration Rules are no longer in force, then arbitration shall be held in accordance with the prevailing rules of the SIAC. In the event of a dispute as to which set of arbitration rules is applicable, the Parties agree that the Registrar of the SIAC or any person holding at least an equivalent appointment shall be empowered to decide the applicable set of arbitration rules and such decision shall be binding upon the Parties.
- 11.2. For the avoidance of doubt, the Selling Member acknowledges that it is authorised to enter into this Section 10 by the Seller, and the Buying Member acknowledges that it is authorised to enter into this Section 10 by the Buyer. The award of the SIAC shall be final and binding upon the Buyer and the Seller.
- 11.3. Any arbitration to be conducted pursuant to this Section 10 shall be commenced within six (6) months from the Last Trading Day of the relevant Contract. All Parties shall not be entitled to bring any claim (whether through arbitration or court proceedings) after the expiry of the said six (6) months.
- 11.4. If neither Buyer nor Seller elects for arbitration, they are free to resolve their dispute in such manner as they deem fit.

12. LIABILITIES OF PARTIES

- 12.1. For each bale delivered by the Selling Member to the Buying Member, such bale shall be deemed upon acceptance of the same by the Buying Member for subsequent sales by the Buying Member to third parties, to have been packed by the Buying Member notwithstanding the retention of the symbols and marks and/or the Quality Guarantee and Weight Note of the original Approved Packer, the Selling Member or Seller.
- 12.2. Without prejudice to any other provision in these SICOM RSS 3 Rubber Contract Specifications, in the event that an Award is given in favour of a Buyer against a Seller in respect of any Delivery Lot delivered by the Selling Member (on the Seller's behalf) to the

Buying Member (on the Buyer's behalf), the Buyer shall be entitled (subject to Section 12.3), to proceed against the following persons in the manner set out below:

- (a) a notice of the Award shall first be served on the Clearing House;
 - (b) in the case of delivery under FOB Terms (except in the case where an Alternative Delivery Procedure shall have been elected prior to such Award):
 - (i) the Buyer shall be entitled to claim the balance of the Performance Deposit referred to in Section 6.8.1(b)(ii) held by the Clearing House upon satisfactory proof of such failure;
 - (ii) in the event that such Performance Deposit is insufficient to satisfy the Buyer's claim, the Buyer shall be entitled to claim the balance of such claim from the Performance Deposit referred to in Section 6.8.1(a) held by the Clearing House.
 - (c) where the aforesaid Performance Deposits shall be unable to satisfy the Buyer's claim, the Buyer shall be entitled to pursue the balance of its claim against the Seller;
 - (d) in the event that none of the items in Sections 12.2(a) to 12.2(c) is sufficient to satisfy the Buyer's claim, the Buyer shall be entitled to apply to the Exchange which will decide on the compensation (if any) to be paid by the Selling Member to the Buyer whether or not such compensation will amount to a full indemnity of the Buyer's claim.
- 12.3. In no event under this Section 12 shall any Performance Deposit be released to the Buyer in an amount greater than is required to satisfy any outstanding claim of the Buyer. If any Performance Deposit shall be greater than such claim, the balance shall be refunded to the respective parties who have posted such Performance Deposit.
- 12.4. Without prejudice to any other provision in these SICOM RSS 3 Rubber Contract Specifications, in the event that an Award is given in favour of a Seller against a Buyer in respect of any Delivery Lot delivered by the Selling Member (on the Seller's behalf) to the Buying Member (on the Buyer's behalf), sub-sections (a), (b), (c) and (d) of Section 12.2 shall apply (amended as required), and Section 12.3 shall apply in whole, with all references to:
- (a) "Buyer" and "Seller" being read as references to "Seller" and "Buyer" respectively; and
 - (b) "Buying Member" and "Selling Member" being read as references to "Selling Member" and "Buying Member" respectively.

ANNEX 1
OF THE CONTRACT SPECIFICATIONS FOR
RSS 3 RUBBER (INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)

WAREHOUSE DELIVERY TERMS

A1.1 DEFINITIONS & INTERPRETATION

- (1) In this Annex, unless the context otherwise requires, the following expressions shall have the meanings respectively hereafter assigned to them:

“**Rubber**” means RSS 3 Rubber; and

“**Sampler**” means a sampler approved by the Exchange.

