

# **LONDON COCOA GRADING AND WAREHOUSEKEEPING PROCEDURES**

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## **LONDON COCOA GRADING AND WAREHOUSEKEEPING PROCEDURES**

These GWPs, which reference the use of the Softs Delivery Platform, will apply to cocoa only from 14 August 2023.

- Although the wording covers coffee, these GWPs will not apply to coffee until it is migrated across to the platform (see A.5). The inclusion of the wording at this stage avoids the need for a complex redraft when coffee is introduced to the platform.
- The Exchange will advise market participants at the appropriate time when these GWPs will apply to coffee.

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## Section A: INTRODUCTION

- A.1 Through contractual arrangements between the Exchange and the Clearing House, the Exchange is responsible for grading and warehousekeeping in respect of ICE Futures London Cocoa Futures Contracts, ICE Futures Euro Cocoa Futures Contracts and ICE Futures Robusta Coffee Futures Contracts executed on the Exchange and Non-Exchange Contracts.
- A.2 These Grading and Warehousekeeping Procedures (“**GWPs**”) form part of the Regulations and prescribe the procedures which must be followed in respect of ICE Futures London Cocoa Futures Contracts, ICE Futures Euro Cocoa Futures Contracts and ICE Futures Robusta Coffee Futures Contracts, as the case may be, and in respect of all Cocoa and Robusta Coffee. These GWPs shall apply to and be binding with regards to the Exchange, the Operator, the Nominee, Warehousekeepers, Members, Graders, Titleholders, Beneficiaries and Supervision Companies. These GWPs will apply where the Beneficiary contemplates the delivery of such Cocoa and Robusta Coffee against a Contract, a Non-Exchange Contract or otherwise. For the avoidance of doubt, each Warehousekeeper shall be bound by the GWPs and the SDP Rulebook in respect of Underlying Goods relating to a Warrant, in respect of which the Beneficiary and/or Titleholder of such Warrant is a Non-Member, to the same extent as in the event the Beneficiary and/or Titleholder is a Member.
- A.3 These GWPs should be read in conjunction with the remainder of the Regulations, including the relevant Contract Rules and Administrative Procedures for the ICE Futures London Cocoa Futures Contracts, ICE Futures Euro Cocoa Futures Contracts or ICE Futures Robusta Coffee Futures Contracts and the SDP Rulebook as the case may be.
- A.4 Notwithstanding any other provision of these GWPs or the SDP Rulebook, the Exchange is entitled to provide to the Operator all information that the Exchange or the Operator may determine to be necessary or desirable for the proper functioning of SDP, including any information the Exchange may be entitled to receive from any other party in accordance with these GWPs or the SDP Rulebook.
- A.5 These GWPs will come into effect in respect of Cocoa on 14 August 2023 and in respect of Robusta Coffee on a date to be announced in due course.

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## Section B: INTERPRETATION

- B.1 In these GWPs, a reference to:
- B.1.1 a “GWP” is a reference to a term in these GWPs, as modified from time to time;
- B.1.2 the words “include”, “including”, “for example”, “such as”, “in addition” or any form of those words or similar expressions shall be construed as if they are followed by the words “without limitation”;
- B.1.3 except in relation to the Titleholder of a U.S. Warrant, and without prejudice to the express rights of a Titleholder or Beneficiary (as applicable) under these GWPs, the mere use of the words “Titleholder” or “Beneficiary” shall not be construed as giving rise under these GWPs to any right, title or interest for the relevant Titleholder or Beneficiary (as applicable) in any Warrant or corresponding Underlying Goods. Without limitation of the foregoing, the use of the word:
- B.1.3.1 “Titleholder” includes any Titleholder that is a Member or a Titleholder that is a Non-Member and shall not imply that the relevant Titleholder is the legal owner of the relevant Warrant or Underlying Goods (except in the case of the Titleholder of a U.S. Warrant); or
- B.1.3.2 “Beneficiary” includes any Beneficiary that is a Member or a Beneficiary that is a Non-Member and shall not be construed as giving rise under these GWPs to any trust relationship.
- B.2 Terms defined elsewhere in the Regulations shall have the same meanings in these GWPs, except where otherwise specified or defined in GWP B.3.
- B.3 In these GWPs:
- |   |   |
|---|---|
| “300 g Sub-Sample”                            | shall have the meaning given to that term in GWP E.2.2.2.1.   |
| “abnormal odour”                              | means any disagreeable odour or any odour foreign to coffee.  |
| “Appeal Panel”                                | means a minimum of three Graders selected in accordance with GWP E.1.6 from the list of ICE Registered Cocoa or Robusta Coffee Graders, as the case may be, to grade a sample which is the subject of a notice of appeal submitted to the Exchange in accordance with these GWPs.                             |
| “Application Form for Renewal of Appointment” | means the application, in the form prescribed by the Exchange from time to time, to be provided by each Nominated Warehousekeeper to the Exchange in accordance with GWP D.1.10.1(a) as part of its application to continue to be eligible for nominated status.  |
| “bag”   | shall, in respect of Robusta Coffee, mean a bag of a type described in GWP D.3.1.1.1(a).  |
| “bean cluster”                                | means, in respect of the ICE Futures London Cocoa Futures Contract or the ICE Futures Euro Cocoa Futures Contracts, two (or more) Cocoa beans which are joined together and which are unable to be split into two (or more) whole single Cocoa beans as a result of the exertion of reasonable hand pressure. |

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“Beneficiary”	means, subject to SDP Regulation C.3.4.1, the person recorded as such on SDP for the Goods to which a Warrant relates. A person may act as both Beneficiary and Titleholder for the same Warrant.
“Titleholder-instructed Conversion”	shall have the meaning set out in GWP D.2.9.3(b).
“block stow”	means the storage of a fifty-tonne pile of bagged Cocoa on a single layer of pallets such that all sides of the stack are accessible for sampling.
“Bulk Delivery Unit”	means an amount of loose Cocoa having a nominal net weight of 1,000 Tonnes.
“Cocoa”	means cocoa beans which are whole seeds of the cocoa tree ( <i>Theobroma Cacao</i> L).
“Cocoa Contract Rule”	means Rule EEEE for the ICE Futures London Cocoa Futures Contracts, or EEEE1 for the ICE Futures Euro Cocoa Futures Contracts, as amended from time to time.
“Contract Rules”	means the Contract Rules of the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contract or the ICE Futures Robusta Coffee Futures Contract, as the case may be.
“Conversion Charge”	means all costs and fees associated with the conversion of a Delivery Unit under GWP D.2.9, in each of the different situations described in GWP D.2.9.3, including, but not limited to, costs of labour, loading, transport, rebagging, machinery, labelling and/or marking, bags, pallets, weighing and re-piling and administrative costs.
“Converted Delivery Unit”	means a new Delivery Unit which is formed upon the conversion of part or all of a Nominated Delivery Unit.
“Converted Original Delivery Unit”	means a new Delivery Unit which is formed upon the conversion of an Original Delivery Unit, and shall include, unless the context otherwise requires, a Converted Delivery Unit.
“Dealer”	means a Person authorised as a Titleholder that is a Dealer by the Operator under SDP Regulation C.3.3.2.1.
“Defaulting Member Titleholder”	shall have the meaning set out in SDP Regulation C.3.3.2.2.
“Defective”	shall have the meaning set out in GWP EEEE.1.

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“Defects”	means, in respect of Robusta Coffee, any defect determined to be a defect by the ICE Registered Robusta Coffee Graders pursuant to GWP E.2.2.3.1.
“De-listed”	means, in respect of Cocoa, the cancellation of the Warrant in respect of the Goods and a Loading Out.
“Delivery Unit”	means a Standard Delivery Unit, a Large Delivery Unit or a Bulk Delivery Unit. A Delivery Unit must comprise Cocoa of the same Origin and shipment period.
“Directors”	shall have the meaning set out in SDP Regulation B.4.
“Dual Capacity Warehousekeeper”	means a Warehousekeeper which has been: (i) nominated by the Exchange in its absolute discretion to store in its Warehouse Goods piled as parcels, lots or Standard, Large or Bulk Delivery Units; (ii) approved by the Operator to cause Warrants to be created on SDP; and (iii) approved by the Exchange to appear on the List of Nominated Warehousekeepers and Warehouses published from time to time by notice posted on the Market.
“Exchange-instructed Conversion”	shall have the meaning set out in GWP D.2.9.3(a).
“Exchange Official”	means any employee of the Exchange.
“Existing Beneficiary”	shall have the meaning set out in SDP Regulation C.4.6.1.1.
“Existing Titleholder”	shall have the meaning set out in SDP Regulation C.4.6.2.1.
“Existing Warrant”	shall have the meaning set out in D.1.19.7(c).
“Extracted Warrant”	means a warehouse warrant, validly constituted under applicable law, issued by a Warehousekeeper pursuant to SDP Regulation C.5.1.
“Extraction Order”	means an instruction, provided by a Titleholder through SDP in relation to a Warrant in accordance with SDP Regulation C.5.1.1, for delivery of an Extracted Warrant outside the SDP.
“FFA”	means Free Fatty Acid – conventionally expressed as oleic acid (molecular weight 282).
“FIBC”	shall mean Flexible Intermediate Bulk Container of a type described in GWP D.3.1.2.1(a)(ii).
“Financial Institution”	means a Person authorised as a Titleholder that is a Financial Institution by the Operator under SDP Regulation C.3.3.1.2.

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“Fogging”	means the application within a Warehouse of a chemical agent designed to eradicate insect infestation either on or around the Goods.
“Fumigation”	means the use of either a chemical agent and/or a process designed to eradicate insect infestation either on, and/or within the Goods.
“Global Average Warehousekeeper Rent”	shall mean the figure published by the Exchange from time to time for average Cocoa and Robusta Coffee in-store rent charges of Warehousekeepers.
“Goods”	means either Cocoa or Robusta Coffee, details of which are represented by the Warrants on SDP.
“Grader”	means an ICE Registered Cocoa Grader or ICE Registered Robusta Coffee Grader.
“Graders Contract”	means the consultancy agreement signed between ICE Futures Europe and an ICE Registered Cocoa Grader or an ICE Registered Robusta Coffee Grader.
“Grading Panel”	means a minimum of three Graders selected in accordance with Procedure E.1.6 from the list of ICE Registered Cocoa or Robusta Coffee Graders, as the case may be, to grade a sample submitted to the Exchange in accordance with these GWPs.
“Grading Room”	means the ICE Futures Europe Grading Room.
“Grading Station”	means the workbench where a Grading Panel or Appeal Panel grade a sample of Cocoa or Robusta Coffee.
“grouped lot”	shall mean two to five lots of Robusta Coffee which have been declared by the Beneficiary and Titleholder and confirmed by the Warehousekeeper as a grouped lot for grading purposes; the Robusta Coffee of which is from one Origin, ex one vessel, shipped on one bill of lading, and stored in the same Warehouse under the control of the same Warehousekeeper. The results obtained by collectively grading samples from grouped lots under GWP D.3.4.3 shall apply to the individual lots.
“ ICE Futures Euro Cocoa Futures Contract”	means a Contract made expressly or impliedly under Rule EEEE1.
“ICE Futures London Cocoa Futures Contract”	means a Contract made expressly or impliedly under Rule EEEE.

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“ICE Futures Robusta Coffee Futures Contract”	means a Contract made expressly or impliedly under Rule GGGG.
“ICE Registered Cocoa Grader”	means an individual registered with the Exchange as an ICE Registered Cocoa Grader in accordance with GWP E.1.2.
“ICE Registered Robusta Coffee Grader”	means an individual registered with the Exchange as an ICE Registered Robusta Coffee Grader in accordance with GWP E.1.2.
“industry sample”	means any material drawn from Goods stored in a Warehouse for purposes other than submission to the Grading Room for grading.
“laboratory sample”	means the quantity of not less than 300 g removed from the grading sample pursuant to GWP E.3.2.2.3 or E.3.2.5.
“Large Delivery Unit”	means an amount of bagged Cocoa having a nominal net weight of 100 Tonnes.
“Last weigh Date”	means the date on which a Delivery Unit was last re-weighed as attributed to it in Rule EEEE.5(g) or EEEE1.5(g).
“List of Nominated Warehousekeepers and Warehouses”	means the List of Nominated Warehousekeepers and Warehouses published by the Exchange by notice posted on the Market from time to time.
“Loading In”	means the movement of a lot of Robusta Coffee (in bags, bulk or FIBCs) or a Delivery Unit of Cocoa (in bags or bulk) from a vessel or current place of storage to a Warehouse.
“Loading In Charge”	means the fee charged by the Warehousekeeper to the Beneficiary of Goods in respect of the Loading In of a lot of Robusta Coffee (in bags, bulk or FIBCs) or a Delivery Unit of Cocoa (in bags or bulk) from a vessel or current place of storage to a Warehouse.
“Load Out Order”	means an instruction, provided by a Qualifying Titleholder through SDP in relation to a Warrant in accordance with GWP D.1.27.2, for a Warehousekeeper to Load Out the corresponding Underlying Goods.
“Loading Out” or “Loaded Out” or “Load Out”	means the movement of a lot of Robusta Coffee (in bags or FIBCs) or a Delivery Unit of Cocoa (in bags and/or in bulk) from within a Warehouse on to transport.
“Loading Out Charge”	means the fee charged by a Warehousekeeper to the Beneficiary of Goods in respect of the Loading Out of a lot of Robusta Coffee (in bags or FIBCs) or a Delivery Unit of Cocoa (in bags and/or in bulk) from

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within a Warehouse on to a truck or reasonable equivalent, as published by the Exchange from time to time.

“Loss”	shall have the meaning set out in SDP Regulation C.4.8.1.
“lot”	shall have the meaning attributed to it in Rule GGGG.2(b) (ICE Futures Robusta Coffee Futures Contract).
“Member Titleholder”	means a Titleholder that is a Clearing Member.
“New Beneficiary”	shall have the meaning set out in SDP Regulation C.4.6.1.1.
“New Titleholder”	shall have the meaning set out in SDP Regulation C.4.6.2.1.
“Nominated Delivery Unit”	means each Delivery Unit to be converted by or on behalf of the Seller as notified to the Exchange under Rule EEEE.12(d)(i) or (ii) (ICE Futures London Cocoa Futures Contract), or Rule EEEE1.12(d)(i) or (ii) (ICE Futures Euro Cocoa Futures Contract).
“Nominated Warehouse”	means a Warehouse appearing on the List of Nominated Warehousekeepers and Warehouses.
“Nominated Warehouse Application Form”	means the application, in the form prescribed by the Exchange from time to time, to be provided by an applicant Warehousekeeper to the Exchange in accordance with GWP D.1.9.2 as part of its application for a Warehouse under its control to become a Nominated Warehouse.
“Nominated Warehouse Fee”	means the fee, as determined by the Exchange from time to time, payable by a Nominated Warehousekeeper to the Exchange in respect of each of its Nominated Warehouses.
“Nominated Warehousekeeper Application Form”	means the application, in the form prescribed by the Exchange from time to time, to be provided by an applicant Warehousekeeper to the Exchange in accordance with GWP D.1.8.2 as part of its application to become a Nominated Warehousekeeper.
“Nominated Warehousekeeper”	means a Warehousekeeper appearing on the List of Nominated Warehousekeepers and Warehouses.
“Nominated Warehousekeeper Fee”	means the fee, as determined by the Exchange from time to time, payable by a Nominated Warehousekeeper to the Exchange in connection with its status as a Nominated Warehousekeeper.

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“Nominee”	means a person (or persons) appointed from time to time by the Operator to act as the Nominee for SDP and which has (or have) agreed to be bound by the SDP Rulebook and these GWPs.
“Non-Exchange Contract”	means a contract for the transfer of possession or ownership of Underlying Goods in respect of a Warrant, that is settled through SDP and is not subject to the Contract Rules.
“Non-Member”	means a Beneficiary or Titleholder who is not a Member.
“Operator”	means ICE Warrants Limited
“Operator Directors”	means the directors of the Operator.
“Operator Regulation”	is a reference to a term of the SDP Rulebook.
“Original Delivery Unit”	means a Delivery Unit which is converted into one or more Converted Original Delivery Units, and shall include, unless the context otherwise requires, a Nominated Delivery Unit in accordance with the relevant Cocoa Contract Rules.
“Original Weigh Date”	means the date that a Delivery Unit was first weighed in a Nominated Warehouse.
“Owner”	means in respect of the Performance Bond, the Beneficiary of a Warrant held by the relevant Warehousekeeper.
“Participant”	means a Beneficiary, Titleholder or Warehousekeeper.
“parcel”	means, in respect of Robusta Coffee, all or any portion of a shipment of Robusta Coffee of one Origin, one class, ex one vessel, shipped on one bill of lading to the same destination and which is stored in one Warehouse.
“Performance Bond”	shall have the meaning set out in GWP D.1.7.1(b).
“preliminary sample”	is the material initially drawn from the Cocoa and Robusta Coffee.
“Published List of Rent and Loading Out Charges”	means a list published by the Exchange from time to time on the ICE website ( <a href="http://www.theice.com">www.theice.com</a> ) containing, by delivery area or port as applicable, details of the maximum Rent and Loading Out Charges per tonne levied by Warehousekeepers in respect of Cocoa in both bags and/or in bulk.

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“Qualifying Titleholder”	means a Titleholder that is either a Clearing Member or a Dealer.
“quartering”	is the process by which sample material is mixed thoroughly and reduced by use of an appropriate riffle box or similar equipment so that the resulting reduced material is proportionally the same in all aspects as the original sample material. A “quartered sample” is a sample which has been created by quartering.
“Regulations” or “Rules”	means the ICE Futures Europe Regulations, rules, Procedures, Contract Rules, SDP Rulebook and Administrative Procedures as interpreted in accordance with Circulars and as the same are amended in accordance with the Regulations from time to time, or any arrangements, directions and provisions made thereunder as the context may require.
“Related Company”	means a subsidiary or parent company or any subsidiary or parent company thereof which form part of a group of companies.
“Rent”	means a periodic fee (not including any other charges) which a Warehousekeeper shall be entitled to charge to the Beneficiary of Goods in respect of the storage of a lot of Robusta Coffee (in bags or FIBCs) or a Delivery Unit (either in bags and/or in bulk) of Cocoa in a Warehouse and which is levied pursuant to these GWPs.
“Rip and Tip Charges”	means all costs and fees, in addition to the Loading Out Charge, associated with the conversion of Goods stored in bags or FIBCs into bulk format for Loading Out on to Bulk Truck in the case of Robusta or on to a truck or reasonable equivalent in the case of cocoa. Costs to include, but not limited to, costs of labour, machinery, the disposal of bags and any charges for transfer of Goods from store to equipment or movement of equipment to nearby the Goods.
“Robusta Coffee”	shall mean coffee of the botanical species <i>Coffea canephora</i> Pierre ex A. Froehner, with some varieties and cultivars of these species.
“Robusta Coffee Contract Rule”	means Rule GGGG, as amended from time to time.
“shipment period”	means, in respect of Robusta Coffee, the crop year for the country of origin of Robusta Coffee as defined by the International Coffee Organisation.
“Single Capacity Warehousekeeper”	means a Warehousekeeper which has been: (i) nominated by the Exchange in its absolute discretion to store in its Warehouse Goods piled as parcels, lots or Standard and Large Delivery Units, (ii) approved by the Operator to cause Warrants to be created on SDP; and (iii) approved by the Exchange to appear on the List of Nominated Warehousekeepers

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and Warehouses published from time to time by notice posted on the Market.

“Softs Deliveries Platform” or “SDP”	means the electronic system relating to delivery and warrant management services, or any successor thereto, which amongst other things, creates Warrants relating to Cocoa and Robusta Coffee stored in a Warehouse for delivery under a contract.
“SDP”	shall have the meaning set out in SDP Regulation A.1.
“SDP Rulebook”	means the rules and regulations governing the Softs Deliveries Platform.
“Standard Delivery Unit”	means an amount of bagged Cocoa having a nominal net weight of 10 Tonnes.
“Supervision Company”	is a company whose business is the supervision and/or inspection of goods and which is appointed by the Exchange for the purposes of performing inspections on behalf of the Exchange.
“Supervisor”	is a person employed exclusively by a Supervision Company and who is nominated by the Exchange to have sufficient experience and expertise in the sampling of Cocoa and Robusta Coffee.
“Suspended”	means that the related Warrant(s) shall not be valid for tender.
“Terms and Conditions of Appointment of Nominated Warehousekeepers”	means the terms and conditions of appointment of Nominated Warehousekeepers provided by the Exchange to Warehousekeepers from time to time which an approved Warehousekeeper is required to adhere to following its successful application to become a Warehousekeeper in accordance with GWP D.1.8.1.
“Titleholder”	means, subject to SDP Regulation C.3.4, the person who has been nominated by a Warehousekeeper or another Titleholder to be “Titleholder” in respect of one or more Warrants on SDP and is recorded as such on SDP for the Goods to which a Warrant relates.
“Titleholder Application Form”	means the application, in the form prescribed by the Operator from time to time, to be provided by an applicant Titleholder to the Operator in accordance with SDP Regulation C.3.3.2.1 as part of its application to become a Titleholder.
“top-up”	means the addition of material to a Delivery Unit which has fallen below the relevant weight tolerance as specified in the Contract Rules.

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“Underlying Goods”	means, in relation to a Warrant, the Goods described therein as relating to that Warrant.
“U.S. Warrant”	means a Warrant governed by U.S. law.
“Warehouse”	means a warehouse in respect of which a Warehousekeeper has been nominated by the Exchange in its absolute discretion to store Goods and which appears on the List of Nominated Warehousekeepers and Warehouses published from time to time by notice posted on the Market. A Warehouse shall, for the purposes of nomination under these GWPs, be a single structure designed or modified for the purpose of storing Goods, or groups of such structures connected by internal doors allowing for the passage of the relevant Goods. Where there are no such interconnecting doors between such structures these shall be nominated as separate Warehouses.
“Warehousekeeper”	means either a Single or Dual Capacity Warehousekeeper which has been: (i) nominated by the Exchange in its absolute discretion to store in its Warehouse Goods piled as either parcels, lots, Standard and Large Delivery Units or Standard, Large or Bulk Delivery Units, as the case may be; (ii) approved by the Operator to cause Warrants to be created on SDP; and (iii) approved by the Exchange to appear on the List of Nominated Warehousekeepers and Warehouses published from time to time by notice posted on the Market.
“Warrant”	means an electronic record (described as a warrant record) issued by a Warehouse in SDP for the delivery of a parcel, lot, or Delivery Unit stored in that Warehouse which, subject to these GWPs and the SDP Rulebook, authorises the Beneficiary to transfer or receive the parcel, lot or Delivery Unit referred to therein.
“Warrant Management Service”	means the warrant management service offered by the Operator as described in further detail in Section C of the SDP Rulebook.

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### **Section C: STATEMENTS OF PRINCIPLE IN RESPECT OF WAREHOUSEKEEPERS NOMINATED BY THE EXCHANGE FOR THE STORAGE OF COCOA AND ROBUSTA COFFEE**

- C.1 The following is a statement of the standards expected of a Warehousekeeper nominated by the Exchange for the storage of Goods, whether such Goods are in respect of a Contract or a Non-Exchange Contract. These standards are not exhaustive of the standards expected. Observance of these standards by a Warehousekeeper does not absolve a failure to observe other requirements specified in these GWPs or elsewhere; furthermore, observance of such other requirements does not necessarily amount to conformity with these Statements of Principle.
- C.2 Failure to observe these standards may result in either, an instruction by the Exchange for remedial action to be taken by the Warehousekeeper to ensure observance and/or, disciplinary action being instigated.
- C.3 A Warehousekeeper:
- (a) shall at all times observe high standards of integrity and shall not perform any actions which may disadvantage any current or potential owner of Goods stored within their Warehouse;
  - (b) shall observe high standards of conduct, complying with any procedures or requirements of the Exchange and any state or local requirements that may be relevant to the storage of Cocoa and Robusta Coffee in force at any particular time;
  - (c) should either avoid any conflict of interest or, where conflict arises, should ensure fair treatment to any owner of Goods stored within their Warehouse;
  - (d) should ensure that it maintains adequate financial resources to provide continuity in the provision of services for any current and potential owner of Goods stored within their Warehouse, and makes such other financial provisions as may be prescribed by the Exchange from time to time for the protection of any owner's interests;
  - (e) should ensure that all Goods stored for potential delivery against the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contracts, Non-Exchange Contracts or ICE Futures Robusta Coffee Futures Contract are properly segregated and identified, and that proper action has been taken to protect such Goods against potential risks to their security and integrity;
  - (f) should organise and control its internal affairs in a responsible manner, keeping proper records, and should have adequate arrangements to ensure that persons employed by the Warehousekeeper to perform duties relating to the storage of Goods are suitable, adequately trained and properly supervised and that well-defined procedures exist for all relevant duties;
  - (g) shall deal with the Exchange in an open and co-operative manner and keep the Exchange promptly informed of anything concerning the Warehousekeeper or Goods stored within their Warehouse which might reasonably be expected to be disclosed to the Exchange; and
  - (h) shall ensure that all charges, whether published by the Exchange or not, be reasonable and comparable with the commercial charges levied for similar services and reflect actual services rendered.