- (2) Any other expression used in this Annex (but not otherwise defined in this Annex) shall bear the same meaning ascribed thereto in either the Rules or elsewhere in the SICOM RSS 3 Rubber Contract Specifications (as applicable).
- (3) All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

A1.2 INSPECTION, WEIGHING AND SAMPLING

- (1) In the course of delivery, each Delivery Lot shall be inspected and weighed by the Buying Member's and the Selling Member's representatives. In case of any dispute which cannot be settled amicably, the following procedures shall apply:
- (a) The Buying Member or the Selling Member may require samples to be drawn at random from 10% of the bales of each Delivery Lot which have not previously been inspected.
 - (b) The initial sampling shall be final and shall commence immediately upon the occurrence of a dispute and in any case not later than the day following delivery. The sampling shall be a continuous process and shall be completed expeditiously.
 - (c) Sampling shall be conducted by a Sampler nominated by the Buying Member. The Buying Member's and the Selling Member's representatives shall be entitled to be present.
 - (d) Upon mutual agreement between the Buying Member and the Selling Member, sampling may be conducted by the Buying Member's and the Selling Member's representatives jointly. In the absence of such agreement, paragraph (c) above shall apply. The Buying Member and the Selling Member shall make satisfactory arrangements for sampling in accordance with paragraph (b) above. The Buying Member shall supply the necessary workforce for sampling and weighing. However, the Buying Member shall be entitled to recover such charges if the Rubber delivered is subsequently determined to be non-bona fide or at least one full grade below the contracted grade. If the Selling Member or any of its representatives fails to attend, the drawing of sealed samples shall proceed as if the Selling Member or its representative is present.
 - (e) The Sampler (or the Buying Member's/ Selling Member's representatives if paragraph (d) is invoked) who has drawn samples from a bale of Rubber, must mark such bale as “Sampled Bale” at the place where the sampling has taken place and shall keep such sampled bales together in safe custody, eg. in nylon nets or in such manner as the parties may agree.

- (f) Procedures for weighing, sampling and assessment of bale coating are prescribed in Schedule 3 to this Annex.
 - (g) Three sets of sealed samples shall be drawn by the Sampler (or the Buying Member's/ Selling Member's representatives if paragraph (d) above is invoked). One such set each shall be retained by the Buying Member and the Selling Member and the third set shall be deposited at the Clearing House by the Sampler (or the Buying Member) not later than 4:00 p.m. on the next Business Day following the drawing of the samples. It shall be the duty of the Buying Member to ensure that suitable instructions to deposit the samples within the time frame are given to the Sampler and complied with by him. The samples deposited with the Clearing House shall form the basis for any subsequent arbitration.
 - (h) The Buying Member shall submit its claim to the Selling Member after the set of sealed samples are available and have been deposited at the Clearing House pursuant to paragraph (g). The Selling Member may upon receipt of the claim inspect the sealed samples at the Clearing House. In the event of conciliation or arbitration, the Clearing House shall make available to the conciliator or arbitrators as the case may be the set of sealed samples so deposited.
 - (i) In the event there is non compliance with paragraph (g) and it is shown that such non-compliance is not prompted or caused by the collusion of the person calling for the sampling, the conciliator or arbitrators shall be entitled to give such weight as they think fit to the sealed samples.
- (2) Without prejudice to any other limitation or exclusion of liability otherwise available to the Exchange, and to the fullest extent permitted by law, the Exchange (and each person acting on its behalf including a Director or a member of any Committee) shall not be liable to any person for any loss (consequential or otherwise, including, without limitation, loss or profit), damage, injury or delay, whether direct or indirect, arising from any loss, damage or deterioration of quality whatsoever, of any sample (in whole or in part) deposited with the Clearing House pursuant to paragraph A1.2(1)(g).

A1.3 WEIGHING

Weighing shall take place upon delivery. In the event of a dispute, the Buying Member shall nominate a Sampler approved by the Exchange. The Sampler shall carry out a further weighing of 10% of the bales (not previously weighed or sampled) at random from each Delivery Lot. Such weighing by the Sampler shall be final. Claims on account of excess bale coating shall not constitute grounds for rejection where the weight of the Rubber delivered is in accordance with standard rubber industry tolerance.

A1.4 CLAIMS

- (1) In the event of rejection or other dispute which the Buying Member and Selling Member shall have resolved amicably, the Buying Member and Selling Member shall jointly issue a notice evidencing the terms of their settlement to the Clearing House. The Clearing House shall then make payment of the Contract Value to the Selling Member in accordance with the terms of the settlement reached and refund the balance, if any, to the Buying Member. Any accrued interest shall be apportioned between the Buying Member and the Selling Member in proportion to their respective payments.
- (2) In the event that a rejection is claimed and upon an Award in favour of the Buying Member, the Buying Member shall be entitled if the Award so directs, to a refund of the Contract Value from the Clearing House together with any interest accrued. The Selling Member shall thereafter immediately cause the Rubber to be removed from the Warehouse at which the delivery of the same was made at its own expense failing which the Buying Member shall be entitled to levy a storage charge of one dollar per tonne per day for each day of non-removal commencing from the date of refund of the Contract Value to the Buying Member.

- (3) In the event of a claim for rejection and upon an amicable settlement or an Award in favour of the Selling Member, the Selling Member shall be entitled, if the Award so directs to receive payment, from the Buying Member, of the Contract Value together with any interest accrued.
- (4) In the event of rejection and an Award in favour of the Buying Member, unless the Award provides otherwise, the Buying Member shall have the option:
 - (a) to require the Selling Member to replace the rejected Rubber within five days from the date of the Award; or
 - (b) to require that the Rubber shall be invoiced back to the Selling Member at a price to be fixed by the Exchange and the difference between the Contract Value and the invoicing back price shall be debt due from the Selling Member to the Buying Member, such debt to be payable forthwith. The invoicing back price shall include liquidated damages at such rate as may be fixed by the Exchange against the Selling Member and such liquidated damages shall be deemed to include all penalties, fines, damages, loss or profit, costs and expenses incurred or suffered by the Buying Member.
- (5) The Clearing House shall be entitled to deduct from interest paid to such Buying Member and Selling Member under the above clauses a service charge amounting to one half of one percent calculated on an annual rate.

SCHEDULE 1

**OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR RSS 3 RUBBER
(INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)**

(Buying Member's Letterhead)

WAREHOUSE RECEIPT

To Messrs (Selling Member)

_____ 20 _____

Received from and on account of Messrs _____, Rubber of the following description and estimated weight:

Delivery No: [„]

Quality (said to be): [„]

No. of Bales: [„]

Estimated Weight: [„]

We, the Buying Member, agree to conduct inspection, weighing and sampling in accordance with the SICOM RSS 3 Rubber Contract Specifications (including, for the avoidance of doubt, Annex 1 thereto) (the "**Contract Specifications**") by _____.

On obtaining the results of the weighing and sampling, we will immediately submit to the Clearing House the Acceptance/Rejection Notice pursuant to the Contract Specifications.

We confirm that the Rubber shall from delivery at the Warehouse, be at our risk.

In the event we reject the Rubber or fail to have an amicable settlement with the Selling Member, the Rubber herein described will be delivered on demand to the bearer of this Receipt.

The capitalised expressions used herein, but not defined herein, shall have the same meanings respectively ascribed to them in the Contract Specifications.

**(Buying Member's Company Stamp
and Signature of Storekeeper/Receiver)**

SCHEDULE 2
OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR RSS 3 RUBBER
(INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)

(Buying Member's Letterhead)

ACCEPTANCE/REJECTION RECEIPT

To Messrs (Selling Member)

_____20_____

Warehouse Receipt Dated [„]

From [„]

Received from Messrs [„]

Rubber of the following description and weight:-

Delivery No.: [„]

Quality: [„]

No. of Bales: [„]

Actual Net Weight: [„]

*1 We confirm the consignment is in good order.

*2 We reject the Rubber on the following ground(s):-

(a) [„]

(b) [„]

*3 We accept the consignment but hereby lodge the following complaint/claim:-

4 The capitalised expressions used herein, but not defined herein, shall have the same meanings respectively ascribed to them in the SICOM RSS 3 Rubber Contract Specifications (including, for the avoidance of doubt, Annex 1 thereto).

**(Buying Member's Company Stamp
and Signature of Storekeeper/Receiver)**

* Buying Member must delete any 2 of the above which are not applicable.