For these purposes, references to an "owner" shall include any Beneficiary.

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## **Section D: WAREHOUSEKEEPING PROCEDURES IN RESPECT OF WAREHOUSEKEEPERS AND WAREHOUSES NOMINATED BY THE EXCHANGE FOR THE STORAGE OF COCOA AND ROBUSTA COFFEE**

### **D.1 GENERAL**

#### **D.1.1 Exchange Warehousekeeping Operations**

D.1.1.1 The warehousekeeping operations necessary to support the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contracts, ICE Futures Robusta Coffee Futures Contracts and Non-Exchange Contracts are supervised by the Exchange.

D.1.1.2 In respect of warehousekeeping operations, the Exchange is responsible for:

- (a) listing or delisting Warehousekeepers on the Exchange's List of Nominated Warehousekeepers and Warehouses;
- (b) the approval of a Warehouse;
- (c) the publication of the List of Nominated Warehousekeepers and Warehouses and any details in accordance with GWP D.1.26.8 and publication of certified stock reports per port or Delivery Area;
- (d) the inspection of the internal management controls and operating procedures of Warehousekeepers and the inspection of related Warehouses; and
- (e) monitoring the compliance by Warehousekeepers, Titleholders that are Members and Beneficiaries that are Members with the Regulations, including the relevant Contract Rules, these GWPs and any other such procedures as may be issued by the Exchange from time to time.

D.1.1.3 Each Participant shall pay to the Exchange such fees and rates that may be published by the Exchange from time to time, or otherwise notified to the Participant. Payment of such fees will be made within thirty (30) days after receipt of the invoice and any fees not so paid within that time shall thereafter bear interest at the rate of 12% per annum until paid. Fees or rates established by the Exchange may be changed at any time on sixty (60) days' prior notice given by the Exchange to the Participant.

#### **D.1.2 Inspection of a Warehouse and Warehousekeeper**

D.1.2.1 The Exchange operates an inspection programme in respect of which it aims to inspect each Warehouse and Warehousekeeper on a regular basis.

D.1.2.2 In addition, a Warehouse or a Warehousekeeper may be inspected at any other time, at the absolute discretion of the Exchange.

D.1.2.3 The inspection has six primary objectives:

- (a) to satisfy the Exchange that a Warehouse is in good order and to verify that any faults previously identified have been corrected;
- (b) to ensure that the storage of Goods complies with the relevant Contract Rules and these GWPs;
- (c) to satisfy the Exchange that the Warehousekeeper has adequate procedures for the receipt, storage, sampling, weighing and loading out of Goods to ensure compliance with the relevant Contract Rules and these GWPs;
- (d) to verify that sufficient appropriate documentary records are properly maintained by the Warehousekeeper to ensure an audit trail of the history of the Goods can be constructed;

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- (e) to verify that sufficient appropriate documentary records are properly maintained by the Warehousekeeper in relation to charges made by the Warehousekeeper and to satisfy the Exchange that the Warehousekeeper is, or has been, complying with GWP D.1.26 in relation to the application of those charges; and
  - (f) to verify the proper maintenance of information in respect of Goods stored by the Warehousekeeper, details of which are represented by Warrants.
- D.1.2.4 The inspectors shall be employees of the Exchange who it considers to be properly qualified to conduct Warehouse inspections or, such other persons appointed by the Exchange whom it considers to be properly qualified and with no material or financial interest in any Warehousekeeper, or in Goods stored by such Warehousekeeper.
- D.1.2.5 The Exchange will give instructions to the Warehousekeeper in respect of the rectification of any faults that are found and of any subsequent inspection considered necessary.
- D.1.2.6 Exchange inspectors have no obligation to inspect the condition, external or otherwise, of Goods stored by the Warehousekeepers, nor to make their findings known to the Beneficiary of the Goods or the related Titleholder.
- D.1.2.7 A Warehousekeeper shall allow representatives of the Exchange to inspect the Warehouse (or premises that were previously nominated by the Exchange), its facilities for the receipt and delivery of any Goods and the Warehousekeeper's records relating to the Warehouse and the Goods currently or previously stored within it, and the records relating to the Rent and Loading Out Charges levied by it during normal working hours. The Exchange may, at its absolute discretion, make or request copies of any such records.
- D.1.2.8 A Warehousekeeper shall allow the Beneficiary to inspect the Goods referred to therein during normal working hours.
- D.1.3 **Softs Deliveries Platform**
- D.1.3.1 A Warehousekeeper shall, where information is to be made available to or by them via SDP, comply with the applicable procedures relating to the operation and maintenance of that data system, such procedures being issued by the Operator.
- D.1.3.2 A Warehousekeeper shall ensure that a sufficient number of members of their staff are competent in the operation of SDP or that it has arrangements in place for the operation of SDP via a third party.
- D.1.3.3 A Warehousekeeper shall:
  - (a) when submitting a sampling notification to the Exchange in respect of the initial grading, ensure that all details which are required to be entered onto SDP as part of the Warrant creation process pursuant to SDP Regulation C.4.3.4(c) have been entered and are up to date, such details including:
    - (i) Warehousekeeper;
    - (ii) Warrant Number;
    - (iii) Number of Warrants;
    - (iv) Titleholder;
    - (v) Beneficiary;
    - (vi) Origin; and
    - (vii) Delivery Unit (Cocoa only).

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Subject to GWPs D.2.4.3(c) and D.3.4.4(c), the following details shall be entered on to SDP by the Warehousekeeper no later than two business days after the sample has been received at the Grading Room but may also be included with the information entered on to SDP pursuant to GWP D.1.3.3(a):

- (i) Vessel;
  - (ii) Warehouse in which the Underlying Goods are stored;
  - (iii) In respect of Cocoa or Robusta Coffee stored in bags, the number of bags comprising the parcel, lot or Delivery Unit and whether these are sound or slack;
  - (iv) Final day of landing;
  - (v) Date on which loading into the Warehouse was completed;
  - (vi) Original Weigh Date (in the case of a Cocoa Bulk Delivery Unit this should be taken as the date on which weighing was completed);
  - (vii) Gross weight and tare;
  - (viii) Any date on which the parcel, lot or Delivery Unit was re-weighed;
  - (ix) Number and date of issue of the bill(s) of lading for the shipment of the Cocoa or Robusta Coffee from Origin;
  - (x) Shipment period;
  - (xi) Whether the Cocoa or Robusta Coffee are subject to preferential or non-preferential rate of duty; and
  - (xii) Where the Cocoa or Robusta Coffee are subject to preferential duty, that the documents referred to in the relevant Contract Rules are available in accordance with those terms; and
- (b) where a Delivery Unit is the subject of an application for re-grading, prior to the taking of a sample for submission to the Grading Room and in accordance with GWP D.1.3.4, ensure that all details recorded on SDP relating to the Delivery Unit (including, for the avoidance of doubt, all information recorded pursuant to GWP D.1.3.3(a)) have been recorded and are accurate and up to date.

D.1.3.4 A Warehousekeeper shall ensure that all details of Warrants are correct and updated within one business day of any relevant physical process having been completed. Such physical process may include, without limitation, re-weighing, sampling including industry samples, re-piling or conversion of a Delivery Unit and removal of Goods from the Warehouse. For the avoidance of doubt, where all or part of the Goods comprising a Lot or Delivery Unit are removed from the Warehouse, the Warehousekeeper must change the status of the Warrant in SDP to “Loaded Out”.

D.1.3.5 A Warehousekeeper shall ensure that at all times the information recorded on SDP accurately reflects the rent paid in respect of any Warrant.

### D.1.3.6 **Warrants on SDP**

D.1.3.6.1 A Warehousekeeper shall be responsible for the creation of Warrants in respect of Goods stored by the Warehousekeeper in a Warehouse. A Warrant must be created in accordance with SDP Regulation C.4.3 prior to the initial grading of the Goods.

D.1.3.6.2 When nominating a Titleholder on SDP, the Warehousekeeper shall be responsible for entering the name of the Beneficiary on to SDP.

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- D.1.3.6.3 The Warehousekeeper shall take reasonable steps (such as including a reasonably prominent statement on its website) to put on notice persons dealing with Goods within its Warehouses that such Goods may be subject to the interests of Beneficiaries within SDP from time to time.
- D.1.4 **Beneficial Interest**
- D.1.4.1 If either the Beneficiary or the Titleholder making an application for grading on behalf of the Beneficiary under GWPs D.2.4.2 or D.3.4.1, and E.1.10:
- (a) has an interest of 5% or more in the capital of;
  - (b) is a partner of; or
  - (c) has any other financial interest in,
- the Warehousekeeper storing the Goods, the Titleholder, or the Beneficiary of the Goods, as the case may be, shall inform the Warehousekeeper and, if such Beneficiary or Titleholder is a Clearing Member, the Exchange of that fact. Where the Warehousekeeper has knowledge of any beneficial interest it shall be obliged to inform the Exchange as soon as the Warehousekeeper becomes aware.
- D.1.5 **Supervision of Sampling**
- D.1.5.1 The Exchange may at its absolute discretion, supervise, or have supervised by a Supervision Company the sampling of any Goods stored in a Warehouse.
- D.1.5.2 Following the notification of sampling under GWP D.2.4.3 or D.3.4.3 the Exchange may request a Supervision Company to appoint a Supervisor to supervise the drawing (and if required quartering) and sealing of the sample at the Exchange's expense subject to the provisions of GWP D.1.5.7.
- D.1.5.3 Where the Exchange has determined in accordance with GWP D.1.5.2 that sampling notified under GWP D.2.4.3 or D.3.4.3 will be supervised and has notified the Warehousekeeper of such determination, the Warehousekeeper shall provide the Exchange with information as requested and in a form determined by the Exchange from time to time.
- D.1.5.4 The Exchange will advise the Supervision Company and the Warehousekeeper of the appointment and the Exchange reference number. The Exchange reference number may be for Goods which are:
- (a) represented by a specific Warrant;
  - (b) represented by a number of Warrants; or
  - (c) covered by one or more bill(s) of lading or similar document and are due to be stored or already stored by the Warehousekeeper.
- D.1.5.5 The Warehousekeeper shall advise the Exchange and Supervision Company of any changes to the details supplied in accordance with GWP D.1.5.2 and D.1.5.3 immediately upon the Warehousekeeper becoming aware of such changes.
- D.1.5.6 On occasions where the Exchange has advised the Warehousekeeper that supervision of a sampling operation is to occur under these GWPs, the Warehousekeeper shall allow Supervisors and/or Exchange Officials, access to the relevant Goods and documents for the purpose of supervising the sampling.
- D.1.5.7 When the Exchange appoints a Supervision Company to supervise sampling, the sampling operation covering the sampling of Goods under a specific Exchange reference number may only start in the Warehouse(s) during normal port or Delivery Area working hours. In the event that the Warehousekeeper or Beneficiary wishes to sample outside the normal port or Delivery Area working hours and subject to GWPs D.2.4.4 and D.3.4.4, any additional cost of supervision incurred by the Exchange shall be for the account of the Warehousekeeper.

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- D.1.5.8 The Exchange may, and at its sole discretion, specify the start time and date of any sampling operation. If the Exchange specifies a start time and date for a sampling operation which is outside the normal port or Delivery Area working hours, any additional costs incurred by the Warehousekeeper shall be for the account of the Exchange.
- D.1.5.9 In the event that the Supervisor is not in attendance at the specified time and place, the Warehousekeeper shall immediately advise the Exchange.
- D.1.6 **Liability**
- D.1.6.1 Without prejudice to any exclusion of liability provision in the Regulations or the Clearing House Rules, none of the Exchange, the Nominee, the Directors, the Operator, the Operator Directors or the Clearing House shall be liable for any loss or damage whatsoever, whether for negligence, breach of contract, misrepresentation or otherwise, in respect of any failure whatsoever by a Warehousekeeper, Titleholder or Beneficiary to comply with any of its obligations under the Regulations, including the relevant Contract Rules, any Non-Exchange Contract, the SDP Rulebook or these GWPs, including (without prejudice to the generality of the foregoing):
- (a) any failure by a Warehousekeeper, Titleholder or Beneficiary to comply with its obligations in relation to the use of the Warrant Management Service provided in SDP;
  - (b) any failure by a Warehousekeeper, Titleholder or Beneficiary to provide or maintain accurate details or other information recorded within SDP, including in respect of a Warrant or Beneficiary;
  - (c) any failure by a Warehousekeeper or Supervision Company to comply with its obligations;
  - (d) any failure by a Warehousekeeper to comply with its obligations under the Regulations, including the relevant Contract Rules and these GWPs, or of any responsibilities which it may assume towards Titleholders, Beneficiaries or any other person pursuant to the terms of any receipt, Warrant or contract, or in respect of the condition of a Warehouse or its suitability for the storage of Goods; or
  - (e) any failure by a Warehousekeeper to comply with its obligations pursuant to GWP D.1.26 (irrespective of whether or not the Exchange or the Directors have taken disciplinary or enforcement action against a Warehousekeeper in respect of such failure).
- D.1.6.2 Nothing in this provision shall operate to exclude or restrict the liability of the Exchange, the Nominee, the Operator, the Operator Directors, the Directors or the Clearing House for fraud, wilful default, or death or personal injury due to negligence.
- D.1.6.3 Parties placing Cocoa or Robusta Coffee into a Warehouse or taking delivery of Cocoa or Robusta Coffee in or from such Warehouse shall accordingly have no claim against the Directors, the Operator Directors, the Exchange, the Operator, the Nominee, the Clearing House or any committee or employee thereof, which is excluded in this GWP D.1.6.
- D.1.7 **Criteria for Approval as a Warehousekeeper**
- D.1.7.1 For a Warehousekeeper to be approved as a Warehousekeeper and in order to maintain that status, the Exchange must be satisfied that he:
- (a) carries on business in a port or Delivery Area where Warehouses are eligible for nomination under the relevant Contract Rules;
  - (b) is of sufficient business and financial standing, meets the financial requirements prescribed by the Exchange from time to time and has in place a performance bond as prescribed by the Exchange from time to time for the protection of an Owner's interests (or such other financial

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provisions as may be prescribed by the Exchange from time to time) (a “**Performance Bond**”). The Exchange may, at any time, request information regarding the financial status of a Warehousekeeper;

- (c) has, or is part of a Related Company that has, experience the Exchange determines to be materially comparable to that of a Warehousekeeper for a reasonable period. A reasonable period will usually be considered to be at least two years, with a minimum of one year’s experience of storing either Cocoa or Robusta Coffee or both, or that the Warehousekeeper employs staff with such experience;
- (d) has in place the necessary procedures and management controls to ensure their compliance with the Regulations, including the relevant Contract Rules, SDP Rulebook and these GWP for the classification of Warehousekeeper in respect of which it is or is seeking to be nominated;
- (e) shall organise and control their affairs in a responsible manner, keep proper records, have well defined procedures for handling and storing Cocoa and Robusta Coffee and ensure that their employees, contractors or agents are suitable, adequately trained and properly supervised;
- (f) has in place such insurance as shall be specified by the Exchange in its absolute discretion from time to time;
- (g) where applicable, is licensed to issue a Warrant for the delivery of Cocoa or Robusta Coffee in accordance with the terms of the Warrant, by a National or State licensing authority, and shall not breach any applicable National or State law;
- (h) has satisfactory communication and office facilities for the creation of Warrants and such other documents relating to delivery;
- (i) shall undertake to use SDP, either directly or via a third party, prior to taking Goods into store and piling them for potential delivery against positions in the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contracts or ICE Futures Robusta Coffee Futures Contract, as the case may be;
- (j) satisfies any other requirements that the Exchange may prescribe from time to time; and
- (k) shall undertake, with the full understanding of the provisions of GWP D.1.27.8, to provide, where necessary, adequate resources to facilitate the Loading Out of all Goods stored in their Warehouses within 60 calendar days of receiving the necessary Loading Out requests under GWP D.1.27.1.

D.1.7.2 In respect of a Warehousekeeper who is, or who is seeking to be approved as a Dual Capacity Warehousekeeper, in addition to the above, the Exchange must also be satisfied that the Warehousekeeper:

- (a) has, or is part of a Related Company that has, adequate experience of the handling of bulk Cocoa, or that the Warehousekeeper employs staff with such experience; and
- (b) possesses or has access to equipment and bags to enable compliance with the requirements of GWP D.1.16.7.

D.1.7.3 Pursuant to GWP D.1.7.1(e), a Warehousekeeper shall have appropriate and detailed procedures to evaluate on a continuing basis the suitability of senior management, which for the purposes of this GWP includes any director, partner, sole practitioner, senior manager or any other individual whose position enables them to assert a material influence over the management of the Warehousekeeper’s operation. Such procedures shall include, but are not limited to, an assessment against the criteria detailed below:

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- (a) whether any such person has been convicted of any criminal offence. Particular consideration should be given to offences of dishonesty, fraud, financial crime or other offences relating to companies, insolvency, money laundering, market manipulation or insider dealing;
- (b) whether any such person has been the subject of an adverse finding or any settlement in civil proceedings, particularly in connection with the formation or management of a body corporate;
- (c) whether any such person has been the subject of, or has been interviewed in the course of, any existing or previous investigation or disciplinary proceedings by a regulatory authority, clearing house or exchange, professional or trade body, or government body or agency;
- (d) whether any such person has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;
- (e) whether any such person has been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;
- (f) whether any such person has been a director, partner, or has been concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;
- (g) whether any such person has been dismissed, or has been asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;
- (h) whether any such person has ever been disqualified from acting as a director or from acting in any managerial capacity; and
- (i) whether any such person being an individual has ever been declared bankrupt or has made any arrangement or composition with their creditors.

D.1.7.4 Where a Warehousekeeper assesses that any criterion detailed in GWP D.1.7.3 has been met by any person in a senior management position, the Warehousekeeper shall immediately notify the Exchange with details of all facts and circumstances surrounding the assessment, including:

- (a) whether the Warehousekeeper believes, notwithstanding that one or more of the criteria has been met, that the person remains suitable for senior management; and, if so
- (b) the reasons, facts, or circumstances why the Warehousekeeper believes the person remains suitable.

D.1.7.5 In order to satisfy itself that a prospective or existing Warehousekeeper fulfils the criteria detailed in this GWP D.1.7, the Exchange may seek references from any organisation or body it considers appropriate (including, without limitation, any persons recorded as Beneficiaries or Titleholders within SDP, other Warehousekeepers, bankers or Dun & Bradstreet).

### D.1.8 **Application to become a Warehousekeeper**

D.1.8.1 To be approved and to remain approved as a Warehousekeeper an applicant must:

- (a) meet the criteria for approval specified in GWP D.1.7 for the classification of Warehousekeeper in respect of which it is applying;
- (b) sign the Terms and Conditions of Appointment of Nominated Warehousekeepers;

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- (c) register at least one Warehouse suitable for the storage of Goods. For the avoidance of doubt, a Warehousekeeper wishing to remain on the List of Nominated Warehousekeepers and Warehouses will be required to have at least one Warehouse in respect of which it is the Nominated Warehousekeeper; and
  - (d) submit to the Exchange details of its charges as required by GWP D.1.26.1. Such charges must satisfy the requirements of GWP D.1.26.2.
- D.1.8.2 To apply for nomination the applicant shall complete a Nominated Warehousekeeper Application Form and submit it to the Exchange together with a copy of their latest accounts and such other documents as the Exchange may require. To support the application, the Exchange will require references from a minimum of two persons who have stored Cocoa or Robusta Coffee with the applicant within the previous two years. The Exchange may, at any time, request information from the Warehousekeeper as to any matter relevant to preserving the integrity of the contract.
- D.1.8.3 The Exchange will, when considering an application or readmission, and at the applicant's expense, inspect the facilities which are the subject of the application.
- D.1.8.4 A successful applicant will be required to sign the Terms and Conditions of Appointment of Nominated Warehousekeepers.
- D.1.8.5 Subject to GWP D.1.8.1 being completed satisfactorily and upon payment of both the annual Nominated Warehousekeeper Fee and the annual Nominated Warehouse Fee, as determined by the Exchange from time to time, and having made such other financial provisions as may be prescribed by the Exchange from time to time for the protection of a Beneficiary's interests, the applicant will be added to the List of Nominated Warehousekeepers and Warehouses published by the Exchange from time to time.
- D.1.8.6 The acceptance of an application to become a Warehousekeeper will be at the absolute discretion of the Exchange. Where the Exchange decides not to accept the application to become a Warehousekeeper the Warehousekeeper may appeal the decision of the Exchange. An appeal made under this GWP must be made to the Directors (or to a committee appointed by the Directors for this purpose) in writing within five business days of the decision not to accept the application. The Directors or such committee shall determine the appeal within 28 days of the Exchange's receipt of the written appeal.
- D.1.9 **Application to add a Warehouse**
- D.1.9.1 To have a Warehouse approved and for such Warehouse to remain approved, the applicant Warehousekeeper must ensure that it meets the requirements specified in GWP D.1.16 for the classification of the Warehouse in respect of which it is applying.
- D.1.9.2 To apply for nomination of a Warehouse the applicant shall complete a Nominated Warehouse Application Form and submit it to the Exchange together with such other documents as the Exchange may require.
- D.1.9.3 The Exchange will, at the applicant's expense, inspect the facilities which are the subject of the application when considering the application.
- D.1.9.4 Subject to GWP D.1.9 being completed satisfactorily and the discretion granted to the Exchange pursuant to GWP D.1.9.5, the Warehouse will be added to the List of Nominated Warehousekeepers and Warehouses.
- D.1.9.5 The acceptance of an application for the nomination of a Warehouse will be at the absolute discretion of the Exchange.
- D.1.10 **Annual Renewal of Nomination**

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- D.1.10.1 In order for the Warehousekeeper to continue to be eligible for nominated status, the Warehousekeeper is required by no later than 3 months prior to 1 June, or on such other date as may be notified by the Exchange, to submit to the Exchange each year:
- (a) an Application Form for Renewal of Appointment to the List of Nominated Warehousekeepers and
  - (b) details of its charges as required by GWP D.1.26.1. Such charges must satisfy the requirements of GWP D.1.26.2.
- D.1.10.2 A Warehousekeeper shall notify the Exchange immediately if it has reason to believe that any of the information supplied to the Exchange in the original Nominated Warehousekeepers Application Form or the annual Nominated Warehousekeeper Application Form for Renewal of Appointment has ceased to be accurate, or if it ceases to comply with the requirements stated in these GWPs.
- D.1.10.3 A Warehousekeeper shall pay to the Exchange both the annual Nominated Warehousekeeper Fee and the annual Nominated Warehouse Fee, as determined by the Exchange, by no later than 30 April each year, or on such other date as may be notified by the Exchange.
- D.1.11 **Resignation**
- D.1.11.1 A Warehousekeeper wishing to resign from their nominated status shall give six months' notice in writing to the Exchange. If a Warehousekeeper fails to submit its application form for renewal of appointment to the List of Nominated Warehousekeepers in accordance with GWP D 1.10.1, the Exchange shall deem the Warehousekeeper to have given notice of resignation of his nominated status. The Exchange shall ensure that the Operator is promptly made aware upon receipt of such notice.
- D 1.11.2 Upon receipt of the Warehousekeeper's notice of resignation or upon deemed notice of such resignation under GWP D 1.11.1, the Exchange may immediately suspend the Warehousekeeper from the List of Nominated Warehousekeepers and shall publish such information by notice posted on the Market. A Warehousekeeper that has given notice of resignation or who has been deemed by the Exchange to have given notice of resignation under GWP D 1.11.1 may not create any new records on Guardian in respect of any Cocoa or Robusta Coffee currently stored, or expected to be stored, by that Warehousekeeper.
- D 1.11.3 The Exchange shall not be required to accept the resignation of a Warehousekeeper (deemed or otherwise) under GWP D 1.11.1 until it receives in writing confirmation from the Warehousekeeper that:
- (a) it no longer has any Goods held in Warehouses under its control or; either
  - (b) it has received:
    - (i) the consent of all current Beneficiaries and the Titleholders of the relevant Warrants for the Goods to be transferred in accordance with GWPs D.1.19 and D.1.20, D.1.23, D.1.24 or D.1.25, as the case may be, into the control of another Warehousekeeper; or
    - (ii) the agreement of the current Beneficiaries and the Titleholders of the relevant Warrants that the Goods will no longer be stored in a Warehouse, in which case the Goods will be Loaded Out in accordance with GWP D.1.27.

In circumstances where the Exchange has not received such written confirmation but has received instruction from the current holder(s) of the relevant Warrants for the Goods that the Goods should be transferred into the control of another Warehousekeeper, the resigning Warehousekeeper (deemed or

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otherwise) shall be required to move or effect the change in control of the Goods which have a Valid Grading Result.

D.1.11.4 Any movement or change in control of Goods which have a Valid Grading Result which are required to be made by the Warehousekeeper must comply with GWPs D.1.19 and D.1.20, D.1.21, D.1.23 or D.1.24, as the case may be.

D.1.11.5 Any costs incurred in connection with the movement or change in control of Goods necessitated by the resignation of the Warehousekeeper, shall be for the account of the Warehousekeeper.

For the purpose of these GWPs, the cost of the movement of Goods will include but not be limited to:

- (a) the cost of loading of the Goods onto the means of transportation;
- (b) the cost of transportation of the Goods to the receiving Warehouse;
- (c) the cost of unloading of the Goods into the receiving Warehouse;
- (d) the cost of weighing the Goods at the receiving Warehouse;
- (e) in the case of Goods for which Loading Out Charges have been pre-paid to the Warehousekeeper, the cost of pre-paid Loading Out Charges at the receiving Warehouse; and
- (f) the legal and administrative costs in relation to (a) to (e) above.

D.1.11.6 Should the Warehousekeeper refuse to co-operate with the Owner of the Goods with regard to meeting any reasonable costs incurred in the movement of the Goods, the Owner shall inform the Exchange of this in writing and provide a detailed account of the costs incurred in the movement of the Goods. Where the Exchange considers that such costs as may be advised to it in accordance with GWP D 1.11.5 are reasonable, the Exchange may, in its absolute discretion, utilise the Performance Bond of the Warehousekeeper resigning its Nomination (deemed or otherwise) to meet such costs.

D.1.11.7 The Exchange, once satisfied that it is in possession of all requests for funds in accordance with GWP D 1.11.6, in relation to the resignation of nomination of a particular Warehousekeeper, will allocate to the Owner(s) of the Goods the funds deriving from utilisation of the Performance Bond in the following manner:

- (a) where sufficient funds are available, the cost of moving all relevant Goods which have a Valid Grading Result or expired Valid Grading Result will be met. Any surplus funds will be returned to the issuer of the Performance Bond; or
- (b) where the funds are not sufficient to meet the costs of moving all Goods which have a Valid Grading Result or expired Valid Grading Result then the funds will be allocated to meet the cost of moving:
  - (i) all relevant Goods which have a Valid Grading Result. Where the funds are not sufficient to meet the cost of moving all such Goods then the funds will be allocated pro-rata by Owner across those Goods; and
  - (ii) if any further funds are available, such funds will be allocated pro-rata by Owner across all relevant Goods which have an expired Valid Grading Result.

The Owner may seek to recover any remaining costs from the Warehousekeeper. The Exchange shall have no obligation to recover any remaining costs from the Warehousekeeper.

D.1.11.8 Where a Warehousekeeper wishes to resign the nominated status of a Warehouse it may do so by giving reasonable notice in writing to the Exchange. Reasonable notice shall be considered to be six full calendar months or until such time as any Goods have been removed from the Warehouse, whichever

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is the sooner. The Exchange may from time to time declare what is to be taken as reasonable notice for the purposes of this GWP, and different periods may be so declared for different cases.

D.1.11.9 Any movement of Goods necessitated by the resignation of a Warehouse GWP D 1.11.8, which is required to be made by the Warehousekeeper must comply with GWPs D.1.19, D.1.21, D.1.23 or D.1.24, as the case may be.

D.1.11.10 Any costs incurred in connection with the movement of Goods necessitated by the resignation of a Warehouse by the Warehousekeeper shall be for the account of the Warehousekeeper.

### D.1.12 **Insolvency**

D.1.12.1 The Exchange must be informed immediately, in writing, either directly by the Warehousekeeper or via the appointed liquidator or receiver, as the case may be:

- (a) where the Warehousekeeper is a company, if the Warehousekeeper passes a resolution for its winding up or a court of competent jurisdiction makes an order for the Warehousekeeper's winding up or dissolution;
- (b) where the Warehousekeeper is a partnership, if the Warehousekeeper is dissolved;
- (c) if the Warehousekeeper fails to pay any sum due and payable or suspends any payment;
- (d) of the making of an administration order in relation to the Warehousekeeper or the appointment of a receiver over, or an encumbrancer taking possession of or selling, an asset of the Warehousekeeper;
- (e) if the Warehousekeeper makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally;
- (f) of the making of a bankruptcy order against the Warehousekeeper; or
- (g) if the Warehousekeeper is subject to any other insolvency or bankruptcy procedure under the Insolvency Act 1986 or Insolvent Partnerships Order 1994 or an analogous procedure under the law of the jurisdiction in which the Warehousekeeper is incorporated or any jurisdiction in which it carries on business.

For these purposes the "winding up" or "dissolution" of a company or partnership, an "administration order" or "bankruptcy order" is to be construed so as to include any equivalent or analogous proceedings or orders under the law of the jurisdiction in which the Warehousekeeper is formed or any jurisdiction in which it carries on business.

D.1.12.2 Upon receiving a notification under GWP D.1.12.1, the Exchange will immediately suspend the Warehousekeeper from the List of Nominated Warehousekeepers and Warehouses and shall publish such information by notice posted on the Market. The suspended Warehousekeeper will continue to be bound by the Exchange's requirements and the Exchange may give directions as to the status and disposal of Warrants issued by the suspended Warehousekeeper which relate to Goods stored for potential delivery against the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contracts, ICE Futures Robusta Coffee Futures Contract or Non-Exchange Contracts in respect of these GWPs and the SDP Rulebook, provided that any such directions with respect to U.S. Warrants have been approved by the relevant Beneficiary.

D.1.12.3 Following the suspension of a Warehousekeeper, a Titleholder of Goods under the control of the suspended Warehousekeeper may, with the consent of the Beneficiary, make an application for the

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movement of the Goods to another Warehousekeeper in accordance with GWPs D.1.20, D.1.23 or D.1.24 as the case may be.

- D.1.12.4 Any movement undertaken under GWP D.1.12.3 must comply with GWP D.1.19 and GWPs D.1.20, D.1.23, D.1.24 or D.1.25 as the case may be, or as otherwise instructed by the Exchange in its absolute discretion.
- D.1.12.5 Any movement undertaken under GWP D.1.12.3 shall be the responsibility of, and for the account of the Beneficiary of the Goods. An Owner may make an application for the Exchange to utilise the Performance Bond of the Warehousekeeper who has been suspended to contribute to the costs incurred by the Owner in relation to the movement of the Goods.
- D.1.12.6 On consideration of an application under GWP D.1.12.5 the Exchange may, at its absolute discretion, determine not to utilise the Performance Bond where, at the time of the application:
- (a) the business of the suspended Warehousekeeper has been taken over by another Nominated Warehousekeeper and that Warehousekeeper has consented to taking control of the Goods; or
  - (b) the Goods are currently stored in a Warehouse which is registered by another Warehousekeeper and that Warehousekeeper has consented to taking control of the Goods.
- D.1.12.7 Subject to GWP D.1.12.6 the Beneficiary shall, upon completion of the movement of the Goods, present to the Exchange a detailed account of the costs incurred in the movement of the Goods. The Exchange may, in its absolute discretion, utilise the Performance Bond of the Warehousekeeper who has been suspended to contribute to the costs incurred by the Beneficiary in the movement of Goods which have a Valid Grading Result or an expired Valid Grading Result. Any such funds made available by the utilisation of the Performance Bond in accordance with these GWPs can only be used to contribute to the costs of the movement of Goods within the same Delivery Area (unless, in its sole discretion, the Exchange considers it necessary to utilise the funds otherwise).
- D.1.12.8 For the purpose of these GWPs the cost of the movement of Goods will include, but not be limited to:
- (a) the cost of loading of the Goods onto the means of transportation;
  - (b) the cost of transportation of the Goods to the receiving Warehouse;
  - (c) the cost of unloading of the Goods into the receiving Warehouse;
  - (d) the cost of weighing the Goods at the receiving Warehouse;
  - (e) in the case of Goods for which Loading Out Charges have been pre-paid to the Warehousekeeper, the cost of pre-paid Loading Out Charges at the receiving Warehouse; and
  - (f) the legal and administrative costs in relation (a) to (e) above.
- D.1.12.9 The Exchange, once satisfied that it is in possession of all requests for funds in accordance with GWP D.1.12.7 and the SDP Regulations, in relation to the suspension of a particular Warehousekeeper, will allocate to the Beneficiaries of the Goods the funds deriving from utilisation of the Performance Bond in the following manner:
- (a) where sufficient funds are available, the cost of moving all relevant Goods which have a Valid Grading Result or expired Valid Grading Result will be met. Any surplus funds will be returned to the issuer of the Performance Bond; or
  - (b) where the funds are not sufficient to meet the costs of moving all Goods which have a Valid Grading Result or expired Valid Grading Result then the funds will be allocated to meet the cost of moving:

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- (i) all relevant Goods which have a Valid Grading Result. Where the funds are not sufficient to meet the cost of moving all such Goods then the funds will be allocated pro rata by the Beneficiary across those Goods; and
- (ii) if any further funds are available, such funds will be allocated pro rata by the Beneficiary across all relevant Goods which have an expired Valid Grading Result.

The Beneficiary may seek to recover any remaining costs from the Warehousekeeper, their liquidator or receiver as the case may be. The Exchange shall have no obligation to recover any remaining costs from the Warehousekeeper, his liquidator or receiver.

- D.1.12.10 Following any suspension under GWP D.1.12.2, the nomination of a Warehousekeeper may be terminated in accordance with GWP D.1.13.
- D.1.12.11 Following any suspension under GWP D.1.12.2 samples may only be drawn from Goods under the supervision of the Exchange or a Supervision Company.
- D.1.12.12 A Warehousekeeper that has been suspended under GWP D.1.12.2 may not create any new records (including any new Warrants) on SDP in respect of any Cocoa or Robusta Coffee currently stored, or expected to be stored, by that Warehousekeeper.
- D.1.12.13 A tender against a position held in the ICE Futures London Cocoa Futures Contract, ICE Futures Euro Cocoa Futures Contract or ICE Futures Robusta Coffee Futures Contract of a Warrant issued by a Warehousekeeper which is made prior to the suspension of that Warehousekeeper shall not be invalidated, but no further tenders of Warrants issued by the suspended Warehousekeeper may be made after their suspension.
- D.1.12.14 In respect of any provision in these GWPs or the SDP Rulebook which provides that a Warrant shall no longer be tenderable or capable of being delivered pursuant to the terms or conditions of that GWP or SDP Regulation, such provision shall equally apply in respect of any Warrant subject to a Non-Exchange Contract, as it would apply to a Contract.
- D.1.13 **Termination of Nomination**
- D.1.13.1 The Exchange may, in its sole and absolute discretion, suspend or terminate at any time the nominated status of any Warehouse or Warehousekeeper.
- D.1.13.2 Except as provided under GWP D.1.12, a Warehousekeeper may appeal the decision of the Exchange to suspend or terminate its nomination or the nomination of a Warehouse for which it is the Nominated Warehousekeeper. An appeal made under this GWP must be made to the Directors (or to a committee appointed by the Directors for this purpose) in writing within five business days of the termination or suspension of the nomination and must contain evidence as to why the nomination should not be suspended or terminated. The Directors or such committee shall determine the appeal within 28 days of the Exchange's receipt of the written appeal.
- D.1.13.3 In the event of the termination of a nominated:
  - (a) Warehousekeeper, the nomination of all Warehouses under the control of such Warehousekeeper shall be terminated and the Warehousekeeper and all Warehouses under the control of such Warehousekeeper shall immediately be removed from the List of Nominated Warehousekeepers and Warehouses.
  - (b) Warehouse, the Warehouse shall immediately be removed from the List of Nominated Warehousekeepers and Warehouses.
  - (c) Warehouse or Warehousekeeper, the Directors may impose such other and further restrictions in connection with any such suspension or termination as it may deem necessary and appropriate.

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- D.1.13.4 Unless the Directors otherwise determine, if the nomination of any Warehouse is suspended or terminated for any reason, any Goods with a Valid Grading Result stored in such Warehouse must be moved (in accordance with the procedures of GWPs D.1.19 and D.1.21, D.1.23, D.1.24 or D.1.25, as applicable) to a Nominated Warehouse within 60 calendar days of such suspension or termination.
- D.1.13.5 Any movement undertaken under GWP D.1.13.4 shall be the responsibility of the Beneficiary of the Goods. Any costs incurred in the movement of the Goods shall be for the account of the Warehousekeeper whose nomination has been terminated. Should the Warehousekeeper refuse to cooperate with the Beneficiary of the Goods with regard to meeting any reasonable costs incurred in the movement of the Goods, the Beneficiary shall inform the Exchange of this in writing and provide a detailed account of the costs incurred in the movement of the Goods.
- D.1.13.6 Where the Exchange considers that such costs as may be advised to it in accordance with GWP D.1.13.5 are reasonable, the Exchange may, in its absolute discretion, utilise the Performance Bond of the Warehousekeeper whose nomination has been terminated to contribute to the costs incurred by the Beneficiary in the movement of Goods which have a Valid Grading Result or an expired Valid Grading Result. Any such funds made available by the utilisation of the Performance Bond in accordance with these GWPs can only be used to contribute to the costs of the movement of Goods within the same Delivery Area (unless, in its sole discretion, the Exchange considers it necessary to utilise the funds otherwise).
- D.1.13.7 For the purpose of these GWPs the cost of the movement of Goods will include but not be limited to:
- (a) the cost of loading of the Goods onto the means of transportation;
  - (b) the cost of transportation of the Goods to the receiving Warehouse;
  - (c) the cost of unloading of the Goods into the receiving Warehouse;
  - (d) the cost of weighing the Goods at the receiving Warehouse;
  - (e) in the case of Goods for which Loading Out Charges have been pre-paid to the Warehousekeeper, the cost of pre-paid Loading Out Charges at the receiving Warehouse; and
  - (f) the legal and administrative costs in relation to (a) to (e) above.
- D.1.13.8 The Exchange, once satisfied that it is in possession of all requests for funds in accordance with GWP D.1.13.5, in relation to the termination of nomination of a particular Warehousekeeper, will allocate to the Beneficiaries of the Goods the funds deriving from utilisation of the Performance Bond in the following manner:
- (a) where sufficient funds are available, the cost of moving all relevant Goods which have a Valid Grading Result or expired Valid Grading Result will be met. Any surplus funds will be returned to the issuer of the Performance Bond; or
  - (b) where the funds are not sufficient to meet the costs of moving all Goods which have a Valid Grading Result or expired Valid Grading Result then the funds will be allocated to meet the cost of moving:
    - (i) all relevant Goods which have a Valid Grading Result. Where the funds are not sufficient to meet the cost of moving all such Goods then the funds will be allocated pro rata by the Beneficiary across those Goods; and
    - (ii) if any further funds are available, such funds will be allocated pro rata by the Beneficiary across all relevant Goods which have an expired Valid Grading Result.

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The Beneficiary may seek to recover any remaining costs from the Warehousekeeper. The Exchange shall have no obligation to recover any remaining costs from the Warehousekeeper.

- D.1.13.9 Where the nomination of a Warehousekeeper or Warehouse has been suspended or terminated by the Exchange and if any Goods are being stored in the Warehouse in question, or by the Warehousekeeper, then:
- (a) further samples from such Goods for submission to the Exchange for grading shall only be drawn under supervision of the Exchange or a Supervision Company; and
  - (b) no tender shall be permitted of Goods with a Valid Grading Result until such time as:
    - (i) the Goods have been moved to another Warehouse, in accordance with GWPs D.1.19, D.1.21, D.1.23, D.1.24 or D.1.25, as the case may be;
    - (ii) a change in control of the Goods has occurred, in accordance with GWPs D.1.19 and D.1.20; or
    - (iii) the suspension of nomination has been lifted.
- D.1.13.10 Members of the Exchange, and all Titleholders who are not Members, shall be informed of the suspension or termination of the nomination of a Warehousekeeper or Warehouse and, where relevant, the status of the Goods which have a Valid Grading Result or expired Valid Grading Result stored by the Warehousekeeper or within the Warehouse, in such manner and at such time as may be determined by the Exchange.
- D.1.13.11 The Exchange may from time to time give directions as to the status and disposal of outstanding Warrants where the nominated status of a Warehouse or a Warehousekeeper has been suspended or terminated. Where the Exchange gives directions in accordance with this GWP D.1.13.11, the corresponding change will be reflected in SDP.
- D.1.13.12 A Warehousekeeper who ceases to be a Warehousekeeper in relation to a Warehouse shall remain subject to the Regulations, including these GWPs, the SDP Rulebook and to the jurisdiction of the Exchange in respect of all acts and omissions while it was a Warehousekeeper and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application or any other sanction imposed) as if it were a Warehousekeeper, for the longer of:
- (a) the period of 12 months from the date on which it ceased to be a Warehousekeeper in relation to such Warehouse; or
  - (b) the period during which any disciplinary proceedings continue against them, being proceedings started by the Exchange no later than 12 months after the date on which it ceased to be a Warehousekeeper subject to any extension of the period.

Where a Warehousekeeper has ceased to be a Warehousekeeper in relation to a Warehouse, it shall be open to the Exchange to rely upon any breach of the Regulations, including these GWPs, in respect of the time when the Warehousekeeper was subject thereto to any investigation or disciplinary proceedings.

### D.1.13.A **Duty to Notify**

D.1.13.A.1 Without prejudice to any similar obligations to notify the Exchange of matters arising pursuant to terms and conditions of acceptance as a Nominated Warehousekeeper or elsewhere in the Regulations or the SDP Rulebook, a Warehousekeeper shall immediately notify the Exchange in writing by electronic transmission of the occurrence of any of the following events:

- (a) acquisition of a licence issued by any other commodity exchange;

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- (b) any material and adverse change in financial condition or of an emergency event or a financial emergency;
- (c) if the Warehousekeeper is a corporate entity, any change in the ownership of or controlling interest in the corporate entity if it is a corporation, limited liability company or similar and, if the Warehousekeeper is a partnership, any change in the identity of the partners;
- (d) any conviction, finding of guilt, confession of guilt, plea of guilty, or plea of *nolo contendere* to a crime or misdemeanour charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act on the part of the Warehousekeeper or any director, partner, sole practitioner, senior manager or any other individual whose position enables them to assert a material influence over the management of the Warehousekeeper's operation;
- (e) any refusal to be granted a licence of any type by any commodity exchange; withdrawal of any application for a licence from any commodity exchange; suspension, or cancellation of a license or the issuance of any bar, fine, or censure against such licensee by any commodity exchange; issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related central counterparty or clearing organisation or competent regulatory authority or quasi-governmental body or under the authority of a competent court;
- (f) becoming subject to any material unsatisfied liens or judgments;
- (g) the discovery of any false statement made in or in connection with any application filed with the Exchange;
- (h) failure or inability to meet continuously the criteria for eligibility as a Nominated Warehousekeeper, including without limitation the eligibility of any Warehouse operated by a Nominated Warehousekeeper, or such other qualifications as the Directors may from time to time determine are in the best interests of the Exchange;
- (i) any irregularity or fraud, or neglect or infraction of the Regulations by any Titleholder or Beneficiary, or any licensee, that may come to its knowledge;
- (j) any damage relevant or material damage suffered by any Goods;
- (k) failure to meet the requirements prescribed in the Regulations, the SDP Rulebook or as may be specified by the Exchange from time to time; and
- (l) the inability to function as a Warehousekeeper, or the inability of a Warehouse to be used as such, due to a physical emergency such as damage to or destruction of business facilities, strike or other labour dispute, or other similar events.

### D.1.14 **Disciplinary Proceedings**

D.1.14.1 Any breach of these GWP's or the SDP Rulebook by a Warehousekeeper, or failure on their part to (i) observe the terms of or facilitate the performance of ICE Futures London Cocoa Futures Contracts, ICE Futures Robusta Coffee Futures Contracts or ICE Futures Euro Cocoa Futures Contracts made under the Regulations, or (ii) perform its obligations in respect of Underlying Goods in relation to a Warrant where the Beneficiary or Titleholder in respect of such Warrant is a Non-Member may be investigated under Section E of the Regulations, and disciplinary proceedings may be commenced against them thereunder.

### D.1.15 **Role and Responsibilities of a Warehousekeeper**

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- D.1.15.1 Goods shall be stored by a Warehousekeeper, in a Warehouse nominated by the Exchange for the storage of such Goods.
- D.1.15.2 Warehousekeepers have the following primary responsibilities under the Regulations, including the relevant Contract Rules, the SDP Rulebook and these GWPs:
- (a) to provide and properly maintain facilities for the receipt, storage, sampling and delivery out of Goods from a Warehouse in accordance with the Regulations, including the relevant Contract Rules, the SDP Rulebook and these GWPs for the classification of Warehousekeeper for which it is nominated;
  - (b) to create (or to cause the creation on its behalf of) Warrants and other documents in respect of Goods stored in a Warehouse, as required by the Regulations, including the relevant Contract Rules and these GWPs;
  - (c) to enter onto SDP and properly maintain Warrant details of Underlying Goods in store as required by the relevant Contract Rules, the SDP Rulebook and these GWPs;
  - (d) to ensure that Goods are at all times correctly stored and identified as required by:
    - (i) in respect of Cocoa, GWPs D.1.16, D.2.1 and D.2.2; or
    - (ii) in respect of Robusta Coffee, GWPs D.1.16, D.3.1 and D.3.2;
  - (e) a Warehousekeeper shall maintain Goods in external good order and externally free from any insect, rodent or any other type of infestation;
  - (f) to draw samples in accordance with GWPs D.2.4, D.2.5, D.2.6 and D.2.7 in respect of Cocoa and GWPs D.3.4 and D.3.5 in respect of Robusta Coffee for despatch to the Grading Room;
  - (g) to pay to the Exchange such registration and other fees as are provided for in or under the Regulations and in the Nominated Warehousekeeper Application Form or as prescribed by the Exchange from time to time. Such fees shall not be refundable in the event of resignation or termination of nomination;
  - (h) to maintain such other financial provisions as may be prescribed by the Exchange from time to time for the protection of a Beneficiary's interests;
  - (i) to maintain appropriate insurance to ensure that the interests of Beneficiaries are protected should a claimable event occur;
  - (j) to act in such a way that ensures that any landlord, authority or other person will not acquire a lien, right of pledge or similar charge over the Goods stored in the Warehouse, and to agree not to exercise any lien, right of pledge or similar charge in relation to the Goods save in respect of charges owed to them in relation to the storage of those Goods. If, notwithstanding this GWP, a lien or other right does arise, the Warehousekeeper shall notify the Exchange in writing immediately. Where the Warehousekeeper could discharge the lien it must do so immediately or, where this is not possible, it must arrange for all the Goods stored in the Warehouse to be transferred to another Warehouse, or as the Exchange shall direct, and upon such transfer shall ensure that the provisions of GWPs D.1.19, D.1.20, D.1.23, D.1.24 and D.1.25 are complied with; and
  - (k) to abide by any other procedures published by the Exchange from time to time.
  - (l) Warehousekeepers shall be registered at all times with the U.S. Food and Drug Administration as a "Food Facility" or "Foreign Food Facility", as applicable.