SCHEDULE 3
OF ANNEX 1 OF THE CONTRACT SPECIFICATIONS FOR RSS 3 RUBBER
(INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)

PROCEDURE 1 - WEIGHING

In the event of a dispute, when weighing is conducted by a Sampler, procedure will be as follows:

- (a) 10 per cent of the bulk of each Delivery Lot will be weighed.
- (b) The bales chosen at random will be intact, i.e. they will not have served for quality sampling and will not have been previously weighed upon delivery to the Warehouse.
- (c) The bales will be weighed individually and each bale's weight will be recorded.
- (d) The individual weights will be added together and the total weight will be divided by the number of bales weighed to obtain the average weight of the tender.
- (e) The Sampler will issue a weight certificate showing the following details:
 - (i) Date and place of weighing
 - (ii) Marks of the Delivery Lot
 - (iii) Number of bales weighed
 - (iv) Individual bales' weights recorded
 - (v) Average weight of the bales weighed
 - (vi) Signature of the Sampler

PROCEDURE 2 - DRAWING OF SAMPLES

The object of the sampling procedure is to ensure that the sample, though drawn from only 10 per cent of a Delivery Lot, shall be as representative as possible of the quality of that Delivery Lot as a whole. The procedure shall be as follows:-

- (a) Sample shall be drawn from 10 per cent of the bulk of each Delivery Lot.
- (b) Each of the bales (subject a minimum of 5 bales (or more if the sampler so decides)) chosen randomly shall be opened up by removing the wrapper sheets and the sheets pulled apart down to about the middle of the bale. From the opened bales, representative pieces will be cut, measuring about 25 centimetres x 20 centimetres each. At least one piece, but not more than two pieces shall be cut from each bale sampled. The outside wrapper sheets are not included in the sample. In case of dispute regarding the quality of wrappers, separate sampling will be done on wrapper sheets only.
- (c) From the pieces taken from the inside of the bales chosen for sampling, the Buying Member and the Selling Member (or where sampling is carried out by a Sampler, the Sampler) will prepare 3 samples representing the average quality of the bales which have been opened. Each sample shall have interleaving between the sheets of Rubber. The sheets must be sufficiently loosely strung together at one corner to allow easy examination, with a stout cord which must pass through the label. The ends of the cord are to be knotted and sealed with the Buying Member's seal and the Selling Member's seal (or where sampling is carried out by a Sampler, the Sampler's seal).
- (d) In exceptional cases, where it is not possible to separate the individual sheets of the bale because they stick together, a sample in the form of a block or slice will be cut from the inside

of the bale in the same manner as if the sheets were separable, and not right across the sheets as to render the sample, if separable, to come off in narrow strips.

- (e) The label which should be of strong material shall bear the following details:
- (i) Date and place of sampling
 - (ii) Marks of the Delivery Lot
 - (iii) Contractual quality of the Rubber
 - (iv) Total number of bales in the Delivery Lot
 - (v) Number of bales from which the sample has been drawn
 - (vi) Total number of pieces comprising the sample
 - (vii) Signature of the Buying Member's and Selling Member's representatives in all cases plus signature of the Sampler (if sampling is carried out by the Sampler).

PROCEDURE 3 - BALE COATING

In the event of a dispute on bale coating, sampling/weighing will be conducted by a Sampler. The procedure will be as follows:

- (a) From each Delivery Lot, four bales will be selected at random.
- (b) All the coating possible will be removed from the wrappers of each sample bale by mechanical means (scraping, brushing).
- (c) The total coating so removed shall be weighed and placed in clean plastic bag labelled and sealed by the Sampler.
- (d) The label shall show:
 - (i) Date and place of weighing
 - (ii) Marks of the Delivery Lot
 - (iii) Number of bales scraped
 - (iv) Weight of contents of bag
 - (v) Average weight of coating per bale
 - (vi) Signature of the buyer's and seller's representatives plus signature of the Sampler.
- (e) A properly identified cutting of the wrapper about 30 centimetres x 30 centimetres from each bale after removal of the coating shall accompany the sample.
- (f) For the guidance to the arbitrators, the Sampler will weigh the four bales after the coating has been completely removed and will issue a weight certificate showing:
 - (i) Date and place of weighing
 - (ii) Marks of the Delivery Lot

- (iii) Number of bales weighed
- (iv) Individual bales' weights recorded
- (v) Average weight
- (vi) Signature of the Sampler

- end of Annex 1 -

ANNEX 2
OF THE CONTRACT SPECIFICATIONS FOR
RSS 3 RUBBER (INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)

FOB TERMS

A2.1 DEFINITIONS & INTERPRETATION

- (1) In this Annex, unless the context otherwise requires, the following expressions shall have the meanings respectively hereafter assigned to them:

“place of sampling” means a Warehouse at the Port of Discharge or in the case of a Port of Discharge in Australia or in the case of container shipment to a Port of Discharge in the continent of Europe by direct transit Full Container Load (FCL), at a factory which is recognised by the Exchange; and

“Rubber” means RSS 3 Rubber.

- (2) Any other expression used in this Annex (but not otherwise defined in this Annex) shall bear the same meaning ascribed thereto in either the Rules or elsewhere in the SICOM RSS 3 Rubber Contract Specifications (as applicable).
- (3) All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.

A2.2 DUTY OF SELLING MEMBER

- (1) Without prejudice to any other obligations on the Selling Member, it shall be the duty of the Selling Member to issue to the Buying Member a declaration of delivery in order that the Buying Member shall receive such declaration no later than 24 hours after delivery has been completed so as to enable the Buying Member to purchase sufficient insurance cover for the Delivery Lots in due time. Failure to so issue shall entitle the Buying Member to claim damages against the Selling Member.
- (2) The declaration of delivery shall state inter alia:
- (a) a reference to the Delivery Instructions pursuant to which delivery is made;
 - (b) the shipping marks;
 - (c) the number of Delivery Lots;
 - (d) the weight thereof;
 - (e) the Location of Delivery at which the Rubber was delivered; and
 - (f) the Delivery Completion Receipt or unsigned Bill of Lading date (as the case may be).
- (3) The declaration of delivery may be withdrawn or altered (except for manifest or bona fide error) subject to an indemnity from the Selling Member to the Buying Member.

A2.3 DUTY OF BUYING MEMBER

Without prejudice to any other obligations on the Buying Member, it shall be the duty of the Buying Member to effect the proper insurance cover for the Rubber from the time the Rubber is delivered to the Location of Delivery upon the issue of the declaration of shipment by the Selling Member.

A2.4 GENERAL DELIVERY TERMS

- (1) The Rubber shall be shipped by vessel or vessels loading or commencing to load at the Port of Loading (and loading continuously thereat until the date of shipment), with transit direct and/or indirect, with liberty to call at other ports.
- (2) The Rubber shall be shipped by a vessel scheduled to sail to the Port of Discharge. In the event that the Port of Loading is determined to be the Port of Singapore pursuant to Section 6.4.7, the Buying Member shall select a vessel that is able to provide shipping from the originating port to the Port of Discharge through the Port of Singapore. The Selling Member shall assume the additional cost that the Buying Member may have had to assume, arising from the use of a vessel other than the Buying Member's originally intended vessel, if the Buying Member is able to provide evidence of such price differential.
- (3) The Bill of Lading date shall be proof of time of shipment in the absence of conclusive evidence to the contrary.
- (4) A Bill of Lading dated in the month immediately following the Delivery Month shall be valid for tender to the Clearing House, provided that it contains the following warranty endorsed on the Bill of Lading and signed by the carrier or on its behalf by its authorised agents:

"Warranted that the vessel commenced loading at the Port of Loading in _____ (month) and has been continuously loading thereat until the date of shipment which is the date of this Bill of Lading."

- (5) Such warranty shall, as between the Buying Member and the Selling Member and in the absence of fraud, be conclusive evidence of the facts so stated.
- (6) Shipment of more than one country of origin and/or more than one producer factory or packing house on one Bill of Lading shall not be permitted.

A2.5 WEIGHING

- (1) The Buying Member shall weigh the Rubber at the place of sampling unless otherwise agreed upon with the Selling Member. Any claim by the Buying Member for loss or shortage in weight shall be furnished with a certification by a sworn weigher to the Selling Member or its representative within:
 - (a) 28 days from the Date of Discharge; or
 - (b) 7 days after the expiration of the time limit (if any) agreed to between the Buying Member and the Selling Member.

These periods may be extended by agreement between the Parties.