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- (m) In the case of Robusta Coffee, subject to the delivery notices having been issued, Warehousekeepers shall allow access to forthcoming Buyers of the goods from the Tender Day, for the purposes of inspecting the goods. The Warehousekeeper shall agree to sample the goods if required. This access extends to any nominated representative of the forthcoming Buyer.

D.1.15.3 Without prejudice to the Exchange's or an Owner's rights, the Exchange may, at its absolute discretion, determine to utilise the Performance Bond to cover any loss incurred or suffered by the Exchange, the Clearing House, the Operator, a Titleholder or Beneficiary (if different from the Titleholder) as a result of a Warehousekeeper's failure to perform its obligations in accordance with the terms and conditions of any Warrants, the Terms and Conditions of Appointment of Nominated Warehousekeepers, the Nominated Warehousekeeper Application Form as submitted by the Warehousekeeper, the Application Form for Renewal of Appointment, these GWPs, the SDP Rulebook, the relevant Contract Rules and Administrative Procedures or any other provisions of the Regulations of the Exchange.

### D.1.16 **Storage Requirements**

D.1.16.1 A Warehouse may only be registered by one Warehousekeeper. A Warehousekeeper may store Goods in bags in a Warehouse in respect of which it is not the nominated Warehousekeeper. However, a Warehousekeeper may only store Goods in bulk in a Warehouse for which it is the nominated Warehousekeeper.

D.1.16.2 Goods must be stored in accordance with GWPs D.2.1 and D.2.2, in respect of Cocoa, and GWPs D.3.1 and D.3.2, in respect of Robusta Coffee.

D.1.16.3 In instances where a Warehousekeeper is storing Goods in bags in a Warehouse registered by another Warehousekeeper the following conditions will apply:

- (a) the Warehousekeeper who has registered the Warehouse will be responsible for the payment of the annual Nominated Warehouse Fee and the provision of an appropriate Performance Bond to cover that Warehouse, even though Goods which are under the control of other Warehousekeepers may from time to time be stored in that Warehouse;
- (b) the Warehousekeeper who has registered the Warehouse will be responsible for any failure to maintain that Warehouse to the standard required in these GWPs and will be sanctioned accordingly, notwithstanding that such a failure may have been as a result of the storage of Goods in that Warehouse by another Warehousekeeper;
- (c) the Warehousekeeper recorded on SDP as storing Goods in a Warehouse will be responsible for any failure to maintain those Goods to the standard required by these GWPs and will be sanctioned accordingly, even though such a failure may be as a result of the actions of another Warehousekeeper in whose Warehouse the Goods are stored or the failure of that Warehousekeeper to maintain that Warehouse to the standard required by these GWPs;
- (d) any sampling, weighing or other activity required by the Beneficiary of the Goods in relation to Goods stored in the Warehouse of another Warehousekeeper shall be carried out by the Warehousekeeper who caused the Warrants in respect of those Goods to be created; and
- (e) a Warehousekeeper may not undertake any movement of Goods which are stored in their Warehouse and that are under the control of another Warehousekeeper unless directed to do so by the responsible Warehousekeeper who in turn will have, where necessary, gained permission from the Beneficiary, the Titleholder and the Exchange.

D.1.16.4 Each Warehouse shall be clearly identified with a name, letter or number and such designation shall be recorded in the List of Nominated Warehousekeepers and Warehouses.

D.1.16.5 A Warehousekeeper shall:

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- (a) keep any Warehouse, in respect of which it is registered as the Warehousekeeper, in a good state of repair at all times. Windows, doors and drainpipes shall be weatherproof and properly fitted to prevent the entry of pests. Guttering shall be sound and free from weeds and debris. Downpipes shall be sound and lead immediately to an adequate drain or soak-away. Where internal downpipes are vulnerable to collision damage, they must be adequately protected;
- (b) keep the ground around the outside of a Warehouse free from waste, lumber, weeds and other debris, to discourage pests and reduce the risk of fire. The immediate area should also be kept free of trees and other vegetation whose growth could present a threat to the structure of the Warehouse;
- (c) provide effective lighting in all areas where Goods are stored or handled. In respect of Warehouses approved for the storage of Bulk Delivery Units, such lighting should be protected to prevent breakages falling upon the Goods;
- (d) keep pest control logs and records of visits made by the pest control company;
- (e) ensure that a Warehouse is equipped with adequate fire-fighting facilities, which comply with applicable local, port, state and or national regulations. Access to extinguishers and hoses must not be blocked. Equipment must be checked regularly and each inspection recorded;
- (f) prohibit smoking in storage areas;
- (g) ensure that all animals, both domestic and wild, are excluded from the Warehouse;
- (h) bear the cost of maintaining the Goods stored in their Warehouse to the standard required in GWP D.1.15.2. In respect of Cocoa, it is understood that the Warehousekeeper shall make a periodic charge to cover the cost of fumigation and fogging, in addition to rent that is charged; and
- (i) in respect of Bulk Delivery Units, undertake regular raking of the bulk pile as appropriate to maintain the pile in good condition.

D.1.16.6 In respect of Warehouses nominated for the storage of Goods in bags or FIBCs the following requirements shall apply:

- (a) Goods shall be stored in sound bags or FIBCs in external good order and meeting the criteria prescribed by the Exchange from time to time;
- (b) the following substances must not be stored with Goods stored in a Warehouse:
  - (i) dangerous chemicals or inflammable materials, as classified in the International Maritime Dangerous Goods Code;
  - (ii) spices of any kind;
  - (iii) any type of animal hides;
  - (iv) odorous substances; or
  - (v) any other materials that the Exchange may deem to be harmful to the Goods; andRobusta Coffee and Cocoa may only be stored in the same Warehouse when they are piled in such a manner that they could not be affected by taint, e.g. segregated in separate areas of the shed;
- (c) a Warehouse shall be adequately ventilated;
- (d) a Warehouse shall be kept broom clean, with cleaning materials close to hand. All spillages shall be tidied up promptly;

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- (e) a Warehouse and any Goods stored therein shall be kept clear of infestation by:
  - (i) closed rodent prevention bait boxes/traps, which shall be in sufficient numbers and well maintained at ground level at regular intervals along the internal walls of the building. These should be inspected by the pest control company on a regular basis but not less than once a month;
  - (ii) fumigating as and when necessary; and
  - (iii) fogging as and when necessary; and
- (f) each Warehouse, or group of Warehouses, shall have accurate scales for weighing palletised Goods which shall weigh to a minimum interval of 1 kg with a tolerance of 1.5 kg above or below the true weight. The scales shall be regularly serviced and re-calibrated at least once a year and tested every shift prior to use or following any change in location of the scales. Service records shall be available to demonstrate compliance with these requirements.

D.1.16.7 In respect of Warehouses nominated for the storage of Cocoa in bulk, the following requirements shall apply in addition to those in GWP D.1.16.6:

- (a) Goods shall be kept in external good order. Bulk pile surfaces should be free from excessive webbing, dust build up or other extraneous matter and externally free from any insect, rodent or any other type of infestation.
- (b) the Warehouse shall either be used solely for the purpose of storing bulk Cocoa, or be fitted with a permanent or temporary screen across the full height and width of the Warehouse segregating the bulk Cocoa from all other Goods, including bagged Cocoa, stored within the Warehouse;
- (c) the Warehouse, or area intended for the storage of bulk Cocoa within the Warehouse, shall be of a size capable of accommodating a minimum of two Bulk Delivery Units;
- (d) the Warehouse must be equipped with such permanent or temporary partitioning which allows the retention and segregation of Cocoa, ensures its security from theft, and which is otherwise in accordance with these GWPs;
- (e) equipment should be readily available for the stowage into, loading out from or movement of Cocoa within the Warehouse;
- (f) equipment should be readily available for the batch weighing of Cocoa stored in bulk. Where the equipment is used to weigh quantities of five tonnes or less of Cocoa it shall weigh to a minimum interval of 5 kg with a tolerance of 7.5 kg above or below the true weight. Where the equipment is used to weigh quantities of more than five tonnes of Cocoa it shall weigh to a minimum interval of 20 kg with a tolerance of 30 kg above or below the true weight. The equipment shall be regularly serviced and re-calibrated at least once a year and tested every shift prior to use or following any change in location of the equipment. Service records shall be available to demonstrate compliance with these requirements. In the event that a public weighbridge is used, such weighbridge must comply with these requirements and be appropriately certified by the local authorities;
- (g) equipment should be readily available for the bagging of a Bulk Delivery Unit into bags of a size and standard meeting the criteria prescribed by the Exchange from time to time; and
- (h) bags meeting the criteria prescribed by the Exchange from time to time must be readily available in sufficient quantities to allow for the bagging of a Bulk Delivery Unit.

### D.1.17 **Maintenance of Records**

D.1.17.1 A Warehousekeeper shall maintain full and appropriate records:

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- (a) that are arranged, filed and indexed so as to allow prompt access to any particular record;
- (b) from which the precise identity of Goods stored in a Warehouse may be ascertained;
- (c) which provide a complete audit trail of the Goods from the time that they were taken into store by the Warehousekeeper;
- (d) of any Pre-payment of Loading Out Charges; and
- (e) which identify the charges made by a Warehousekeeper in respect of the Robusta Coffee comprising a Lot and the Cocoa comprising a Delivery Unit.

D.1.17.2 In respect of Cocoa, a Warehousekeeper shall maintain on file:

- (a) proof of identity of the Goods which shall include, but may not be limited to: (i) copy bill(s) of lading; (ii) Warehouse receipts; (iii) storage instructions received from the Beneficiary of the Goods; and (iv) any other such documents which may aid in identifying the relevant Goods and their date of shipment from Origin; and
- (b) records providing a complete history of the Goods whilst stored by the Warehousekeeper which shall include, but are not limited to, those relating to the weighing, sampling, movement, and fumigation of the Goods (including the identity of the personnel executing such functions) and in respect of Bulk Delivery Units, the dates and times of ventilation and extraction performed in respect of such Cocoa, as well as any other information considered relevant to such exercise, and any instructions received from the Beneficiary or the Titleholder of the Goods, in relation to the Goods.

D.1.17.2A In respect of Robusta Coffee, a Warehousekeeper shall maintain on file:

- (a) proof of identity of the Goods, which shall include but may not be limited to: (i) copy bill(s) of lading; (ii) for Goods first tendered from and including the January 2023 Contract, copies of the complete phytosanitary certificate(s) and certificate(s) of origin issued by a competent authority; (iii) copies of Warehouse receipts; (iv) storage instructions received from the Owner of the Goods; and (v) any other such documents which may aid in identifying the relevant Goods and their date of shipment from Origin; and
- (b) records providing a complete history of the Goods whilst stored by the Warehousekeeper which shall include, but are not limited to, those relating to the weighing, sampling, movement, and fumigation of the Goods (including the identity of the personnel executing such functions) as well as any other information considered relevant to such exercise, and any instructions received from the Owner of the Goods relating to the Goods.

D.1.17.3 A Warehousekeeper shall maintain records of:

- (a) The position of bagged Goods within the Warehouse on a storage plan of the Warehouse or on a list of storage zones or locations of the Warehouse in a manner that will allow an Exchange Official or other third party readily to locate and identify the Goods; and
- (b) The position of the Bulk Delivery Units within the Warehouse on a storage plan with all Warehouse pens clearly marked and labelled in a manner that will allow an Exchange official or other third party to readily locate and identify the Goods. The Warehousekeeper shall forward to the Exchange a copy of the Warehouse storage plan for Bulk Delivery Units as and when Warrant locations change.

D.1.17.4 Without prejudice to any requirement for a Warehousekeeper to keep an original or a hard copy of a record, a Warehousekeeper may keep a record in electronic form, provided that:

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- (a) a hard copy can be reproduced if so required; and
  - (b) the system is adequately safeguarded against loss of information by way of appropriate back-up systems.
- D.1.17.5 All records relating to Goods stored in a Warehouse shall be retained for a minimum of two years following delivery out of the Goods and shall be held in such a manner that they may be promptly accessed upon request and are reasonably safeguarded against loss, alteration or destruction.
- D.1.17.6 A Warehousekeeper shall keep all the records specified in GWP D.1.17 and all information held in its capacity as Warehousekeeper confidential at all times except where directed to disclose such information by the Exchange in its absolute discretion or where otherwise required by these GWPs.
- D.1.18 **Stock Figures**
- D.1.18.1 Following the grading of a sample by ICE Registered Cocoa or Robusta Coffee Graders, the Exchange shall inform the Warehousekeeper responsible for the drawing of the sample from the Goods in such a manner as may be prescribed by the Exchange from time to time, whether the Goods to which the sample relates have been graded tenderable or not tenderable. The Warehousekeeper shall keep a record of such results.
- D.1.18.2 At a time and in such a manner as may be prescribed by the Exchange from time to time, any Warehousekeeper having a Warehouse nominated for the storage of:
  - (a) Cocoa, shall advise the Exchange of the number of Standard, Large and Bulk Delivery Units which are in store in the Warehouse and are the subject of:
    - (i) a Valid Grading Result;
    - (ii) an expired grading result; and
    - (iii) a not tenderable grading result;or
  - (b) Robusta Coffee, shall advise the Exchange of the number of parcels and the number of lots which are in store in the Warehouse and are the subject of:
    - (i) a Valid Grading Result; and
    - (ii) a not tenderable Grading Result.
- D.1.18.3 The Exchange will use such information to compile data relating to the total number of lots of Robusta Coffee or Delivery Units of Cocoa, as the case may be, stored in Warehouses. The Exchange may, in its absolute discretion, publish information relating to the total number and type of lots of Robusta Coffee or Delivery Units of Cocoa, which are the subject of Valid Grading Results, expired grading results, or which are not tenderable, stored in each port or Delivery Area.
- D.1.19 **Movement of Goods and change in control of a Warehouse or Warehousekeeper – General Requirements and GWPs**
- D.1.19.1 From time to time a Warehousekeeper may:
  - (a) determine to either:
    - (i) move Goods to another Warehouse under their control;
    - (ii) relinquish the control of a Warehouse to another Warehousekeeper; or
    - (iii) move Goods from a Warehouse under their control to another Warehouse under the control of another Warehousekeeper; or

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- (b) in respect of Cocoa, be instructed by the Titleholder on behalf of the Beneficiary of the Cocoa to move or convert Delivery Units; or
- (c) in respect of Robusta Coffee, be instructed by the Titleholder on behalf of the Beneficiary of the Robusta Coffee to move a parcel or lot.

In such circumstances, GWPs D.1.19.2 to D.1.19.8 shall apply, as the case may be, in respect of GWPs D.1.20 to D.1.25 inclusive.

- D.1.19.2 Save for the purposes of fumigation, goods that have been moved during a Delivery Month shall not be tendered in that same Delivery Month. In the case of movement for fumigation, goods must be reweighed and weights entered into guardian prior to tender.
- D.1.19.3 For the purpose of these GWPs, control of the Goods shall be deemed to be exercised by the Warehousekeeper recorded on SDP as storing the Goods in their Warehouse.
- D.1.19.4 In respect of Goods having a Valid Grading Result and which do not, according to these GWPs, require re-grading before they may be tendered, then:
- (a) prior to the change of control and where relevant, movement, of Goods between different Warehousekeepers, the current and new Warehousekeepers shall jointly inspect the Goods at the Warehouse of the current Warehousekeeper to verify the identity of the Goods which are the subject of the change in control, and to determine the external good order of such Goods; and
  - (b) once both Warehousekeepers are satisfied as to the identity and external good order of the Goods, they shall countersign appropriate documentation to that effect and, where relevant, may undertake the movement of such Goods in accordance with the procedures of GWPs D.1.19 and D.1.20, D.1.23, D.1.24 or D.1.25, as the case may be. In the event that such agreement cannot be reached, then the opinion of a mutually acceptable competent independent authority shall be sought by the Warehousekeepers.
- D.1.19.5 The Exchange shall have the discretion to require independent supervision of the movement of Goods having a Valid Grading Result.
- D.1.19.6 All costs incurred in following the requirements laid out in GWPs D.1.19 to D.1.25, as the case may be, and including, *inter alia*, the costs of independent supervision, where relevant, shall be for the account of the:
- (a) Beneficiary of the Goods, where such movement or change in control is at the request of, or caused by, the Beneficiary of the Goods, including where such movement is the result of an instruction from the Exchange to the Seller to convert a Delivery Unit in accordance with Rule EEEE.12(c) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.12(c) (ICE Futures Euro Cocoa Futures Contract), as the case may be; or
  - (b) Warehousekeeper, where any such movement or change in control is at the request of, or caused by, the Warehousekeeper.
- D.1.19.7 The following shall be provided by the current Warehousekeeper to the new Warehousekeeper or Owner upon request:
- (a) a copy of the relevant Bill(s) of Lading, with any confidential counterparty details deleted;
    - (i) In respect of Cocoa, with any confidential counterparty details deleted
    - (ii) In respect of Robusta Coffee, for goods first tendered up to and including the November 2022 contract with any confidential counterparty details deleted; and for goods first tendered from and including the January 2023 contract, without redaction.

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- (b) in respect of Robusta Coffee first tendered from and including the January 2023 contract, copies of the phytosanitary certificate and certificate of Origin;
- (c) details of the existing Warrant (the “**Existing Warrant**”) number of such Goods; and
- (d) any other information as the Exchange may require from time to time.

In the event that the current Warehousekeeper is not in possession of copies or the original documents required in order to comply with GWP D.1.19.7(a), it shall advise the Exchange in writing, including the reason for the absence of such documentation, and the Exchange shall determine in its absolute discretion what other information or documentation may instead be provided.

D.1.19.8 The Exchange may if it deems it necessary and if it is considered that a movement or change in control of Goods stored in a Warehouse will harm or may have the potential to harm the integrity of the contract:

- (a) refuse permission for the movement of Goods if it is considered that a particular Warehousekeeper would, as a result, control a disproportionately large amount of Goods having a Valid Grading Result or expired grading results;
- (b) require the re-grading of any Goods having a Valid Grading Result under circumstances where it is the subject of a movement or change in control; or
- (c) require a Warehousekeeper or the Beneficiary of the Goods to demonstrate that there were sound commercial reasons for a change in control to take place, before granting its permission.

D.1.19.9 In respect of the movement of Robusta Coffee under GWPs D.1.23, D.1.25 and D.1.27 shall also apply.

D.1.20 **Change in control of Goods between different Warehousekeepers – Goods remaining in the same Warehouse**

D.1.20.1 Prior to any change in control of Goods between different Warehousekeepers where the Goods remain in the same Warehouse:

- (a) the current Warehousekeeper shall make a written application to the Exchange including the following:
  - (i) the reason for the intended change in control of the Goods; and
  - (ii) where the change in control of the Goods is at the request of the Warehousekeeper, evidence that the written consent of the Beneficiary and Titleholder of the Goods has been obtained to the cancellation of the Existing Warrant and the creation of one or more new Warrants by the new Warehousekeeper in respect of the Goods. For these purposes, the current Warehousekeeper represents, warrants and undertakes that it has received the consent and instruction of the Beneficiary and Titleholder to such change in control, including to the cancellation of the Existing Warrant; and
- (b) the new Warehousekeeper shall confirm to the Exchange in writing that it will:
  - (i) either (A) re-weigh the Goods and, where applicable, write the new weights on the sides of the FIBCs in accordance with GWP D.3.3.1(d) and, unless otherwise agreed with the Beneficiary, take responsibility for any loss in weight, if applicable, or (B) accept the weights detailed on the Existing Warrant;
  - (ii) create in SDP one or more new Warrants against the Underlying Goods previously represented by the Existing Warrant stored in a Warehouse in accordance with GWP D.1.20.4. For these purposes, the new Warehousekeeper represents, warrants and undertakes that it has received the consent and instruction of the Beneficiary and Titleholder to the change in control, including to the issuance of the new Warrant(s);

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- (iii) provide the Exchange with the new Warrant number relating to the relevant Underlying Goods; and
  - (iv) where applicable update the weight details of the Warrant.
- D.1.20.2 The written consent of the Beneficiary (described in GWP D.1.20.1(a)(ii) above) shall constitute an instruction by the Beneficiary to the current Warehousekeeper, the new Warehousekeeper, the Titleholder and the Nominee to act in accordance with GWPs D.1.20.3 and D.1.20.4.
- D.1.20.3 Change in control of the Goods may not take place until such time as:
  - (a) the Exchange has received the information described in GWP D.1.20.1 and any additional information or other documentation it may require in its discretion, and has given its written consent to such change of control; and
  - (b) the obligations in GWP D.1.20.4 have been performed in full.The new Warehousekeeper shall inform the Exchange upon completion of the change in control.
- D.1.20.4 Upon receipt of the written consent from the Exchange pursuant to GWP D.1.20.3(a):
  - (a) the Existing Warrant shall be recorded as cancelled in SDP; and
  - (b) the new Warehousekeeper shall provide to the Exchange the details of the new Warrants representing the Underlying Goods, and one or more new Warrants shall be created in SDP in accordance with SDP Regulation C.4.3, but such that any instructions to be given by the Titleholder or the Beneficiary pursuant to SDP Regulations C.4.3. and C.4.3.4. shall be deemed to have been provided (and the new Warehousekeeper, Nominee, Titleholder and Beneficiary shall act accordingly).
- D.1.21 **Movement of Goods within the same Delivery Area – Warehouses under the control of the same Warehousekeeper**
- D.1.21.1 Prior to any movement of Goods from one Warehouse directly to another Warehouse within the same Delivery Area and under the control of the same Warehousekeeper, the Warehousekeeper shall make a written application to the Exchange, giving the following information:
  - (a) the reason for the intended movement;
  - (b) the approximate distance between the relevant Warehouses;
  - (c) where the movement of the Goods is at the request of the Warehousekeeper, evidence that the written consent of the Beneficiary and Titleholder of the Goods has been obtained; and
  - (d) an undertaking to re-weigh the Goods and, where applicable, write the new weights on the sides of the FIBCs in accordance with GWP D.3.3.1(d) and, unless otherwise agreed with the Beneficiary, take responsibility for any loss of weight, if applicable.
- D.1.21.2 Movement of the Goods may not commence until such time as the Exchange has received the above and any additional information it may require and has given its written consent. Upon completion of the movement of the Goods, the Warehousekeeper shall inform the Exchange of the new Warehouse details and shall enter onto SDP the new weight details (where applicable) and update the details of the Warehouse relating to each affected Warrant.
- D.1.21.3 A Bulk Delivery Unit which has been moved from one Warehouse to another pursuant to GWP D.1.21 may not be tendered until it has been re-graded as tenderable.
- D.1.22 **Movement of Goods within the same Delivery Area for the purpose of fumigation**

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- D.1.22.1 For the purpose of fumigation, a Warehousekeeper may move Goods to another Warehouse within the same Delivery Area and under the control of the same Warehousekeeper, provided that the Warehousekeeper:
- (a) gives the Exchange two working days' notice of the intended movement of the Goods; and
  - (b) provides written confirmation to the Exchange that:
    - (i) on completion of the fumigation, the Goods will be moved back to the Warehouse in which they were stored prior to fumigation; and
    - (ii) he will re-weigh the Goods and, where applicable, write the new weights on the sides of the FIBCs in accordance with GWP D.3.3.1(d) and, unless otherwise agreed with the Beneficiary, take responsibility for any loss in weight, if applicable.
- D.1.22.1.2 Upon completion of the movement of the Goods (both from the original Warehouse and back to the original Warehouse following the fumigation), the Warehousekeeper shall inform the Exchange of the new Warehouse details and shall enter onto SDP the new weight details (where applicable) and update the details of the Warehouse relating to each affected Warrant.
- D.1.23 **Movement of Goods within the same Delivery Area – Warehouses under the control of different Warehousekeepers**
- D.1.23.1 Prior to any movement of Goods from a Warehouse of one Warehousekeeper directly to another Warehouse under the control of a different Warehousekeeper within the same Delivery Area:
- (a) the current Warehousekeeper shall make a written application to the Exchange giving the following:
    - (i) the reason for the intended movement and change in control of the Goods;
    - (ii) where the movement and change in control of the Goods is at the request of the Warehousekeeper, evidence that the written consent of the Beneficiary and Titleholder of the Goods has been obtained to the cancellation of the Existing Warrant and the creation of one or more new Warrants by the new Warehousekeeper in respect of the Goods. For these purposes, the current Warehousekeeper represents, warrants and undertakes that it has received the consent and instruction of the Beneficiary and Titleholder to such change in control, including to the cancellation of the Existing Warrant; and
  - (b) the new Warehousekeeper shall confirm to the Exchange in writing that it will:
    - (i) re-weigh the Goods and, where applicable, write the new weights on the sides of the FIBCs in accordance with GWP D.3.3.1(d) and, unless otherwise agreed with the Beneficiary, will take responsibility for any loss in weight;
    - (ii) issue in SDP one or more new Warrants against the Underlying Goods previously represented by the Existing Warrant stored in a Warehouse in accordance with GWP D.1.23.4. For these purposes, the new Warehousekeeper represents, warrants and undertakes that it has received the consent and instruction of the Beneficiary and Titleholder to the change in control, including to the issuance of the new Warrant(s);
    - (iii) provide the Exchange with the new Warrant numbers and warehouse details; and
    - (iv) update the weight details of the Warrant.