- (2) In any event, if as a result of the weighing, it is found that there is a loss or shortage in weight exceeding 0.5%, the expenses of weighing shall be paid by the Selling Member.
- (3) If taring is considered necessary when the Rubber is packed in cases, fully wrapped bales or metal strapped bales, other than unitized/palletized units, at least 10% shall be tared. In the case of shipments in palletized units, 10% (to the nearest higher whole number) of the units shall be unpacked and the Rubber shall be weighed net after removal. If there is a loss or shortage in weight, the expenses of additional taring shall be paid by the Selling Member.
- (4) Weighing shall normally be in single bales in any one weighing operation and weights shall be recorded to the nearest 100 grammes. Larger or smaller quantities may be weighed provided weights are recorded to the same proportionate degree of accuracy.

A2.6 SAMPLING

- (1) In the event of a claim made based on inferior quality of the Rubber, inferior quality wrapper,

excessive coating or damage due to defective packing, samples may be drawn by an independent sampler or jointly by the Buying Member's and Selling Member's representatives at the place of sampling unless otherwise agreed upon by the Buying Member and the Selling Member.

- (2) If the Selling Member fails to name its representative within 3 days after receipt of notice of the damage, the labels of the samples shall be signed and sealed by the Buying Member in conjunction with an independent sampler and shall be accepted by the Selling Member.
- (3) Where there are sub-marks, the Selling Member shall be entitled by giving notice on the prescribed declaration form, to call for separate sampling, provided such sampling is possible, of each sub-mark. Additional expenses incurred in sampling, if any, shall be for the account of the Selling Member.
- (4) Sampling shall be conducted in the following manner:
 - (a) Sample shall be drawn from 10 per cent of the bulk of each shipment.
 - (b) Each of the bales chosen randomly (subject a minimum of 5 bales (or more if the sampler so decides) shall be opened up by removing the wrapper sheets. A minimum of 10 per cent of the sample bales shall have the sheets pulled apart down to about the middle of the bale.
- (5) From the opened bales, representative pieces will be cut, measuring about 25 centimetres x 20 centimetres each. At least one piece, but not more than two pieces shall be cut from each bale sampled. The outside wrapper sheets are not included in the sample. In case of dispute regarding the quality of wrappers, separate sampling will be done on wrapper sheets only.
- (6) From the pieces taken from the inside of the bales chosen for sampling, the Buying Member and the Selling Member (or where sampling is carried out by a sampler, the sampler) will prepare 3 samples representing the average quality of the bales which have been opened. Each sample shall have interleaving between the sheets of the Rubber. The sheets must be sufficiently loosely strung together at one corner to allow easy examination, with a stout cord which must pass through the label. The ends of the cord are to be knotted and sealed with the Buying Member's seal and the Selling Member's seal (or where sampling is carried out by a sampler, the sampler's seal).
- (7) In exceptional cases, where it is not possible to separate the individual sheets of the bale because they stick together, a sample in the form of a block or slice will be cut from the inside of the bale in the same bale in the same manner as if the sheets were separable, and not right across the sheets as to render the sample, if separable, to come off in narrow strips.
- (8) The label which should be of strong material shall bear the following details:
 - (a) date and place of sampling;
 - (b) marks of the Delivery Lot;
 - (c) contractual quality of the rubber;
 - (d) total number of bales in the Delivery Lot;
 - (e) number of bales from which the sample has been drawn;
 - (f) total number of pieces comprising the sample; and
 - (g) signatures of the Buying Member's and Selling Member's representatives in all cases plus signature of the sampler (if sampling is carried out by a sampler).

A2.7 SECOND SAMPLING

- (1) Either Party shall have the right to request a second sampling provided such sampling is possible from the whole or further portion of the bulk and to produce such second sample before the conciliation or arbitration as the case may be. The cost for the second sampling shall be borne by the Party requesting the same.
- (2) Notice in writing shall be given by the Party requesting a second sampling before the expiry of the third (3rd) day after the final notice in writing of the claim has been received by the Selling Member or its authorized representative;
- (3) Should the Selling Member not exercise its right to request a second sampling within the period stipulated, he shall be deemed to have accepted and be bound by the analysis of the original sample for conciliation or arbitration purpose or otherwise;
- (4) Should the Buying Member remove the Rubber or part of the Rubber from the point of sampling without having notified the Selling Member of a claim and without having given the Selling Member the opportunity of requesting a second sampling, the Buying Member shall forfeit its right to make a claim or the right of rejection in respect of quality or condition;
- (5) The Selling Member or its authorized representative shall have the right to inspect the Rubber before a second sampling occurs and/or be present at the second sampling; and
- (6) The second sampling shall take place before the expiry of the sixth (6th) day following the receipt by Selling Member or its authorized representative of the final notice in writing of the claim.

A2.8 CLAIMS IN RESPECT OF QUALITY AND PACKING

- (1) The Selling Member warrants the quality and packing of the Rubber as described by it and also warrants the Rubber free from mould in excess of such would, if any, as is allowed in such quality description and the Selling Member is liable for excess mould ascertained at the destination not caused by damage in transit, provided that the Selling Member shall be under no liability in respect of:
 - (a) its warranty of quality, if the Rubber is not shipped to the Port of Discharge within thirty days from the date of the Selling Member's receipt of the Contract Value;
 - (b) its warranty against excess mould, if the Rubber is not shipped to the Port of Discharge within seven days from the date of the Selling Member's receipt of the Contract Value;
 - (c) its warranty against excess mould, if the period of transit of the Rubber, in the case where the Port of Discharge is a port in Japan, exceeds twenty-two days or in case where the Port of Discharge is a port in the continent of Europe, exceeds forty-five days or in case of where the Port of Discharge is a port in the United States of America or Canada or elsewhere exceeds fifty-two days, from the date of the carrying vessel's departure from the Port of Loading as evidenced in the Bill of Lading to the Date of Discharge at the Port of Discharge.
- (2) If the Rubber is found inferior in respect of quality or packing, sample or samples, evidence in support of the claim for the quality or packing of the Rubber shall be produced by the Buying Member to the Selling Member or its authorized representative, at the time the claim is lodged.
- (3) A claim must be raised and samples drawn within:
 - (a) 28 days from the Date of Discharge at all Ports of Discharge, or
 - (b) seven (7) days after the expiration of the time limit (if any) agreed to between the Buying Member and the Selling Member.

These periods may be extended by agreement between the Parties. Where the Rubber is shipped under a Further Contract, the terms and conditions of such Further Contract shall

govern all sampling and quality claims.

- (4) Final notice in writing of the claim, stating the grounds of the complaint shall be given by the Buying Member to the Selling Member or its authorized representative at the latest within five days after the expiry of the period stipulated above for the production of samples. Any claim lodged prior to the production of sample or samples will, if not finalised, become null and void.
- (5) Failing amicable settlement, the Buying Member shall accept the Rubber with a fair allowance to be decided by arbitration, provided the arbitrators as the case may be are of the opinion that the Rubber as shipped was a bona fide fulfillment of the contract. Should the arbitrators decide to the contrary, they shall fix an allowance and the Buying Member, if he has so claimed, shall have the option, to be exercised within five (5) days from the issue of the Award, of rejecting the Rubber and claiming default or accepting it with the allowance the arbitrators shall so Award. If the option is not exercised within five (5) days after the issuance of the Award, the Buying Member shall be deemed to have accepted delivery at the allowance fixed by the arbitrators as the case may be.
- (6) When either person to the contract claims that a default has occurred, then failing an amicable settlement, the dispute shall be submitted to arbitration in accordance with these SICOM RSS 3 Rubber Contract Specifications and if the arbitrators decide that a default has occurred, the contract shall be closed out at a price and weight, which price shall be the estimated market value of the Rubber contracted for on the day the default occurred or is established within the discretion of the arbitrators with a fine of not less than 1% of the Contract Value or the equivalent thereof in which payment is to be made under the contract.
- (7) In the event of rejection by the Buying Member in accordance with paragraph A2.8(5), the Rubber shall be returned to the Selling Member or its authorized representative within ten (10) days following issuance of the Award. Documents of title and samples shall be available to the Selling Member or its authorized representative at the time of the return. The Selling Member or its authorized representative shall, within six (6) days of issuance of the Award, notify the Buying Member by facsimile or electronic mail transmission (and shall maintain written records evidencing such transmission, whether in the form of a successful transmission or similar report) of the location of the warehouse to which the Rubber is to be returned together with any instructions regarding insurance. The Buying Member shall carry out such instructions without undue delay to insure the Rubber in transit. The Buying Member shall be entitled to debit the Selling Member with the cost of returning the Rubber to the warehouse, including insurance in transit. The cost of receiving the Rubber into the warehouse shall be for Selling Member's account. The time limits specified in this paragraph may be extended in case of need at the discretion of the conciliator or arbitrators as the case may be.
- (8) Provided factory sampling has been agreed upon by the parties, where the Rubber is delivered to a factory without passing through a warehouse, or when part of the Rubber is delivered to a warehouse and the remainder is delivered to a factory without passing through a warehouse, neither the onward movement of the Rubber from the Port of Loading nor the breaking of bulk by distribution of one delivery quantity between two or more factories shall be deemed an acceptance by the Buying Member so as to cause the Buying Member to lose thereby its right of claim or rejection. Factory herein shall include premises used for storage occupied by the proprietor of the factory for the purpose of the factory whether or not the same shall be in the curtilage of the factory.