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D.1.23.2 The written consent of the Beneficiary (described in GWP D.1.23.1(a)(ii) above) shall constitute an instruction by the Beneficiary to the current Warehousekeeper, the new Warehousekeeper, the Titleholder and the Nominee to act in accordance with GWPs D.1.23.3 and D.1.23.4.

D.1.23.3 Movement and change in control of the Goods may not commence until such time as:

- (a) the Exchange has received the information outlined in GWP D.1.23.1 and any additional information or other documentation it may require in its discretion, and has given its written consent to such movement and change of control; and
- (b) the obligations in GWP D.1.23.4 have been performed in full.

The new Warehousekeeper shall inform the Exchange upon completion of the movement and change in control of the Goods.

D.1.23.4 Upon the receipt of the written consent from the Exchange pursuant to D.1.23.3(a):

- (a) the status of the Existing Warrant shall be changed to Loaded Out;
- (b) the new Warehousekeeper shall provide to the Exchange the details of the new Warrants representing the Underlying Goods and one or more new Warrants shall be created in SDP in accordance with SDP Regulation C.4.3 but such that any instructions to be given by the Titleholder or Beneficiary pursuant to SDP Regulations C.4.3.3 and C.4.3.4, shall be deemed provided (and the new Warehousekeeper, Nominee, Titleholder and Beneficiary shall act accordingly).

D.1.23.5 A Bulk Delivery Unit which has been moved from one Warehouse to another pursuant to GWP D.1.23 may not be tendered until it has been re-graded as tenderable.

D.1.24 **Movement of Goods across different Delivery Areas – Warehouses under the control of the same or different Warehousekeepers**

D.1.24.1 Other than in the circumstances outlined in GWP D.1.25, in the event that movement of Goods from one Warehouse to another in a different Delivery Area under the control of:

- (a) the same Warehousekeeper is required, the GWPs in D.1.21 shall apply; or
- (b) different Warehousekeepers is required, the GWPs in D.1.23 (other than GWP D.1.23.5, the provisions of which shall be replaced, for the purposes of this GWP D.1.24.1(b), with the provisions of GWP D.1.24.2) shall apply.

D.1.24.2 Any such Goods having a Valid Grading Result may not be tendered following such movement until the Goods have been re-graded as tenderable.

D.1.25 **Insolvency or delisting of a Warehousekeeper causing movement or change in control of Goods**

D.1.25.1 Where movement or change in control of Goods occurs in circumstances where the Exchange determines in its sole discretion that the original Warehousekeeper is no longer able to carry on business in the capacity of a Warehousekeeper or has been delisted from the List of Nominated Warehousekeepers and Warehouses, and the Goods:

- (a) do not move out of a Warehouse but the control of the Goods changes from one Warehousekeeper to another Warehousekeeper; or
- (b) move directly between the Warehouses of different Warehousekeepers within the same Delivery Area,

then the Exchange may require that the Goods are re-graded as tenderable before they may be tendered if the Exchange concludes that the specific circumstances warrant such an approach.

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D.1.25.1.2 Where movement or change in control of Goods having a Valid Grading Result occurs in circumstances where the Exchange determines in its sole discretion that the original Warehousekeeper is no longer able to carry on business in the capacity of a Warehousekeeper or has been delisted from the List of Nominated Warehousekeepers and Warehouses, and the Goods move from one Warehouse to another in a different Delivery Area under the control of either the same or different Warehousekeepers, then the Exchange may determine that the Goods do not require re-grading before they may be tendered if the Exchange concludes that the specific circumstances warrant such an approach.

### D.1.26 Warehouse Charges

D.1.26.1 At the time of application to be approved as a Nominated Warehousekeeper in accordance with GWP D.1.8, and at each subsequent annual renewal of nomination in accordance with GWP D.1.10, a Warehousekeeper shall submit to the Exchange details of the charges, as specified by the Exchange from time to time, which it may make in respect of both:

- (a) Robusta Coffee (in bags or FIBCs) and Cocoa (in bags and/or in bulk) which is stored in its Warehouses and listed on SDP; and
- (b) Robusta Coffee (in bags or FIBCs) and Cocoa (in bags and/or in bulk) which is stored in its Warehouses under a commercial agreement.

Details of the charges notified to the Exchange under GWP D.1.26.1 shall include, but are not limited to, Loading In Charges, Rent, weighing, sampling and re-bagging charges, Conversion Charges, Rip and Tip Charges and Loading Out Charges and shall be for the period up to the next annual renewal of nomination. Charges submitted in accordance with GWP D.1.26.1(b) should be accompanied by commercial term sheets as a means to substantiate those charges.

D.1.26.2 The details of the charges notified to the Exchange pursuant to GWP D.1.26.1(a) above shall be reasonable and comparable with the commercial charges levied for similar services and shall be justified by the applicant as such.

D.1.26.3 The charges submitted pursuant to GWP D.1.26.1(a) in respect of Rent, Conversion Charges, Rip and Tip Charges and Loading Out Charges shall state the **maximum** amount (inclusive of any applicable taxes) which the Warehousekeeper may charge.

D.1.26.4 Except pursuant to GWP D.1.26.10, Rent, Conversion Charges, Rip and Tip Charges and Loading Out Charges submitted in accordance with GWP D.1.26.1(a) may only be increased once a year at the annual renewal of nomination. The Exchange must receive written notice of any proposed increase in the charges at least 120 days prior to the Warehousekeeper's annual renewal of nomination. In the case of Robusta Coffee, pre-paid Loading Out Charges may not be increased for Warrants already delivered in that Warehouse through the tender process save where this additional cost is occasioned by a subsequent owner changing the storage format of the Robusta Coffee and this additional Loading Out Charge shall also be pre-paid by the then relevant owner that occasioned the additional costs.

D.1.26.5 On receipt of a notification under GWP D.1.26.4, the Exchange will invite the Warehousekeeper to justify any proposed increase as reasonable and comparable with commercial charges levied for similar services. If the proposed increase in charges can be so reasonably justified to the Exchange, then the increase shall become effective on the date of the Warehousekeeper's annual renewal of nomination. If the proposed increase in charges cannot be justified to the Exchange, then the increase shall not become effective with respect to Robusta Coffee and Cocoa stored by the Warehousekeeper and represented by a Warrant on SDP.

D.1.26.6 A Warehousekeeper may not impose any charges in relation to the delivery of Goods out of a Warehouse on to a truck or a reasonable equivalent, as published by the Exchange from time to time, other than a

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Loading Out Charge. However, nothing in this GWP D.1.26 shall prevent a Warehousekeeper from agreeing with a Beneficiary:

- (a) to levy any charges which are lower than the maximum amount published by the Exchange pursuant to GWP D.1.26.8;
- (b) to charge a different amount from the Loading Out Charge for the delivery of Goods from within a Warehouse on to a different means of transport; or
- (c) for the provision of additional services, and additional charges for such services, in addition to those services covered by the Rent and Loading Out Charge,

where so requested by, or agreed with, a Beneficiary.

D.1.26.7 A Warehousekeeper shall, upon a request from the Exchange, provide details to the Exchange of any charges made, or agreed to be made, between the Warehousekeeper and a Beneficiary in respect of the Robusta Coffee comprising a Lot or the Cocoa comprising a Delivery Unit.

D.1.26.8 The Exchange may publish, in respect of the nomination period, details of the maximum Rent, Conversion Charges, Rip and Tip Charges and Loading Out Charges accepted by the Exchange pursuant to GWP D.1.26.1(a) in a format as determined by the Exchange from time to time.

D.1.26.9 A Warehousekeeper may not charge Rent, Conversion Charges or Loading Out Charges which exceed the maximum amount published by the Exchange in respect of a nomination period.

D.1.26.10 Notwithstanding GWP D.1.26.4, a Warehousekeeper may, in exceptional circumstances, submit a written request to the Exchange seeking approval to increase the maximum amount of Rent, Conversion Charges, Rip and Tip Charges and/or Loading Out Charges levied by it in respect of the nomination period or, in the case of Loading Out Charges, levied in advance on a particular Beneficiary. The Exchange may permit or reject such an increase at its absolute discretion and the decision shall be final.

D.1.26.11 [Not used].

D.1.26.12 For contract months from and including the December 2021 contract, in respect of Loading Out Charges for Robusta Coffee and Cocoa:

- (a) a Warehousekeeper may not make any charges with regard to Loading Out costs to any subsequent owner other than the first Seller who tenders the Warrants at that Warehousekeeper (save additional costs may be levied on a pre-payment basis by owners (including subsequent owners) who raise load out costs by changing the format of the storage of the goods under Warrant).
- (b) For subsequent tenders of the same Warrant at the same Warehousekeeper, Loading Out Charges shall be considered already pre-paid and cannot be re-charged by the Warehousekeeper to any subsequent owner.
- (c) (save as outlined at D1.26.10 above) Loading Out Charges may not be increased for Robusta Coffee and Cocoa under Warrants already delivered in that Warehousekeeper through the tender process.
- (d) If Robusta Coffee or Cocoa under Warrant moves to a new Warehousekeeper, that new Warehousekeeper is entitled to charge Loading Out Charges to the next Seller who tenders the Warrants at the new Warehousekeeper.

D.1.26.13 The Exchange may by Circular direct that any of GWP D.1.26.3, D.1.26.4, D.1.26.5, D.1.26.8, D.1.26.9 and D.1.26.10 applies equally to any other charge notified by a Warehousekeeper to the Exchange

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pursuant to GWP D.1.26.1 as it applies to Rent, Conversion Charges, Rip and Tip Charges or Loading Out Charges.

### D.1.27 **Loading Out of Goods from a Nominated Warehousekeeper**

D.1.27.1 In respect of a lot or Delivery Unit which has been awarded a Valid Grading Result and which is to be Loaded Out of a Nominated Warehouse for reasons other than those detailed in GWPs D.1.21, D.1.22 and D.1.24, the Qualifying Titleholder, on behalf of the Beneficiary, shall notify the Warehousekeeper, by way of Load Out Order within SDP, that the Goods are to be Loaded Out of the Nominated Warehouse. Such Load Out Order shall be in the form prescribed by the Exchange from time to time within SDP and must include, at a minimum, the Warrant numbers in respect of the Goods to be Loaded Out. A Load Out Order is capable of being sent only by a Qualifying Titleholder in its capacity as Clearing Member or Dealer.

D.1.27.2 A Load Out Order shall also be deemed to have been sent by the Nominee, as agent of the Warehousekeeper as appointed under these GWPs.

D.1.27.3 No Warrant subject to a Load Out Order under GWP D.1.27.1 shall be capable of further transfer within SDP and, with the exception of Goods moved under GWPs D.1.23 and D.1.25, the status of such Warrant shall show as "Loaded Out" in SDP.

D.1.27.4 The Warehousekeeper will, subject to GWPs D.1.23 and D.1.25 where applicable, schedule and agree with the Beneficiary date(s) for the Loading Out of the Goods.

D.1.27.5 When carrying out a request for the Loading Out of Goods under GWP D.1.27.1, the Nominated Warehousekeeper shall comply with the minimum Loading Out rates and the procedures relating thereto, as published by the Exchange from time to time.

D.1.27.6 Where a Warehousekeeper is in receipt at the same time of requests to both:

- (a) Load Out Goods to be taken up from SDP under GWP D.1.27.1; and
- (b) Load Out Goods under GWPs D.1.23, D.1.24 and D.1.25,

the Warehousekeeper shall ensure that the Loading Out of Goods which are to be Loaded Out under GWP D.1.27.1 and taken up from SDP is prioritised and undertaken first in accordance with the Loading Out rate as published by the Exchange from time to time.

D.1.27.7 Where the Warehousekeeper is in receipt of more than one request to load out either:

- (a) Goods to be taken up from SDP under GWP D.1.27.1; or
- (b) Goods under GWPs D.1.23 and D.1.25,

the Warehousekeeper shall treat each request equitably and schedule the Loading Out for such requests in a fair and reasonable manner.

D.1.27.8 Where after the expiry of 60 calendar days from the receipt by the Warehousekeeper of a Loading Out request under GWP D.1.27.1, that Loading Out request has not been completed in full, the Warehousekeeper may not, from that point onwards, levy any further Rent against the Goods forming part of the Loading Out request that are remaining in its Warehouses, unless so agreed with the Beneficiary of those Goods.

D.1.27.9 The provisions of GWP D.1.27.8 shall not apply where the Exchange is satisfied that circumstances outside the control of the Warehousekeeper have hindered or prevented the Warehousekeeper from fulfilling the Loading Out request and provided that such circumstances have been documented and reported to the Exchange in a timely manner.

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- D.1.27.10 For the avoidance of doubt, the minimum Loading Out rate may be achieved by a Warehousekeeper as an average over the period during which the Goods are to be moved.
- D.1.27.11 Where the Warehousekeeper is in receipt of requests from one or more Qualifying Titleholders to Load Out both Robusta Coffee and Cocoa at the same time, the Warehousekeeper must meet the minimum Loading Out rates for both Robusta Coffee and Cocoa.
- D.1.27.12 It should be noted that where a Dual Capacity Warehousekeeper is in receipt of requests from one or more Qualifying Titleholders to Load Out Cocoa stored in both bags and bulk at the same time, the Dual Capacity Warehousekeeper must meet the minimum Loading Out rates for both the bagged and bulk Cocoa. Further, should a Dual Capacity Warehousekeeper receive requests from one or more Qualifying Titleholders to Load Out Robusta Coffee and Cocoa stored in bags and bulk at the same time, the Dual Capacity Warehousekeeper must meet the minimum Loading Out rates in respect of the Robusta Coffee and the bagged and bulk Cocoa.
- D.1.27.13 No Underlying Goods shall be Loaded Out by a Warehousekeeper unless the Warrant to which they relate is subject to a Load Out Order within SDP, except in accordance with GWPs D.1.21, D.1.22 and D.1.24.
- D.1.27.14 Neither the Exchange, the Nominee nor the Operator:
- (a) shall be required to verify any of the details of any request for Loading Out of Goods delivered under GWP D.1.27.1, any Warrant, or any Goods;
  - (b) shall verify, or be under any obligation to verify, the authenticity or validity of any request for Loading Out of Goods delivered under GWP D.1.27.1 or any Warrant;
  - (c) is under any obligation to agree to any request by a Beneficiary for Loading Out of Goods in circumstances in which it is not satisfied, in its discretion, that the requirements of these GWPs are met; or
  - (d) shall have any responsibility in relation to any Warrant or the Loading Out of Goods to a Beneficiary or its representative.

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## D.2 COCOA

### D.2.1 Piling of Cocoa

D.2.1.1 In respect of Cocoa Goods stored in bags, details of which are represented by one or more Warrants, the following storage requirements shall be observed:

- (a) each Delivery Unit shall be stored in a single Warehouse on pallets at ground level, with the exception of multi-storey Warehouses with wooden floors where the bags of Cocoa may be stored directly on the floor;
- (b) Cocoa comprising a Standard Delivery Unit shall be stored, subject to GWP D.2.1.1(d), together in a single row, pile or component of a block stow;
- (c) Cocoa comprising a Large Delivery Unit shall be stored in no more than two adjacent rows, piles or block stows. GWP D.2.1.1(f) shall apply to each non-adjoining row or pile;
- (d) where a Delivery Unit is composed of palletised bags, the bags on each pallet shall relate only to that Delivery Unit. Where there is a balance of bags making up a Delivery Unit which is insufficient to fill a pallet to capacity, those remaining bags shall be exclusively stored on a pallet which shall be marked in accordance with GWP D.2.2 and placed either on top of the column of pallets comprising the majority of the Delivery Unit or at the end of the row in which the Delivery Unit is piled;
- (e) Cocoa shall be stored with a gap of at least 45 centimetres:
  - (i) from any wall; and
  - (ii) from any other Cocoa or other material stored in the Warehouse to allow compliance with GWP D.2.1.1(f); and
- (f) at least 40% of the bags in a Delivery Unit or non-adjoining row or pile of a Large Delivery Unit must be accessible for sampling. Where the Delivery Unit is composed of palletised bags stored in columns or rows, at least one side of each pallet shall be readily accessible for sampling. Where the parcel, lot or Delivery Unit forms all or part of a block stow, or is composed of two block stows, all sides of the block stow shall be readily accessible for sampling.

D.2.1.2 In respect of Cocoa Goods stored in bulk, the following storage requirements shall be observed in addition to those in GWP D.1.16.7:

- (a) each Bulk Delivery Unit must be readily identifiable by the Warehousekeeper and the Exchange inspectors;
- (b) each Bulk Delivery Unit shall be stored:
  - (i) in one pile segregated from all other Bulk Delivery Units or other Cocoa stored in bulk, by temporary or permanent partitioning as detailed in GWP D.1.16.7(d) and in such a way as to ensure that the Cocoa is secure from theft; or
  - (ii) in accordance with such other requirements as may be determined by the Exchange from time to time;
  - (iii) in such a way as to allow the optimum level of ventilation; and
  - (iv) in such a way that would facilitate the sampling of the Bulk Delivery Unit within five business days of the Warehousekeeper receiving the instruction to sample under GWP D.2.4.2.

D.2.1.3 In respect of Cocoa stored for potential delivery against a Contract in each Delivery Unit shall be comprised of sound Cocoa which shall be the product of a single Origin, of the same shipment period and stored in one Warehouse.

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D.2.1.4 A Delivery Unit may not, in whole or in part, be comprised of Cocoa which previously comprised a Delivery Unit graded as not tenderable.

### D.2.2 **Identification of a Delivery Unit**

D.2.2.1 Each Delivery Unit shall be readily identifiable by the Warehousekeeper and the Exchange Officials. The following minimum requirements for the identification of a Delivery Unit shall apply:

- (a) where a Delivery Unit is composed of bags placed on pallets which are stored in rows and/or columns:
  - (i) a hard wearing and durable label, visible from the aisle side of the column and/or row shall be securely fastened to either a bag lying on the first of the storage sequence or the pallet itself and shall show, as a minimum, the Warrant number relating to the Delivery Unit and the number of bags comprising the Delivery Unit; and
  - (ii) a bag on the bottom layer of bags of each pallet and visible from the aisle side of the column and/or row shall be marked clearly, legibly and indelibly on the fabric of the bag with the Warrant number of the Delivery Unit;
- (b) where a Delivery Unit forms part of a block stow:
  - (i) the boundary of each individual Delivery Unit shall be marked. A label showing as a minimum the Warrant number relating to the Delivery Unit and number of bags comprising the Delivery Unit shall be securely fastened to one bag on each face of the Delivery Unit; and
  - (ii) A bag on the bottom, middle and top row of each face of the Delivery Unit shall be marked clearly, legibly and indelibly on the fabric of the bag with the Warrant number of the Delivery Unit; and
- (c) for a Bulk Delivery Unit, signage, detailing the bulk pen identification code specified in GWP D 1.17.3 (b), the Warrant number, origin and weight and any other details as prescribed by the Exchange from time to time shall be attached to the front wall or edge of the storage area.

### D.2.3 **Weighing of a Delivery Unit**

D.2.3.1 A Delivery Unit shall be weighed or re-weighed on each of the following occasions:

- (a) when the Cocoa is combined to form the Delivery Unit in accordance with GWP D.2.1;
- (b) each time Cocoa contained in the Delivery Unit is bagged, re-bagged or debagged in accordance with GWPs D.2.10 to D.2.13, as the case may be;
- (c) upon conversion or formation of the Delivery Unit in accordance with GWPs D.2.10 to D.2.12, as the case may be;
- (d) each time the Delivery Unit is moved or is the subject of a change in control, in accordance with GWPs D.1.19 to D.1.25, as the case may be; and
- (e) in respect of a Bulk Delivery Unit, each time the Bulk Delivery Unit is re-piled, including, without limitation, when it is re-piled in order to be sampled for grading under GWP D.2.6.

D.2.3.2 In respect of a Bulk Delivery Unit, weights shall be taken on the same day that the Cocoa is sampled, during the process of piling or re-piling the Unit and immediately prior to the cocoa being discharged into a moving stream for sampling.

D.2.3.3 The tare weight of the bags shall be that ascertained when the Cocoa was originally weighed and the Warrant was originally created on SDP.

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### D.2.4 Sampling of a Delivery Unit

D.2.4.1 The Exchange may amend the requirements on sampling of Delivery Units at any time at its absolute discretion by notice posted on the Market.

D.2.4.2 In respect of a Delivery Unit which is to be graded pursuant to Section E: of these GWP's, the Beneficiary or the Titleholder making the application for grading on behalf of the Beneficiary shall instruct the Warehousekeeper in writing to draw a sample from the Delivery Unit to be graded. Upon receipt of such instruction, the Warehousekeeper shall act without delay and, in the case of a Bulk Delivery Unit, commence the sampling operation no later than five business days after receiving the notification in accordance with GWP D.2.1.2(b)(iv).

D.2.4.3 Where the Warehousekeeper has provided notification of sampling to the Exchange on any business day by 12:00 hours London time, sampling may commence on the following business day. Where notification of sampling is received after this time, sampling may only begin on the second business day. The Warehousekeeper shall:

- (a) draw the sample in accordance with these GWP's;
- (b) upon completion of drawing the sample, send the sample direct to the Grading Room, for assessment by a Grading Panel appointed by the Exchange; and
- (c) in accordance with GWP D.1.3.3, ensure that all Warrant details on SDP relating to the relevant Delivery Unit are accurate and up to date, no later than two business days after the arrival of the sample at the Grading Room. Grading will not commence until such details are complete. Samples which have been in the Grading Room for more than two business days, and for which details are not complete, may be removed from the grading queue.

D.2.4.4 Subject to GWP's D.1.5.7 and D.1.5.8, if sampling is to occur outside of normal Delivery Area working hours and the sampling is determined to require supervision, then such sampling shall take place at times mutually agreed between the Warehousekeeper and the Exchange.

D.2.4.5 Before sampling, the Delivery Unit identified correctly in accordance with GWP D.2.2 shall be inspected by the Warehousekeeper and, if nominated, the Supervisor shall confirm that;

- (a) the Cocoa complies with GWP's D.2.1.1 and D.2.2; and
- (b) all sampling apparatus is clean, dry and free from foreign odours.

D.2.4.6 Where the conditions of GWP D.2.4.5 are not met, the Warehousekeeper or, if nominated, the Supervisor shall immediately contact the Exchange, which shall determine what action shall be taken before sampling can commence.

D.2.4.7 Any sample which is to be presented to the Grading Room and represents either a Standard or Large Delivery Unit shall be drawn (and, if required, quartered) and sealed, on the same day. Any sample which is to be presented to the Grading Room and represents a Bulk Delivery Unit shall be quartered and sealed on the day on which the last portion of Cocoa which is part of the Bulk Delivery Unit is stored. All sample bags shall be sealed with the Warehousekeeper's seal and, if supervised, the Supervision Company's seal, and the sample bag, shall be marked with the following as a minimum:

- (a) the name of the Warehousekeeper responsible for drawing the sample;
- (b) Warrant number;
- (c) Delivery Area;
- (d) Origin;

- (e) date on which the Cocoa was sampled; and
- (f) the bar code issued by or recorded on SDP in respect of the sample.

### D.2.5 **Sampling of Cocoa Stored in Bags**

D.2.5.1 In respect of a sample drawn from a Standard Delivery Unit:

- (a) a sample of 2 kg minimum weight shall be drawn which shall be representative of the Standard Delivery Unit as a whole, and shall be taken randomly from a minimum of 30% of the number of sound bags forming the Standard Delivery Unit and over the full height and width of the Standard Delivery Unit directly;
- (b) the sample material shall be placed directly into a clean, dry, empty and odourless cotton or linen sample bag with a tare not exceeding 100 g; and
- (c) the sampling and sealing of each sample from a Standard Delivery Unit shall be completed on the same day that sampling started.

D.2.5.2 In respect of a sample drawn from a Large Delivery Unit:

- (a) sample material of 12 kg minimum weight shall be drawn from a minimum of 30% or more of the number of sound bags over the full height and width of the Large Delivery Unit; the sample material shall be quartered to provide a grading sample weighing not less than 3 kg;
- (b) the remaining beans from the preliminary sample shall be bagged, clearly marked and stored with the Large Delivery Unit from which they were drawn;
- (c) the sample material shall be placed into a clean, dry, empty and odourless cotton or linen sample bag with a tare not exceeding 150 g;
- (d) the sampling, quartering and sealing of each sample from a Large Delivery Unit shall be completed on the same day that sampling started; and
- (e) the Warehousekeeper shall record on SDP that the 3 kg sample has been drawn.

### D.2.6 **Sampling of Cocoa Stored in Bulk**

D.2.6.1 In respect of sample material drawn from a Bulk Delivery Unit before 16 September 2021:

- (a) sample material of 50 kg minimum weight which is representative of the Bulk Delivery Unit as a whole shall be derived from Cocoa drawn on an incremental basis perpendicularly across the whole flow of a moving stream of Cocoa (but excluding the “fall”) comprising the whole Bulk Delivery Unit, while the Cocoa is being re-piled. The incremental samples shall be drawn at regular intervals dependent on the speed of the flow, each comprising a minimum of 500 g of Cocoa such that a total of a minimum 100 individual samples are drawn from the Bulk Delivery Unit into bags which are clean, dry, empty and odourless;
- (b) the sampling of each Bulk Delivery Unit shall be completed within a period of 30 calendar days from the date on which sampling commenced. During such period, the bag(s) containing the incremental samples shall be sealed at all times when sampling is not taking place, and shall be clearly marked and stored in a secure location;
- (c) following completion of movement and weighing or re-weighing, the Cocoa drawn, which shall be a minimum of 50 kg, shall be quartered to provide a grading sample of 5 kg minimum weight. The balance of the 50 kg drawn shall be returned to the relevant Bulk Delivery Unit;
- (d) the grading samples shall be placed in clean, dry, empty and odourless cotton or linen sample bags with a tare not exceeding 250 g;

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- (e) the Warehousekeeper shall record on SDP that the 5 kg sample has been drawn; and
- (f) the Warehousekeeper shall maintain a record of the equipment used for the re-piling and sampling, the speed of the Cocoa flow and the intervals during which the incremental samples were drawn, and the individual dates on which each incremental sample, or consecutive incremental samples, were drawn.

D.2.6.2 In respect of sample material drawn from a Bulk Delivery Unit on or after 16 September 2021:

- (a) four samples shall be drawn, each representing a nominal weight of 250MT and which together are representative of the Bulk Delivery Unit as a whole. Each sample shall be derived from Cocoa drawn on an incremental basis perpendicularly across the whole flow of a moving stream of Cocoa (but excluding the “fall”) comprising the whole Bulk Delivery Unit, while the Cocoa is being re-piled;
- (b) the incremental samples shall be drawn at regular, approximate 5MT, intervals dependent on the speed of the flow, each comprising a minimum of 500 g of Cocoa into bags which are clean, dry, empty and odourless. A minimum of 50 individual samples shall be drawn per 250MT, such that each of the four samples representing a nominal weight of 250MT shall contain sample material of 25 kg minimum weight;
- (c) the 25 kg sample shall be quartered to provide:
  - (i) a grading sample of 6.25 kg minimum weight; and
  - (ii) a moisture test sample of 3 kg minimum weight,and the balances of the 25 kg drawn shall be returned to the relevant Bulk Delivery Unit;
- (d) the grading samples shall be placed in clean, dry, empty and odourless cotton or linen sample bags with a tare not exceeding 250 g;
- (e) the moisture test samples shall be placed in clean, dry, empty plastic sample bags or any other bag as prescribed by the Exchange from time to time;
- (f) the sampling, quartering, sealing, storage and despatch of samples shall be carried out by the Warehousekeeper in accordance with instructions issued by the Exchange from time to time;
- (g) sampling of each Bulk Delivery Unit shall be completed within a period of 30 calendar days from the date on which sampling commenced. During such period, the bag(s) containing the incremental samples shall be sealed at all times when sampling is not taking place, and shall be clearly marked and stored in a secure location; and
- (h) the Warehousekeeper shall maintain a record of the equipment used for the re-piling and sampling, the speed of the Cocoa flow and the intervals during which the incremental samples were drawn, and the individual dates on which each incremental sample, or consecutive incremental samples, were drawn.

### D.2.7 **Submission of a Sample**

D.2.7.1 A Warehousekeeper shall draw a sample in accordance with GWPs D.2.4 to D.2.6, as the case may be, and shall submit such sample directly to the Grading Room for grading. Customs duties, if any, shall be for the account of the Warehousekeeper.

D.2.7.2 Samples for grading, and the related application for grading, must be submitted directly to the Grading Room:

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- (a) in respect of a Standard Delivery Unit or Large Delivery Unit, within 10 business days of the date on which the sample was drawn; and
- (b) in respect of a Bulk Delivery Unit, within 60 calendar days of the date on which the first incremental sample forming part of the sample material was drawn.

D.2.7.3 The Exchange may, at its sole discretion, designate the time or day at which samples may be delivered to the Grading Room.

D.2.7.4 A Titleholder or Beneficiary may request the Exchange to withdraw a sample submitted to the Grading Room for grading in accordance with the procedures detailed in Section E: of these GWPs. Any such request must be made to the Grading Room via SDP. Requests to withdraw samples submitted to the Grading Room for grading may be made at any time prior to the sample being presented to the Grading Panel for grading.

D.2.7.5 Where a valid request to withdraw a sample submitted to the Grading Room for grading has been received, the Exchange may charge the Titleholder or Beneficiary, as applicable, requesting the withdrawal a fee as prescribed from time to time by the Exchange.

### D.2.7.6 Moisture test for Bulk Delivery Units

D.2.7.6.1 For contract months from and including December 2021, Bulk Delivery Units will be subject to a moisture test prior to the submission of samples for grading.

- (a) The four moisture test samples shall be analysed by using the International Confectionary Association Analytical Method 43 or any other appropriate analysis as may be prescribed by the Exchange from time to time.
- (b) The average moisture level of the four samples shall be calculated and reported by the Exchange to the Warehousekeeper.
- (c) In the event that the average moisture level is 8.3% or above, the grading sample for the Bulk Delivery Unit may not be submitted for grading.
- (d) In the event that the average moisture level is less than 8.3%, the result shall be recorded on SDP and the grading sample may be submitted for grading.

### D.2.8 **Fumigation and Fogging**

D.2.8.1 Pursuant to GWP D.1.15.2(e), the cost of fumigating and fogging Cocoa stored in accordance with the Cocoa Contract Rules shall be for the account of the Warehousekeeper. It is understood that the Warehousekeeper shall charge a periodic fee, to cover the cost of fumigation and/or fogging, in addition to the Rent that is charged.

D.2.8.2 In the event of ICE Registered Cocoa Graders finding live infestation in a sample, the applicant Titleholder or Beneficiary, as applicable, may submit within 21 calendar days, or other such deadline as prescribed by the Exchange from time to time, documentary evidence from the Warehousekeeper that the relevant Delivery Unit has begun Fumigation or other such appropriate treatment for infestation. Following receipt of satisfactory evidence of treatment for infestation, the Exchange may lift the Suspended status of the Warrant(s), with the effect that they would become valid for tender. Warrant(s) for which evidence of fumigation is submitted where fumigation is commenced outside the prescribed 21-calendar-day window specified above shall not have the Suspended status lifted; such Warrants would have to be re-sampled in order to be reconsidered for grading.

D.2.8.3 All Warrants tendered shall have their record updated by the Warehousekeeper to the effect that fumigation and/or fogging fees have been paid in respect of the period up to and including the

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Settlement Day and, in the case of a Nominated Bulk Delivery Unit, up to the Conversion Settlement Day or the Extended Conversion Settlement Day as the case may be.

D.2.8.4 Once the Warehousekeeper has charged a fumigation and/or fogging fee on Cocoa, a fee may continue to be charged regardless of whether or not a current grading result is in effect. Movement of the Cocoa for fumigation purposes shall be subject to GWP D.1.22.

D.2.8.5 A Beneficiary of Cocoa may only cease to pay the fumigation and/or fogging fee if the Cocoa:

- (a) is graded not tenderable and is De-listed from SDP;
- (b) is sold commercially and De-listed from SDP; or
- (c) is re-piled and De-listed from SDP.

D.2.8.6 If, within 28 days of being De-listed under the circumstances outlined in GWP D.2.8.5, the Cocoa is found to be infested, the cost of fumigation shall be borne by the Warehousekeeper.

D.2.8.7 The cost of such fumigation and/or fogging shall be for the Beneficiaries' account where:

- (a) the Cocoa stored in a Warehouse is sold other than under a Contract;
- (b) a phytosanitary certificate is required; or
- (c) the Beneficiary requests the Cocoa to be fumigated, notwithstanding the apparent absence of infestation.

D.2.8.8 If, under these GWPs, the Beneficiary of the Cocoa is of the opinion that fumigation is necessary to eradicate current infestation but the Warehousekeeper disagrees, then, in order to establish the need for fumigation, the Beneficiary must provide either:

- (a) an order from a local official body (e.g. Port Health Authority) that fumigation must be carried out; or
- (b) a report from a competent independent authority confirming that fumigation is necessary.

If the local official body or the competent independent authority should deem it unnecessary for the Cocoa to be fumigated, all charges and fees in respect of such inspections/reports will be for the account of the Beneficiary of the Cocoa, otherwise such costs, if any, shall be borne by the Warehousekeeper.

### D.2.9 **Conversion of a Delivery Unit**

D.2.9.1 In addition to their obligations under GWP D.1.17, a Warehousekeeper will be required to identify a Delivery Unit that has been converted by including the following on SDP as a suffix to the Warrant number:

- (a) "DFB" (derived from Bulk);
- (b) "DFL" (derived from Large); or
- (c) "DFS" (derived from Standard).

D.2.9.2 The Titleholder, acting on behalf of the Beneficiary of the Cocoa comprising a Delivery Unit, details of which are represented by one or more Warrants, may instruct a Warehousekeeper to convert such a Delivery Unit, provided that:

- (a) the prior written consent of the Exchange is obtained and, subject to Rule EEEE.12(d)(i) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.12(d)(i) (ICE Futures Euro Cocoa Futures Contract), as the case may be, such Delivery Unit is not the subject of a tender; and

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(b) such conversion is made in accordance with these GWP's and the status of the Warehousekeeper.

An instruction provided by the Titleholder on behalf of the Beneficiary under this GWP D.2.9.2 shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with GWP D.2.9.7.

D.2.9.3 A Warehousekeeper may:

- (a) following notice to it by the Seller that it has received instruction from either the Exchange or the Clearing House, convert a Bulk Delivery Unit to Standard Delivery Units, or a Large Delivery Unit to Standard Delivery Units in accordance with Rule EEEE.12(c) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.12(c) (ICE Futures Euro Cocoa Futures Contract), as the case may be (an “**Exchange-instructed Conversion**”); or
- (b) at any request of the Titleholder, acting on behalf of the Beneficiary of the Cocoa, either:
  - (i) convert a Bulk Delivery Unit to Standard Delivery Units, or a Large Delivery Unit to Standard Delivery Units; or
  - (ii) convert Standard or Large Delivery Units to form a Large or Bulk Delivery Unit.(in either case, a “**Titleholder-instructed Conversion**”).

D.2.9.4 (a) A conversion of:

- (i) a Bulk Delivery Unit into Standard Delivery Units; or
  - (ii) Standard and/or Large Delivery Units into a Bulk Delivery Unit; or
- (b) the formation of a Bulk Delivery Unit from any other Cocoa (subject to GWP's D.2.9.11 and D.2.9.12),

for delivery under a Contract, shall only be undertaken by a Dual Capacity Warehousekeeper.

D.2.9.5 (a) A conversion of:

- (i) a Large Delivery Unit into Standard Delivery Units; or
  - (ii) Standard Delivery Units into a Large Delivery Unit; or
- (b) the formation of a Standard or Large Delivery Unit from any other Cocoa (subject to GWP's D.2.9.11 and D.2.9.12),

for delivery under a Contract, may be undertaken by either a Dual or Single Capacity Warehousekeeper.

D.2.9.6 A Warehousekeeper storing a Bulk Delivery Unit shall ensure the availability of bags meeting the criteria prescribed by the Exchange, in order to meet the requirements to convert a Bulk Delivery Unit if so required by the Exchange in accordance with Rule EEEE.12(c) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.12(c) (ICE Futures Euro Cocoa Futures Contract).

D.2.9.7 Upon conversion of an Original Delivery Unit:

- (a) the Warehousekeeper shall ensure that the Warrant(s) relating to the Original Delivery Unit is/are recorded as cancelled in SDP;
- (b) the Valid Grading Result for the Original Delivery Unit shall immediately lapse, unless the Original Delivery Unit is a Nominated Delivery Unit, in which case the Valid Grading Result for the Nominated Delivery Unit shall apply to each Converted Delivery Unit;
- (c) each Converted Original Delivery Unit shall be weighed;

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- (d) the Warehousekeeper shall cause a new Warrant representing each Converted Original Delivery Unit to be created in SDP in accordance with SDP Regulation C.4.3; and
  - (e) any FFA allowance attached to an Original Delivery Unit will continue to be reflected on any Converted Original Delivery Unit regardless of the lapse of the Valid Grading Result.
- D.2.9.8 A Converted Original Delivery Unit, which is not a Converted Delivery Unit, may only be delivered under a Contract if it has been re-graded in accordance with these GWPs and a Valid Grading Result has been issued upon such re-grading.
- D.2.9.9 If, as a result of a conversion, a Delivery Unit is moved by a Warehousekeeper from one of its Warehouses to another, such Delivery Unit may only be delivered under a Contract:
- (a) if it is re-weighed and the new Warrant is updated in SDP with the updated weight prior to the day specified in the Administrative Procedures in the Cocoa Contract Rules for the relevant Delivery Month; or
  - (b) in respect of a Converted Delivery Unit, if it is re-weighed, and the new Warrant is updated in SDP with the updated weight prior to the first Business Day prior to the Conversion Settlement Day or the first Business Day prior to the Extended Conversion Settlement Day, as the case may be, for the relevant Delivery Month.
- D.2.9.10 If, as a result of conversion, a Delivery Unit is moved out of the control of a Warehousekeeper, such Delivery Unit may only be delivered against a Contract if it is re-weighed at the Warehouse of the new Nominated Warehousekeeper or otherwise in accordance with these GWPs, a new Warrant is created in SDP in accordance with GWP D.1.23 or D.1.24, as applicable, and it is re-graded as tenderable.
- D.2.9.11 The Conversion Charges shall be borne as follows:
- (a) in the case of an Exchange-instructed Conversion, in equal proportions by the Seller (or the Beneficiary of the Cocoa holding for the Seller) and the Buyer (or the Beneficiary of the Cocoa holding for the Buyer) of the relevant Delivery Unit; and
  - (b) in the case of a Titleholder-instructed Conversion, by the Beneficiary of the Cocoa comprising the relevant Delivery Unit.
- D.2.9.12 The Exchange may, at its absolute discretion, supervise the conversion of a Delivery Unit.
- D.2.10 **Conversion of a Nominated Delivery Unit**
- D.2.10.1 Where a Titleholder acting on behalf of the Beneficiary of Cocoa comprising a Bulk Delivery Unit instructs a Warehousekeeper to convert such Delivery Unit to Standard Delivery Units, the following procedures shall apply:
- (a) the Titleholder of the Cocoa shall advise the Warehousekeeper of the identity of the Bulk Delivery Unit to be converted, and the type of Delivery Units to which it is to be converted, and this shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with this GWP D.2.10.1;
  - (b) the Warehousekeeper shall give the Exchange a minimum of one clear business day's notice of the commencement of the conversion process;
  - (c) during conversion, Cocoa comprising the Bulk Delivery Unit shall be packed into bags meeting the criteria prescribed by the Exchange from time to time. The bags shall be marked with the following information:
    - (i) the Origin of the Cocoa;

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- (ii) the shipment period (as determined from the Delivery Unit details);
- (iii) the name or identifying mark of the Warehousekeeper storing the Bulk Delivery Unit; and
- (iv) the letters “DFB” (derived from bulk);
- (d) the bagged Cocoa shall be palletised in accordance with the requirements prescribed by the Exchange from time to time, and moved to a Warehouse nominated by the Exchange for the storage of Cocoa in bags. Upon arrival at such Warehouse, the Cocoa shall be weighed and piled into the appropriate Delivery Units in accordance with the requirements prescribed by the Exchange from time to time and otherwise conforming with the requirements of the Contract Rules and these GWPs;
- (e) the Warehousekeeper shall change the status of the Warrant(s) relating to the Bulk Delivery Unit to cancelled in SDP; and
- (f) the Warehousekeeper shall cause one or more new Warrants to be created in SDP in accordance with GWP D.2.9.7(d).

D.2.10.2 Where the Titleholder acting on behalf of the Beneficiary of the Cocoa comprising a Large Delivery Unit instructs a Warehousekeeper to convert such Delivery Unit to Standard Delivery Units, the following procedures shall apply:

- (a) the Titleholder of the Cocoa shall advise the Warehousekeeper of the identity of the Large Delivery Unit to be converted, and this shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with this GWP D.2.10.2;
- (b) the Warehousekeeper shall give the Exchange a minimum of one clear business day’s notice of the commencement of the conversion process;
- (c) the Cocoa shall be weighed and piled into the appropriate Delivery Units in accordance with the requirements prescribed by the Exchange from time to time and otherwise conforming with the requirements of the Contract Rules and these GWPs;
- (d) the Warehousekeeper shall change the status of the Warrant(s) relating to the Large Delivery Unit to cancelled in SDP; and
- (e) the Warehousekeeper shall cause one or more new Warrants to be created in SDP in accordance with GWP D.2.9.7(d).

### D.2.11 **Conversion of an Original Delivery Unit**

D.2.11.1 Where the Titleholder acting on behalf of the Beneficiary of Cocoa comprising a Bulk Delivery Unit instructs a Warehousekeeper to convert such Delivery Units to Standard Delivery Units, the following procedures shall apply:

- (a) the instruction given by the Titleholder shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with this GWP D.2.11.1;
- (b) the Warehousekeeper shall inform the Exchange of the details of the instructions and request approval to convert the Delivery Unit;
- (c) the Exchange shall not approve such conversion if the Delivery Unit has been previously graded as not tenderable, or for any other reason at the absolute discretion of the Exchange;

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- (d) the Warehousekeeper shall give the Exchange a minimum of one clear business day's notice of the commencement of the conversion process;
- (e) during conversion, Cocoa comprising the Bulk Delivery Unit shall be packed into bags meeting the criteria prescribed by the Exchange from time to time. The bags shall be marked with the following information:
  - (i) Origin;
  - (ii) shipment period (as determined from the Delivery Unit details);
  - (iii) the name or identifying mark of the Warehousekeeper storing the Bulk Delivery Unit; and
  - (iv) the letters "DFB" (derived from bulk);
- (f) the bagged Cocoa shall be palletised and moved to:
  - (i) a segregated area of the Warehouse if such Warehouse meets the requirements outlined in GWP D.1.16.6; or
  - (ii) to a Warehouse nominated by the Exchange for the storage of Cocoa in bags.

The Cocoa shall be weighed and piled into the appropriate Delivery Units conforming with the requirements of the Contract Rules and these GWPs;
- (g) the Warehousekeeper shall change the status of the Warrant(s) relating to the Bulk Delivery Unit to cancelled in SDP; and
- (h) the Warehousekeeper shall cause one or more new Warrants to be created in SDP in accordance with GWP D.2.9.7(d).

D.2.11.2 Where the Titleholder acting on behalf of the Beneficiary of Cocoa comprising a Large Delivery Unit instructs a Warehousekeeper to convert such Delivery Unit to Standard Delivery Units, the following procedures shall apply:

- (a) the instruction given by the Titleholder shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with this GWP D.2.11.2;
- (b) the Warehousekeeper shall inform the Exchange of the details of the instructions and request approval to convert the Delivery Unit;
- (c) the Exchange shall not approve such conversion if the Delivery Unit has previously been graded not tenderable, or for any other reason at the absolute discretion of the Exchange;
- (d) the Warehousekeeper shall give the Exchange a minimum of one clear business day's notice of the commencement of the conversion process;
- (e) the Warehousekeeper shall change the status of the Warrant(s) relating to the Large Delivery Unit to cancelled in SDP; and
- (f) the Warehousekeeper shall cause one or more new Warrants to be created in SDP in accordance with GWP D.2.9.7(d).

D.2.11.3 Where the Titleholder acting on behalf of the Beneficiary of Cocoa comprising a Standard or Large Delivery Unit instructs a Warehousekeeper to convert such Delivery Units to Large or Bulk Delivery Units, the following procedures shall apply:

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- (a) the instruction given by the Titleholder shall constitute an instruction by the Beneficiary to the Warehousekeeper, the Titleholder and the Nominee to act in accordance with this GWP D.2.11.3;
- (b) the Warehousekeeper shall:
  - (i) inform the Exchange of the details of the instructions, including:
    - (A) the Warrant numbers of the Delivery Units to be converted and Warehouse in which each is stored;
    - (B) the Warehouse in which the resulting Delivery Unit is to be stored; and
    - (C) any further information which the Exchange may request; and
  - (ii) request approval to convert the Delivery Unit;
- (c) the Exchange shall not approve such conversion if any of the relevant Delivery Units has previously been graded not tenderable, or for any other reason at the absolute discretion of the Exchange;
- (d) upon receipt of the Exchange's approval to convert the Delivery Unit, the Warehousekeeper shall:
  - (i) in respect of the formation of a Bulk Delivery Unit:
    - (A) remove the Cocoa being converted to a Warehouse nominated for the storage of bulk Cocoa;
    - (B) de-bag the Cocoa, weigh and pile it; and
  - (ii) in respect of the creation of a Large Delivery Unit, weigh such Delivery Unit and re-  
pile in accordance with GWP D.2.1,  
  
and if so instructed by the Beneficiary or Titleholder of the Cocoa, sample the Cocoa in accordance with GWPs D.2.3 and D.2.4 or D.2.5, as the case may be;
- (e) the Warehousekeeper shall change the status of the Warrants relating to the Standard or Large Delivery Units (as applicable) to cancelled in SDP; and
- (f) the Warehousekeeper shall cause a new Warrant to be created in SDP in accordance with D.2.9.7(d).

### D.2.12 **Re-bagging of Cocoa in Unsound or Damaged Bags**

D.2.12.1 In respect of a Standard Delivery Unit or Large Delivery Unit, details of which are represented by one or more Warrants and which is, or has been, the subject of a Valid Grading Result, the Cocoa may be re-bagged at the discretion of the Exchange where the fabric of the bags comprising all or part of the Delivery Unit has become unsound or damaged, providing the Cocoa contained in such bags remains sound.