A2.9 CLAIMS IN RESPECT OF EXCESS BALE COATING

In the event of a claim for excess bale coating (talc) the wrapper sample shall, failing an amicable settlement, be submitted for assessment of the average weight of coating solution (talc) per bale to an analyst approved by the Exchange. The analyst's report may be submitted to the conciliator or arbitrators.

- end of Annex 2 -

ANNEX 3
OF THE CONTRACT SPECIFICATIONS FOR
RSS 3 RUBBER (INTERNATIONAL NO. 3 RIBBED SMOKED SHEET)

SPECIAL TERMS

A3.1 DEFINITIONS & INTERPRETATION

- (1) Unless otherwise specified in this Annex, the expressions used herein (but not defined herein) shall bear the same meanings respectively ascribed thereto in either the Rules or elsewhere in the SICOM RSS 3 Rubber Contract Specifications (as applicable).
- (2) All references to “paragraphs” in this Annex shall be references to the provisions of this Annex.
- (3) In the event of any inconsistency or conflict either:
 - (a) between the provisions in Annex 1 and this Annex 3; or
 - (b) between the provisions in Annex 2 and this Annex 3,the provisions of this Annex 3 shall prevail to the extent of such inconsistency or conflict.

A3.2 SAMPLING, WEIGHING AND INSPECTION

- (1) The procedures and standards to be applied in respect of sampling weighing and inspection shall be the house terms of the Manufacturer nominated by the Buying Member.
- (2) Sampling, weighing and inspection of each Delivery Lot shall be performed by the nominated Manufacturer’s representative and shall take place:
 - (a) at the Port of Singapore or at a Warehouse nominated by the Buying Member (which has been selected by the nominated Manufacturer) or a Warehouse of Manufacturer nominated by the Buying Member; and/or
 - (b) at the Port of Discharge;
- (3)
 - (a) In respect of sampling, weighing and inspection at the Warehouse or the Warehouse of Manufacturer, the Buying Member shall lodge its claim (if any) in respect of any defect in quality in connection with the Special Terms within five (5) Business Days of the delivery of the Delivery Lots to the Warehouse or the Warehouse of Manufacturer; and
 - (b) The Buying Member shall be entitled to reject the Delivery Lots if any defect is notified to the Selling Member in accordance with paragraph A3.2(3)(a) above provided that the Selling Member shall have the option of replacing the Delivery Lots within three Business Days of notification of rejection but in any event no later than the last calendar day of the Delivery Month.

A3.3 DOCUMENTARY EVIDENCE

The Buying Member shall produce to the Selling Member and the Clearing House, as the case may be, upon request by either of them, documentary evidence from the nominated Manufacturer indicating that the Warehouse has been selected by the Manufacturer (where applicable) and that the inspector is a representative of the nominated Manufacturer.

A3.4 CLAIMS IN RESPECT OF QUALITY AND PACKING

If the Selling Member had indicated Special Terms in its Delivery Notice pursuant to Section 6.6.2, the Selling Member warrants that the Delivery Lots are of the quality and packing as described by it and as required by the house terms of the nominated Manufacturer and also warrants that the Delivery Lots are free from mould in excess of such amount allowed in such quality description. Paragraph A2.8 of Annex 2 of the SICOM RSS 3 Rubber Contract Specifications shall mutatis mutandis apply.

- end of Annex 3 -