D.2.12.2 In the event that such re-bagging is required, the Warehousekeeper storing the Cocoa shall inform the Exchange of the details, including the following information:

- (a) proof of the instructions from the Titleholder acting on behalf of the Beneficiary of the Cocoa to re-bag such Cocoa;
- (b) the reason why re-bagging is necessary;
- (c) the Warrant number of the relevant Delivery Unit; and

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- (d) the approximate number of bags requiring re-bagging,  
and request approval to re-bag the Cocoa.
- D.2.12.3 In considering such a request, the Exchange may require further information to be provided by the Warehousekeeper. In the event that such re-bagging is authorised by the Exchange, it may, at its absolute discretion, supervise such re-bagging.
- D.2.12.4 Where such re-bagging occurs, the Warehousekeeper shall re-bag the Cocoa into bag(s) meeting the criteria prescribed by the Exchange from time to time. Where the Exchange has appointed a supervisor, the re-bagging shall only take place in the presence of such supervisor.
- D.2.12.5 The bag(s) into which the Cocoa is re-bagged shall be marked with the mark or marks of the original bag(s).
- D.2.12.6 The Warehousekeeper shall amend the details on the Warrant for the Delivery Unit to show the number of original bags which have been re-bagged.
- D.2.12.7 Upon the re-bagging of any such Cocoa comprised in a Delivery Unit, any Valid Grading Result for such Delivery Unit shall, subject to Rule EEEE.3(e)(iii) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.3(e)(iii) (ICE Futures Euro Cocoa Futures Contract), immediately lapse, unless the Exchange determines, in its absolute discretion, that the Valid Grading Result shall continue to apply to Cocoa contained in a Delivery Unit which has been re-bagged in whole or in part:
- (a) as a consequence of one or more bags contained in the Delivery Unit becoming damaged in the Warehouse or in transit; and
- (b) in accordance with any instructions or other directions given by the Exchange.
- D.2.12.8 The costs of re-bagging Cocoa comprised in a Delivery Unit shall be borne by the Beneficiary of the Cocoa.
- D.2.13 **Top-up of a Delivery Unit**
- D.2.13.1 In respect of a Delivery Unit, details of which are represented by one or more Warrants and which is, or has been, the subject of a Valid Grading Result, and upon reweighing is found to be of a weight less than the tolerance specified in Rule EEEE.5(e) (ICE Futures London Cocoa Futures Contract) or Rule EEEE1.5(e) (ICE Futures Euro Cocoa Futures Contract), Cocoa may be added to the Delivery Unit, provided that:
- (a) following the addition of Cocoa, the Delivery Unit is in compliance with Rule EEEE (ICE Futures London Cocoa Futures Contract) or Rule EEEE1 (ICE Futures Euro Cocoa Futures Contract), and with GWP D.2.1.3;
- (b) the additional Cocoa has never been graded as not tenderable; and
- (c) in respect of Standard or Large Delivery Units, the additional Cocoa is contained in bag(s) meeting the criteria prescribed by the Exchange from time to time.
- D.2.13.2 Any Delivery Unit having a Valid Grading Result which has been the subject of a top-up may not be tendered following the top-up until the Delivery Unit has been weighed and re-graded as tenderable.
- D.2.13.3 The cost of a top-up of a Delivery Unit shall be borne by the Beneficiary of the Cocoa.

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### D.3 *[Robusta Coffee]*

#### D.3.1 *Piling of Robusta Coffee*

##### D.3.1.1 *Robusta Coffee Shipped from Origin in Bags*

*D.3.1.1.1 In respect of Robusta Coffee Goods, details of which are represented by one or more Warrants, the following storage requirements shall be observed:*

- (a) each lot shall all be packed in sound bags which are in external good order, are woven from natural fibres, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Exchange from time to time. For a lot stored on or after 1 July 2021, the bags shall only bear markings which relate to the Robusta Coffee within;*
- (b) each parcel or lot shall be stored on pallets at ground level, with the exception of multi-storey Warehouses with wooden floors where the bags of Robusta Coffee may be stored directly on the floor;*
- (c) the Robusta Coffee comprising a parcel or lot shall be stored, subject to GWP D.3.1.1.1(d), together in a single row or pile;*
- (d) Where a lot or parcel is composed of palletised bags, the bags on each pallet shall relate only to that lot or parcel. Where there is a balance of bags making up a parcel or lot which is insufficient to fill a pallet to capacity, those remaining bags shall be exclusively stored on a pallet which shall be marked in accordance with GWP D.3.2 and placed either on top of the column of pallets comprising the majority of the lot or parcel or at the end of the row in which the lot or parcel is piled;*
- (e) Robusta Coffee shall be stored with a gap of at least 45 centimetres and, for Robusta Coffee piled from and including 01 May 2022, with at least a gap of 50 centimeters:*
  - (i) from any wall; and*
  - (ii) from any other Robusta Coffee or other material stored in the Warehouse to allow compliance with GWP D.3.1.1.1(f); and*
- (f) at least 40% of the bags in a parcel or lot must be accessible for inspection. Where the parcel or lot is composed of palletised bags stored in columns or rows, at least one side of each pallet shall be readily accessible for inspection.*

*D.3.1.1.2 Subject to GWP D.3.1.1.3, a lot may not, in whole or in part, be comprised of Robusta Coffee which previously comprised a lot graded under GWP E.3.*

*D.3.1.1.3 Robusta Coffee that has been re-graded pursuant to GWP E.1.10.7 may comprise the whole or a part of a lot.*

##### D.3.1.2 *Shipped from Origin in Bulk*

*D.3.1.2.1 In respect of Robusta Coffee Goods, details of which are represented by one or more Warrants, the following storage requirements shall be observed:*

- (a) each lot shall all be packed in either:*
  - (i) sound bags which are in external good order, are woven from natural fibres, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Exchange from time to time and which shall have a gross weight of no more than 80 kg and shall comply with GWP D.3.1.1.1; or*

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- (ii) *sound FIBCs which must be sealed by means of a numbered and suitably recorded seal, are in external good order, are constructed using woven material such that they prevent condensation occurring during storage, are of sufficient strength to withstand transit and storage, are previously unused, clean and suitable for food contact use and meet such other criteria as may be prescribed by the Exchange from time to time and which shall have a gross weight of no less than 900 kg and no more than 1,100 kg and shall comply with GWP D.3.1.2.1(b) to (h) inclusive; and*
- (iii) *for a lot stored on or after 1 July 2021, the bags or FIBCs (as applicable) shall only bear markings which relate to the Robusta Coffee within.*
- (b) *Each lot shall be stored:*
  - (i) *on pallets at ground level; or*
  - (ii) *in racking in accordance with GWPs D.3.1.2.1(e) to (g) inclusive;*
- (c) *The Robusta Coffee comprising a lot shall be stored together in a single row, pile, or sequence;*
- (d) *Robusta Coffee stored in one FIBC may only relate to the same lot;*
- (e) *Robusta Coffee on pallets or in racking shall be stored with a gap of at least 45 centimetres:*
  - (i) *from any wall; and*
  - (ii) *from any other Robusta Coffee or other material stored in the Warehouse to allow compliance with GWP D.3.1.2.1(h);*
- (f) *with regard to Robusta Coffee stored in racking:*
  - (i) *the racking installations shall allow for sufficient space in the working aisles for any access required by: (A) officials or appointed representatives of the Exchange; or (B) the appointed representatives of the Beneficiary;*
  - (ii) *all racking installations must be inspected and approved as suitable by the Exchange;*
  - (iii) *permission to store FIBCs in racking installations will be granted on a case-by-case basis at the absolute discretion of the Exchange; and*
  - (iv) *promptly upon receipt of a reasonable request from the Titleholder acting on behalf of the Beneficiary, the Beneficiary, or the Exchange, Warehousekeepers shall move FIBCs from the racking to the ground floor for the purposes of inspection or identification or sampling, and all costs for such removal and return of the FIBCs from and to the racking shall be for the account of the Warehousekeeper;*
- (g) *the Exchange may issue additional requirements relating to storage in racking from time to time; and*
- (h) *all of the FIBCs must be accessible for inspection.*

D.3.1.2.2 *Subject to GWP D.3.1.2.3, a lot may not, in whole or in part, be comprised of Robusta Coffee which previously comprised a lot graded under GWP E.3.*

D.3.1.2.3 *Robusta Coffee that has been re-graded pursuant to GWP E.1.10.7 may comprise the whole or a part of a lot.*

### D.3.2 **Identification of a parcel or lot**

D.3.2.1 *Each parcel or lot shall be readily identifiable by the Warehousekeeper and the Exchange Officials. The following minimum requirement for the identification of a parcel or lot shall apply:*

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(a) *a label, visible from the aisle side of the column and/or row, shall be securely fastened to either a bag or FIBC lying on the first pallet of the storage sequence or the pallet itself and shall show, as a minimum, the Warrant number relating to the parcel or lot and the number of bags or FIBCs comprising the parcel or lot; and*

(b)

(i) *For bags*

*A bag on the bottom layer of bags of each pallet and visible from the aisle side of the column and/or row shall be marked clearly, legibly and indelibly on the fabric of the bag with the Warrant number of the parcel or lot.*

(ii) *For FIBCs*

*Each FIBC visible from the aisle side of the column and/or row shall be marked clearly, legibly and indelibly on the fabric of the FIBC with the Warrant number of the lot and the gross weight.*

### D.3.3 **Weighing of a parcel or lot**

D.3.3.1 *A parcel or lot shall be weighed or re-weighed:*

(a) *when the parcel or lot is piled for tendering;*

(b) *each time the Robusta Coffee contained in the parcel or lot is re-bagged in accordance with GWP D.3.7; and*

(c) *each time the parcel or lot is moved or is the subject of a change in control, in accordance with GWPs D.1.19 to D.1.24, as the case may be; and*

(d) *in the case of Robusta Coffee stored in FIBCs being re-weighed, new weights shall be written on the sides of the bags in accordance with GWP D.3.2.1(b)(ii).*

D.3.3.2 *Rule GGGG.5(f) (ICE Futures Robusta Coffee Futures Contract) sets out the requirements for periodic re-weighing and applicable weight allowances. Should Robusta Coffee require re-weighing before delivery, such re-weighing shall be at the Beneficiary's expense.*

D.3.3.3 *The tare weight of the bags or FIBCs shall be that ascertained when the Robusta Coffee was originally weighed and the Warrant was originally created.*

D.3.3.4 *In the event of re-weighing, if not already stored in adjacent piles, parcels forming lots should be moved into adjacent piles.*

### D.3.4 **Sampling of a parcel or lot**

D.3.4.1 *The Exchange may amend the requirements on sampling of a Lot at any time at its reasonable discretion by notice posted on the Market.*

D.3.4.2 *In respect of a parcel or lot which is to be graded pursuant to GWPs E.1 and E.3, the Beneficiary or the Titleholder making the application for grading on behalf of the Beneficiary shall instruct the Warehousekeeper in writing to draw a sample from the parcel or lot to be graded. Upon receipt of such instruction, the Warehousekeeper shall act without delay.*

D.3.4.3 *If two to five lots are to be sampled from the same consignment, and those lots consist of Robusta Coffee from one Origin, ex one vessel shipped on one bill of lading, and stored in the same Warehouse under the control of the same Warehousekeeper, then the Beneficiary or the Titleholder making the application*

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*for grading on behalf of the Beneficiary may instruct the Warehousekeeper to draw and present the individual samples to be graded as grouped lots.*

- D.3.4.4 *Where the Warehousekeeper has provided sampling notification to the Exchange on any business day by 12:00 hours London time, sampling may commence on the following business day. Where sampling notification is received after this time, sampling may only begin on the second business day. The Warehousekeeper shall advise the Exchange whether or not the samples are to be delivered to be graded as grouped lots. The Warehousekeeper shall:*
- (a) draw the sample in accordance with these GWPs;*
  - (b) upon completion of drawing the sample, send the sample direct to the Grading Room in accordance with GWP D.3.5.2, for assessment by a Grading Panel appointed by the Exchange. Samples forming grouped lots shall all be presented to the Grading Room together; and*
  - (c) in accordance with GWP D.1.3.3, ensure that all Warrant details on SDP relating to the relevant parcel or lot on SDP are accurate and up to date, no later than two business days after the arrival of the sample at the Grading Room. Grading will not commence until such details are complete. Samples which have been in the Grading Room for more than two business days, and for which details are not complete, may be removed from the grading queue.*
- D.3.4.5 *Subject to GWPs D.1.5.7 and D.1.5.8, if sampling is to occur outside normal port working hours and the sampling is deemed to require supervision, then this is to occur at times mutually agreed between the Warehousekeeper and the Exchange.*
- D.3.4.6 *Before sampling, the parcel or lot identified correctly in accordance with GWP D.3.2 shall be inspected by the Warehousekeeper and, if supervised, the Supervision Company shall confirm:*
- (a) that the Robusta Coffee complies with GWP D.3.1; and*
  - (b) all sampling apparatus is clean, dry and free from foreign odours.*
- D.3.4.7 *Where one or both of the conditions in GWP D.3.4.66 are not met, the Warehousekeeper or, if supervised, the Supervision Company shall immediately contact the Exchange, which shall determine what action shall be taken before sampling can commence.*
- D.3.4.8 *Any sample to be presented to the Grading Room shall be drawn and sealed, all of which is to occur on the same day. All samples forming grouped lots shall be drawn and sealed on the same day.*
- D.3.4.9 *Each lot shall comprise not more than two parcels of Robusta Coffee. Where a lot is to be formed of two parcels, a sample from each parcel must be submitted for grading and both samples must be covered by a Valid Grading Result for the lot to be tenderable. Where a sample relating to a parcel is graded not tenderable then the whole lot comprising both parcels shall be not tenderable. The parcel comprising such lot which was graded as tenderable may not be combined with another tenderable parcel to form a tenderable lot.*
- D.3.4.10 *In respect of each sample drawn from a parcel or lot stored in bags:*
- (a) a grading sample of 1.5 kg minimum weight shall be drawn, which shall be representative of the parcel or lot as a whole, and shall be taken randomly from a minimum of 30% of the number of sound bags forming the parcel or lot and over the full height and width of the parcel or lot directly into a clean, dry, empty and odourless cotton or linen sample bag; with a tare not exceeding 100 g to be presented to the Grading Room; and*
  - (b) the sample bag shall be sealed with the Warehousekeeper's seal and also, if supervised, the Supervision Company's seal. The following minimum details shall be marked on the bag:*

- (i) *the Warehousekeeper responsible for drawing the sample;*
- (ii) *the Warrant number;*
- (iii) *the port;*
- (iv) *the Origin;*
- (v) *the date on which the Robusta Coffee was landed; and*
- (vi) *the bar code issued by or recorded on SDP in respect of the sample.*

D.3.4.11 *In respect of each sample drawn from a lot stored in FIBCs:*

- (a) *a grading sample of 1.5 kg minimum weight shall be drawn, which shall be representative of the lot as a whole, and shall be taken by means of one of the following procedures:*

- (i) ***Sampling from a conveyor during bagging***

*Sample material of 12.5 kg minimum weight (the bulk sample), which is representative of the lot as a whole, shall be derived from Robusta Coffee drawn on an incremental basis perpendicularly across the whole flow of a moving stream of Robusta Coffee (but excluding the “fall”) comprising the whole lot, while the Robusta Coffee is being bagged. The incremental samples shall be drawn at regular intervals dependent on the speed of the flow, each comprising a minimum of 250 g of Robusta Coffee such that a total of a minimum 50 individual samples are drawn from the lot. The Warehousekeeper shall maintain a record of the equipment used for the bagging and sampling, the speed of the Robusta Coffee flow and the intervals during which the incremental samples were drawn.*

- (ii) ***Sampling using a compartmentalised sampling iron***

*Sample material of 7.5 kg minimum weight (the bulk sample), which is representative of the lot as a whole, shall be derived from Robusta Coffee drawn once the FIBCs are filled with Robusta Coffee but before they are sealed. Samples may be drawn from each FIBC by use of a sampling iron which has a minimum of four compartments in its length. Each FIBC shall be sampled a minimum of three times by access through the loading chute, such that the sampling iron reaches the bottom two of the FIBC’s corners, and once central vertically down the middle of the FIBC. A minimum of 0.75kg per FIBC shall be drawn.*

- (iii) ***Sampling using a sampling iron***

*Sample material of 7.5 kg minimum weight (the bulk sample), which is representative of the lot as a whole, shall be derived from Robusta Coffee drawn once the FIBCs are filled with Robusta Coffee and before they are sealed. Samples may be drawn from each FIBC by use of a sampling iron which is of sufficient length to reach the centre core of the FIBC. Sampling must be on one side of the FIBC with a minimum of three incremental samples being drawn, such that the middle and two diagonally opposing corners are sampled. A minimum of 0.75kg per FIBC shall be drawn.*

- (b) *the bulk sample, which shall be a minimum of 7.5 kg, shall be quartered to provide a grading sample of 1.5 kg minimum weight. The balance of the bulk sample shall be returned to the relevant lot before the FIBCs are sealed and weighed;*
- (c) *the grading sample shall be placed in a clean, dry, empty and odourless cotton or linen sample bag with a tare not exceeding 100 g; and*

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(d) *the sample bag shall be sealed with the Warehousekeeper's seal, and also if supervised the Supervision Company's seal. The sample bag shall be marked as specified in GWP D.3.4.10(b).*

### D.3.5 **Submission of a Sample**

D.3.5.1 *A Warehousekeeper shall draw a grading sample in accordance with GWP D.3.4, and shall submit such sample directly to the Grading Room for grading. Customs duties, if any, shall be for the account of the Warehousekeeper.*

D.3.5.2 *Grading samples, and the related application for grading, must be submitted directly to the Grading Room within 10 business days of the date on which they were drawn.*

D.3.5.3 *The Exchange may, at its sole discretion, designate the time or day at which samples may be delivered to the Grading Room.*

### D.3.6 **Fumigation and Fogging**

D.3.6.1 *Pursuant to GWP D.1.15.2(e), the cost of fumigating and fogging of Robusta Coffee stored in accordance with the Robusta Coffee Contract Rules shall be for the account of the Warehousekeeper.*

D.3.6.2 *In the event of ICE Registered Robusta Coffee Graders finding live infestation in a sample, the applicant Titleholder or Beneficiary, as applicable, may submit within 21 calendar days, or other such deadline as prescribed by the Exchange from time to time, documentary evidence from the Warehousekeeper that the relevant lot has begun Fumigation or other such appropriate treatment for infestation. Following receipt of satisfactory evidence of treatment for infestation, the Exchange may lift the Suspended status of the Warrant(s), with the effect that they would become valid for tender. Warrant(s) for which evidence of fumigation is submitted where fumigation is commenced outside the prescribed 21-calendar-day window specified above shall not have the Suspended status lifted; such Warrants would have to be re-sampled in order to be reconsidered for grading.*

D.3.6.3 *The cost of such fumigation and/or fogging shall be for the Beneficiary's account where:*

- (a) *the Robusta Coffee stored in a Warehouse is sold other than under a Contract; or*
- (b) *a phytosanitary certificate is required; or*
- (c) *the Beneficiary requests the Robusta Coffee to be fumigated notwithstanding the apparent absence of infestation.*

D.3.6.4 *If, under these GWPs, the Beneficiary of the Robusta Coffee is of the opinion that fumigation and/or fogging is necessary to eradicate current infestation but the Warehousekeeper disagrees, then, in order to establish the need for fumigation and/or fogging, the Beneficiary must provide either:*

- (a) *an order from a local official body (e.g. Port Health Authority) that fumigation must be carried out; or*
- (b) *a report from a competent independent authority confirming that fumigation and/or fogging is necessary.*

*If the local official body or the competent independent authority should deem it unnecessary for the Robusta Coffee to be fumigated and/or fogged, all charges and fees in respect of such inspections/reports will be for the account of the Beneficiary of the Robusta Coffee, otherwise such costs, if any, shall be borne by the Warehousekeeper.*

### D.3.7 **Re-bagging of Robusta Coffee stored in Unsound or Damaged Bags**

D.3.7.1 *Robusta Coffee Goods stored in a parcel or lot which is, or has been, the subject of a Valid Grading Result may be re-bagged at the discretion of the Exchange where the fabric of the bags comprising all*

## LONDON COCOA GRADING AND WAREHOUSEKEEPING PROCEDURES

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*or part of a parcel or lot or the FIBCs comprising all or part of a lot have become unsound or damaged, providing the Robusta Coffee contained in such bags remains sound.*

- D.3.7.2 *In the event that such re-bagging is required, the Warehousekeeper storing the Robusta Coffee shall inform the Exchange of the details, including the following information:*
- (a) proof of the instructions from the Beneficiary, or the Titleholder acting on behalf of the Beneficiary, of the Robusta Coffee to re-bag such Robusta Coffee;*
  - (b) the reason why re-bagging is necessary;*
  - (c) the Warrant number of the relevant parcel or lot; and*
  - (d) the approximate number of bags or FIBCs requiring re-bagging,*  
*and request approval to re-bag the Robusta Coffee.*
- D.3.7.3 *In considering such a request, the Exchange may require further information to be provided by the Warehousekeeper. In the event that such re-bagging is authorised by the Exchange, it may, at its absolute discretion, supervise such re-bagging.*
- D.3.7.4 *Where such re-bagging occurs, the Warehousekeeper shall re-bag the Robusta Coffee into bags or FIBCs meeting the criteria prescribed by the Exchange from time to time. Where the Exchange has appointed a supervisor, the re-bagging shall only take place in the presence of such supervisor.*
- D.3.7.5 *The bag(s) into which the Robusta Coffee is re-bagged shall be marked with the mark or marks of the original bag(s).*
- D.3.7.6 *The Warehousekeeper shall amend the details on the Warrant for the parcel or lot to show the number of original bags which have been re-bagged.*
- D.3.7.7 *Upon the re-bagging of any such Robusta Coffee comprised in a parcel or lot, any Valid Grading Result for such parcel or lot shall immediately lapse, unless the Exchange determines, in its absolute discretion, that the Valid Grading Result shall continue to apply to Robusta Coffee comprised in a parcel or lot which has been re-bagged in whole or in part:*
- (a) as a consequence of one or more bags contained in the parcel becoming damaged in the Warehouse or in transit; and*
  - (b) in accordance with any instructions or other directions given by the Exchange.*
- D.3.7.8 *The costs of re-bagging Robusta Coffee comprised in a parcel shall be borne by the Beneficiary of the Robusta Coffee.]*

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## **Section E: GRADING PROCEDURES IN RESPECT OF COCOA AND ROBUSTA COFFEE**

### **E.1 GENERAL**

#### **E.1.1 Exchange Grading Operations**

E.1.1.1 The grading operations necessary to support the ICE Futures London Cocoa Futures Contracts, ICE Futures Euro Cocoa Futures Contracts and ICE Futures Robusta Coffee Futures Contracts are managed by the Exchange.

E.1.1.2 In respect of grading operations, the Exchange is responsible for:

- (a) maintaining a list of suitably qualified Warehousekeepers and Graders;
- (b) convening Grading Panels and Appeal Panels;
- (c) supervising the grading and appeal process, where necessary;
- (d) recording and disseminating grading results; and
- (e) overseeing the return of a graded sample to an applicant or their appointed agent.

E.1.1.3 Neither the Exchange nor any department, panel or individual operating on behalf of or in association with the Exchange shall do anything under these GWPs or take any other action which shall put the Exchange in breach of any legislation, restriction or sanction to which it is subject.

#### **E.1.2 Application and Qualification as an ICE Registered Cocoa or ICE Robusta Coffee Grader**

E.1.2.1 To be registered with the Exchange as an ICE Registered Cocoa or ICE Robusta Coffee Grader, an individual must complete an application in the form prescribed by the Exchange from time to time. The Exchange will determine, in its absolute discretion, whether the applicant is suitable and if so, the applicant will be invited to attend either a Cocoa or Robusta Coffee grading course, as the case may be, held by the Exchange. Such courses are held by the Exchange at such times and at such cost to the applicant as the Exchange may determine in its absolute discretion.

E.1.2.2 An employee of, or a person in regular employment by a Warehousekeeper or Supervision Company is ineligible to be registered as a Grader, as such person may have a potential conflict of interest.

E.1.2.3 Registered Cocoa or Robusta Coffee graders, who may be employees of the Exchange, must, on completion of the grading course, undertake the written and practical examinations prescribed by the Exchange.

E.1.2.4 All applicants who successfully complete the examination process must sign a Graders Contract before undergoing a series of “grading observations”, the nature and duration of which shall be determined by the Exchange.

E.1.2.5 Notwithstanding that an applicant has complied with GWPs E.1.2.1 to E.1.2.4, the Exchange may, in its absolute discretion, deny the applicant registration as an ICE Registered Cocoa or Robusta Coffee Grader.

E.1.2.6 The Exchange may require a Grader to undergo a series of grading observations as specified in GWP E.1.2.4, if the Grader has not participated in a Grading Panel for six months or more.

#### **E.1.3 Conduct of Graders**

E.1.3.1 A Grader must act in accordance with the standards required by these GWPs and the Graders Contract.

## LONDON COCOA GRADING AND WAREHOUSEKEEPING PROCEDURES

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- E.1.3.2 During the course of grading, whilst conducting other duties pertaining to their office or while on the Exchange's premises, a Grader shall maintain the highest standards of professional conduct and orderly behaviour.
- E.1.3.3 Where a Grader is called to join a Grading Panel or Appeal Panel, as the case may be, and the Grader is, or becomes, aware that the company of which they are an employee, or any Related Company, has an interest in Cocoa or Robusta Coffee that is the subject of the relevant application for grading, they shall inform the Exchange of such interest immediately. The Exchange shall either:
- (a) arrange for the Grading Panel or Appeal Panel, as the case may be, of which such Grader is a member, to grade samples in which there is no such interest; or
  - (b) defer grading until such time as another Grading Panel or Appeal Panel, as the case may be, can be constituted, or where circumstances are such that grading cannot be deferred, call another Grader to replace the Grader on the relevant Grading Panel or Appeal Panel.
- E.1.3.4 If a member of a Grading Panel or Appeal Panel is believed, in the opinion of an Exchange Official, to be under the influence of alcohol or drugs, such Grader will not be permitted to undertake grading on behalf of the Exchange.
- E.1.3.5 While in the Grading Room, a Grader must refrain from behaviour which might distract any member of another Grading Panel or Appeal Panel.
- E.1.3.6 A Grader should not observe the grading taking place at other Grading Stations or confer with other Graders not forming part of their Grading Panel or Appeal Panel, in respect of samples that such Grading Panel or Appeal Panel are grading.
- E.1.3.7 An Exchange Official may stop or suspend grading at any time, if they consider that the Regulations or these GWPs, are being breached, or that the fairness of the grading of any sample has been compromised.
- E.1.3.8 If an Exchange Official has reason to believe that a Grader has acted or is acting in breach of the Regulations or these GWPs then a senior Exchange Official must be informed as soon as possible of the suspected breach.
- E.1.3.9 A Grader must not remove samples of Cocoa or Robusta Coffee from the Grading Room.
- E.1.3.10 Graders must leave the Grading Room promptly once they have completed grading the samples allocated to their Grading Panel or Appeal Panel, as the case may be.
- E.1.3.11 Smoking or eating in the Grading Room is prohibited.
- E.1.3.12 A Grader who fails to follow these GWPs may be liable to further investigation. Should such an investigation provide evidence that the Grader has breached the Regulations or these GWPs, then the Exchange shall take such disciplinary action it deems appropriate, which may include de-registration. Any such disciplinary action will only be imposed after the Grader concerned has been given a fair and appropriate opportunity to present their case to the Exchange.
- E.1.4 **Interested Parties**
- E.1.4.1 A Grader who is employed by, or otherwise associated with, a company which is an interested party with regard to any parcel, lot or Delivery Unit shall not be appointed to, and must not knowingly participate in, a Grading Panel or an Appeal Panel in respect of such parcel, lot or Delivery Unit. Whether such association exists shall be at the sole determination of the Exchange.
- E.1.4.2 The following are interested parties for the purpose of GWP E.1.4.1:
- (a) the applicant for grading;

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- (b) the Beneficiary of the Goods; and
  - (c) where either the applicant or Beneficiary of the Goods is a company, a Related Company.
- E.1.4.3 Notwithstanding GWPs E.1.4.1 and E.1.4.2, a grading result shall not be invalidated in the event that the parcel, lot or Delivery Unit to which it applies is subsequently received, by way of tender against an Exchange contract, by a company which employs, or is otherwise associated with, a Grader who participated in the grading of such parcel, lot or Delivery Unit.
- E.1.5 **Termination of Registration as a Grader**
- E.1.5.1 The registration of a Grader may be terminated:
  - (a) upon such notice as the Exchange may deem expedient, if the Grader does not continue to meet the criteria for registration as determined by the Exchange in its absolute discretion; or
  - (b) either summarily or upon such notice as the Exchange may in its absolute discretion deem expedient, if the Grader's acts, or the Grader's failure to act, is in breach of the requirements of the Regulations, the Grader's Contract or these GWPs and, as a consequence of disciplinary action by the Exchange, the Exchange determines that such termination is appropriate.
- E.1.5.2 If a Grader wishes to resign from being an ICE Registered Cocoa or Robusta Coffee Grader, the Grader must give four weeks' notice to the Exchange. A Grader must comply with any conditions that the Exchange may impose on their resignation.
- E.1.6 **Grading and Appeal Panels**
- E.1.6.1 On receiving an application for grading or notice of an appeal in respect of a grading result, the Exchange will, at its absolute discretion, convene a Grading Panel or Appeal Panel, respectively, from the list of the ICE Registered Cocoa or Robusta Coffee Graders, as the case may be, who are eligible to grade. The Exchange will endeavour to ensure that each Grading Panel or Appeal Panel includes Graders with appropriate experience of the Appeal process.
- E.1.6.2 The Exchange will as far as practicable select an ICE Registered Cocoa or Robusta Coffee Grader, as the case may be, to form part of a Grading Panel or Appeal Panel in rotation, provided that:
  - (a) not more than one Grader from the same company, or a Related Company, will be selected to form the same Grading Panel or Appeal Panel;
  - (b) a Grader who is an employee of the Titleholder, or a Related Company, submitting an application for grading or, if such Titleholder is not the Beneficiary of the Goods from which the sample was drawn, then the Beneficiary of such Goods, or a Related Company, shall not form part of the Grading Panel or Appeal Panel undertaking the grading of such sample; and
  - (c) a Grader will not form part of an Appeal Panel if such Grader formed part of the Grading Panel that originally graded such sample.
- E.1.7 **Grading Appeals**
- E.1.7.1 In respect of Robusta Coffee:
  - (a) there shall be no appeal in respect of a parcel or lot graded as tenderable. The applicant Titleholder or Beneficiary, as applicable, may appeal the grading result in respect of a parcel or lot graded as not tenderable, provided such appeal is made in accordance with these GWPs and within five business days after the date of the grading result;

In respect of Cocoa:

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- (b) all Cocoa Delivery Units which have failed grading due to excess Residue and Foreign Matter only, an application may be made in accordance with these GWPs to recondition the Goods removing the Residue and Foreign Matter and enter subsequent sample and grading application in SDP;
  - (c) the applicant Titleholder or Beneficiary, as applicable, may appeal the grading result issued by the Exchange provided such appeal is made in accordance with these GWPs and within 20 business days after the date of the grading result; and
  - (d) in addition to the above appeal process, in respect of Cocoa in Bulk, the applicant Titleholder or Beneficiary, as applicable, may appeal the FFA test results separately in accordance with these GWPs and within 20 business days after the date of the grading result.
- E.1.7.2 An appeal may be lodged by the Nominated Titleholder via SDP complete with the details of the relevant Warrant number.
- E.1.7.3 In respect of:
  - (a) Cocoa, the original sample shall be submitted within 20 business days after the date of the grading result; and
  - (b) Robusta Coffee, for a lot or parcel graded individually, the original sample shall be submitted within 10 business days after the date of the grading result. For grouped lots, sample material weighing a minimum of 1.5 kg representing the grading sample in GWP E.3.2.2 shall be submitted within 10 business days after the date of the grading result.
- E.1.7.4 In all cases the original sample must be submitted with the Exchange's seal intact. Where such a seal is broken, an appeal will not be undertaken.
- E.1.7.5 Grading appeals shall be conducted on the sample, or, for samples graded as grouped lots, a portion of sample material, originally submitted for grading.
- E.1.7.6 If the Appeal Panel decide that the original decision of the Grading Panel should be changed, the previous grading result will cease to be valid. The Exchange shall notify the applicant Titleholder or Beneficiary, as applicable, of the appeal grading result by such means and in a form prescribed by the Exchange from time to time.
- E.1.8 **Grading and Appeal Fees**
- E.1.8.1 The fee payable in respect of an application for grading a Delivery Unit of Cocoa or a parcel, lot or grouped lots of Robusta Coffee or in respect of a notice of appeal, as the case may be, shall be prescribed from time to time by the Exchange. It shall be payable on demand, or at such other time and in such manner as may be prescribed by the Exchange from time to time.
- E.1.8.2 Appeal fees in respect of grading appeals conducted in accordance with the Cocoa and Robusta Coffee Contract Rules shall not be reimbursed to the applicant under any circumstances.
- E.1.8.3 The Exchange shall pay to the members of a Grading Panel or Appeal Panel such fee as it shall from time to time determine.
- E.1.9 **Liability for Grading**
- E.1.9.1 Without prejudice to any exclusion of liability provision in the Regulations, none of the Exchange, the Nominee, the Directors or the Clearing House shall be liable for any loss or damage whatsoever, whether for negligence, breach of contract, misrepresentation or otherwise, in respect of the failure to grade a sample of Cocoa or Robusta Coffee or to issue a grading result by a particular date.

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- E.1.9.2 Nothing in this GWP shall operate to exclude or restrict the liability of the Exchange, the Nominee, the Directors or the Clearing House for fraud, wilful default or death or personal injury due to negligence.
- E.1.9.3 No person serving on any Grading Panel or Appeal Panel shall, in the absence of bad faith or wilful default, be under any liability whatsoever whether in contract, in tort or otherwise to any Titleholder, Beneficiary or other person for any decision taken or other act or omission in respect of an application for grading.
- E.1.10 **Application for Grading or Re-grading**
- E.1.10.1 An application for grading or re-grading, as the case may be, shall be made by a Titleholder or Beneficiary, via SDP.
- E.1.10.2 A Titleholder or Beneficiary may apply to the Exchange for grading or re-grading, as the case may be, if, in respect of Cocoa, and subject to GWP E.2.1:
- (a) the Delivery Unit does not have a Valid Grading Result;
  - (b) the Delivery Unit does have a Valid Grading Result and the application for grading is made no earlier than the beginning of the calendar month immediately prior to the calendar month in which the Valid Grading Result expires; or
  - (c) for contract months from and including December 2021, the Delivery Unit has a Valid Grading Result which is the second or subsequent Valid Grading Result.
- E.1.10.3 Irrespective of the usual validity period of a grading result for Cocoa which is the subject of an application for re-grading in accordance with GWP E.1.10.2 shall immediately lapse upon commencement of such re-grading.
- E.1.10.4 In respect of Cocoa, no application for re-grading of a Delivery Unit may be made where the Cocoa comprising the Delivery Unit has previously been graded as not tenderable, with the exception where a Delivery Unit has failed due to Residue and Foreign Matter only.
- E.1.10.5 A Titleholder or Beneficiary may apply to the Exchange for grading of a lot or grouped lots of Robusta Coffee at any time, subject to GWP E.1.10.6.
- E.1.10.6 Subject to GWP E.1.10.7, in respect of Robusta Coffee, no application for grading of a lot may be made where part or all of the Robusta Coffee comprising the lot has previously been graded.
- E.1.10.7 The Exchange may, at its absolute discretion, arrange the re-grading of a Robusta Coffee lot that has previously been graded under any conditions that the Exchange deems appropriate.
- E.1.11 **Grading Process – General**
- E.1.11.1 Upon receipt of one or more applications for the initial grading of Cocoa or Robusta Coffee, or the re-grading of Cocoa Goods or Robusta Coffee pursuant to the relevant Contract Rules and these GWPs, or if otherwise required to do so under GWP E.1.7, the Exchange shall, at its absolute discretion, convene a Grading Panel or Appeal Panel, as the case may be. Such Grading Panel or Appeal Panel shall consist (subject to GWP E.1.6.2) of a minimum of:
- (a) three Cocoa Graders in respect of a Delivery Unit; or
  - (b) three Robusta Coffee Graders in respect of a lot or grouped lots.
- E.1.11.2 In respect of each parcel, lot, grouped lots or Delivery Unit for which an application for grading is made, the Grading Panel shall examine the sample submitted and shall determine the grading result.

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- E.1.11.3 Subject to GWPE.1.11.1, grading for Robusta Coffee will only commence once all the Graders selected to form a Grading Panel or Appeal Panel are present at the relevant Grading Station, and ready to commence.
- E.1.11.4 Prior to grading commencing, the Grading Panel will check that:
- (a) the seal(s) on the sample is/are in place and intact; and
  - (b) the sample does not weigh less than the weight prescribed in these GWPs for a sample from the relevant parcel lot or Delivery Unit.
- In addition, the Grading Panel may check that the tare weight of the sample bag does not exceed the weight prescribed in these GWPs for a sample from the relevant parcel, lot or Delivery Unit.
- E.1.11.5 If the details on a sample bag do not correspond to those on the relevant application for grading, an Exchange Official will advise the applicant Titleholder or Beneficiary, as applicable. The applicant Beneficiary or the Titleholder making the application for grading on behalf of the Beneficiary may arrange for either the Warehousekeeper, or their appointed agent, to alter the details on the sample bag and initial and stamp the alteration.
- E.1.11.6 If, in the opinion of an Exchange Official or the Grading Panel, the sample bag is insecure, incorrectly sealed, appears to have been tampered with or a sample weighs less than the correct weight prescribed for a sample from the relevant parcel, lot or Delivery Unit, such sample shall not be graded. The applicant Titleholder or Beneficiary, as applicable, will be informed of such fact and they may instruct the Warehousekeeper to draw a fresh sample in accordance with the Regulations, including the relevant Contract Rules, and these GWPs, and may then submit a new application for grading in respect of the relevant Goods.
- E.1.11.7 The original sample shall be held by the Exchange until either a fresh sample is received, or until 60 calendar days have elapsed, whichever is the sooner. At such time, the applicant Titleholder or Beneficiary, as applicable, may, subject to the agreement of the Exchange, arrange for the sample to be collected from the Grading Room. If, however, it is suspected that a sample has been tampered with, then it will be held for further investigation by the Exchange.
- E.1.11.8 If the Grading Panel determine, in their absolute discretion, that the sample contents do not correspond with the details on the sample bag and the relevant application for grading, the Grading Panel shall immediately advise an Exchange Official. If the Exchange Official is unable, for whatever reason, to agree a course of action, the matter shall be immediately referred to a senior Exchange Official who will determine what action shall be taken by the Exchange. The applicant Titleholder or Beneficiary, as applicable, will be informed of the course of action determined by the Exchange.
- E.1.11.9 In the event of infestation in respect of Robusta Coffee and Cocoa:
- (a) Should at any time a Grading Panel discover live infestation in a sample, the grading of that sample will continue in order to reach a full grading result, which shall be published along with the other grading results.
  - (b) The presence of live infestation will be noted on SDP and an Exchange Official will instruct the applicant Titleholder or Beneficiary, as applicable, that infestation has been detected.
  - (c) The Warrant from which the sample was drawn shall be changed to Suspended status by an Exchange Official.
  - (d) Suspended Warrant(s) shall not be valid for tender.

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- (e) Subject to GWP D.2.8.2, the applicant Titleholder or Beneficiary, as applicable, may apply for removal of the Suspended status of the Warrant(s), following submission of evidence of fumigation.
- E.1.11.10 Prior to leaving the Grading Room, the Grader will ensure that all results relevant to the samples graded by the Grading Panel or Appeal Panel have been recorded on SDP.
- E.1.11.11 Once grading of each sample is completed, the Exchange will re-seal such sample with the Exchange's seal. The applicant Titleholder or Beneficiary, as applicable, or their appointed agent, will be contacted to arrange collection of the sample. Should the sample not be collected promptly, it shall become the property of the Exchange who may, at its absolute discretion, arrange for its storage or disposal.
- E.1.11.12 Following completion of grading, the Exchange shall, in respect of:
- (a) Cocoa, notify the Titleholder, the Beneficiary and if so determined by the Exchange also notify the Warehousekeeper; or
- (b) Robusta Coffee, notify the Titleholder, the Beneficiary and the Warehousekeeper,
- of the grading result in respect of the Goods which are the subject of the application, by such means and in a form prescribed by the Exchange from time to time. If the Exchange notifies the Titleholder or Beneficiary of the grading result via SDP and the Titleholder or Beneficiary is unable to access such facility, or is prevented from accessing such facility due to its malfunction or failure, the Exchange may prescribe an alternative means and, if required, form in which the grading result will be provided to the Titleholder or Beneficiary.
- E.1.11.13 In respect of Robusta Coffee, where a lot comprises of two parcels, the Valid Grading Result of such lot shall state the discounts applicable, if any, in respect of the inferior parcel. Where such parcel is graded as not tenderable then the whole lot comprising of both parcels shall not be tenderable.
- E.2 **COCOA**
- E.2.1 **General<sup>1</sup>**
- E.2.1.1 If a parcel or lot is graded by ICE Registered Cocoa Graders as not tenderable under the previous Cocoa contract rules (see GWP E.2.1.2), a Titleholder or Beneficiary may submit such Cocoa as part or all of a Delivery Unit for re-grading under the Cocoa Contract Rules.
- E.2.1.2 If a Delivery Unit is graded by ICE Registered Cocoa Graders as not tenderable under the Cocoa Contract Rules, neither a Titleholder nor a Beneficiary shall submit such Delivery Unit for re-grading under the Cocoa Contract Rules, except in accordance with the following:
- E.2.1.2.1 A Titleholder or Beneficiary may, on one occasion only, apply to the Exchange for re-grading of a Delivery Unit where a previous application resulted in the sample being graded as not tenderable. This GWP will only apply where the reason, marked on the grading result, for the sample being graded as not tenderable was indicated to be "Residue".
- E.2.1.2.2 Notwithstanding the above, the Exchange may, in its absolute discretion, require Titleholders and Beneficiaries to provide it with such other documentary evidence as the Exchange considers necessary in order to satisfy the Exchange that the Titleholder or Beneficiary, as applicable, meets the requirements detailed above.
- E.2.1.3 Effective for grading from 16 September 2021, Bulk Delivery Units will be represented by four samples, each representing a nominal weight of 250MT, in accordance with GWP D.2.6. Each sample

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<sup>1</sup> Amended 17 January 2020, 17 March 2020, 28 September 2020

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shall be graded in accordance with GWP E.2.2. The average results of the four samples shall be calculated in order to derive the representative results for the Bulk Delivery Unit.

### E.2.2 **Grading Process**

#### E.2.2.1 Residue and Foreign Matter Test

E.2.2.1.1 A member of the Grading Panel shall, having satisfied themselves that all seals are intact, break the sample seal(s) and shall sieve the entire sample, using a sieve with a square mesh of 6mm. The Residue and Foreign Matter falling through the sieve, as well as any Residue and Foreign Matter remaining in the sieve but identified by the Graders as being Residue or Foreign Matter, shall be weighed and such weight shall be recorded on SDP.

A sample drawn from a Bulk Delivery Unit or Large Delivery Unit (i.e. 5 kg or 3 kg respectively) shall be sieved in two halves and the resulting weight of Residue (but excluding bean clusters) and Foreign Matter added together.

E.2.2.1.2 An allowance will be awarded against the weight of the Residue and Foreign Matter recorded on SDP by reference to the relevant allowance tables for Residue and Foreign Matter where the quantity of Residue and Foreign Matter does not exceed:

- (a) 105 g for a sample drawn from a Standard Delivery Unit;
- (b) 157 g for a sample drawn from a Large Delivery Unit; or
- (c) 262 g for a sample drawn from a Bulk Delivery Unit.

If the quantity of Residue and Foreign Matter marked on the grading sheet exceeds the applicable weight, the sample shall be graded as not tenderable and the affected Delivery Unit cannot be delivered.

E.2.2.1.3 If, by looking at the contents of the sieve, the Graders are of the opinion that there are excessive bean clusters in the sample, the bean clusters identified in the sieve shall be weighed and an Allowance will be made if, in respect of a sample drawn from a:

- (a) Standard Delivery Unit, 51 g or more in weight of bean clusters are identified;
- (b) Large Delivery Unit, 76 g or more in weight of bean clusters are identified; or
- (c) Bulk Delivery Unit, 126 g or more in weight of bean clusters are identified.

In each case, the resulting gross weight of bean clusters shall be recorded on SDP.

In the event that the gross weight of bean clusters stated on the grading sheet is greater than:

- (a) 150 g for a sample drawn from a Standard Delivery Unit;
- (b) 225 g for a sample drawn from a Large Delivery Unit; or
- (c) 375 g for a sample drawn from a Bulk Delivery Unit,

the sample shall be graded as not tenderable and the affected Delivery Unit cannot be delivered.

An allowance will be awarded against the weight of the bean clusters recorded on SDP by reference to the relevant allowance table for bean clusters as published by the Exchange from time to time.

#### E.2.2.2 Standard Deviation of the Bean Count Test and Bean Count

E.2.2.2.1 This test is to be conducted on all Delivery Units in accordance with the provisions of the relevant Cocoa Contract Rules and these GWPs:

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- (a) the entire sample in respect of a Delivery Unit (i.e. 2 kg, 3 kg or 5 kg for Standard, Large or Bulk Delivery Units respectively) will be poured into a mixing container, hand mixed and passed through a sample divider. A representative sub-sample of 300 g (“300 g Sub-Sample”) will be withdrawn from the Cocoa which passed through the sample divider. Any Residue or Foreign Matter remaining in the 300 g Sub-Sample will be removed, weighed and replaced with whole beans of an equivalent weight;
- (b) three sieves, with a round mesh of 13mm, 11.5mm and 10.5mm respectively, shall be assembled in descending mesh size order onto a base and placed on the sieving machine. The 300 g Sub-Sample shall be poured onto the upper sieve, and the sieves sealed;
- (c) the sieving machine shall be set to 180rpm, and operated for three minutes. After such time, the Cocoa beans retained on each sieve and in the base shall be counted and weighed separately. Any Cocoa beans remaining in the apertures of a sieve shall be deemed to be retained on such sieve. Any Cocoa beans which subsequently fall through the mesh when dismantling the sieve shall be added to the numbers of Cocoa beans from the sieve onto which they fall. The total weight of the Cocoa beans retained in each sieve and in the base shall be rounded down to the nearest 0.1 g.  
  
In the event that any bean clusters are found on any of the sieves following the sieving process, they shall be removed, weighed down and replaced with whole beans of an equivalent weight and the sieving process shall be repeated; and
- (d) the information obtained in GWP E.2.2.2.1(c), including the number of beans forming the 300g (the “bean count”), shall be recorded on SDP.

### E.2.2.3 Bean Cut-test

E.2.2.3.1 For the purpose of determining the percentage of Defective and Slaty beans, a quantity of Cocoa beans must be cut open along their full length, creating two halves which clearly expose both cotyledons of the Cocoa bean for examination. Cocoa beans have to be cleanly cut through the widest section and shall not be cut whilst lying flat.

E.2.2.3.2 In respect of:

- (a) an application for grading, the number of Cocoa beans cut per sample will be as follows:
  - (i) in respect of a sample drawn from a Standard or Large Delivery Unit, a minimum of 300 Cocoa beans will be cut; and
  - (ii) in respect of a sample drawn from a Bulk Delivery Unit, a minimum of 500 Cocoa beans will be cut; or
- (b) a grading appeal, the number of Cocoa beans cut per sample will be as follows:
  - (i) in respect of a sample drawn from a Standard or Large Delivery Unit, a minimum of 450 Cocoa beans will be cut; and
  - (ii) in respect of a sample drawn from a Bulk Delivery Unit, a minimum of 750 Cocoa beans will be cut.

E.2.2.3.3 The number of Defective and Slaty Cocoa beans shall be recorded on SDP.

### E.2.2.4 Smoky/Hammy/Unsound Cocoa

E.2.2.4.1 Cocoa which is considered by the Grading or Appeal Panel:

- (a) to have a smoky, hammy or other taint or smell;
- (b) to contain a substance not inherent to Cocoa; or

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(c) to be unsound,

will be graded as not tenderable and the grading sheet noted on SDP accordingly. Any such beans that have been cut shall not be returned to the sample bag with the rest of the contents.

## E.2.2.5 Free Fatty Acid (FFA) for Bulk Delivery Units

### E.2.2.5.1 Determination of Free Fatty Acid (FFA) for Bulk Delivery Units:

- (a) In respect of a sample drawn from a Bulk Delivery Unit, a test sample shall be analysed by using the International Confectionary Association Analytical Method 42.
- (b) For the purpose of calculation, the test sample shall undergo three individual cycles of analysis, the result will be averaged and registered in SDP.
- (c) In the event that the FFA level is above 3.5%, the Bulk Delivery Unit shall be graded as not tenderable and the affected Bulk Delivery Unit cannot be delivered.

## E.2.2.6 Cocoa graded as non-tenderable

E.2.2.6.1 If, during the course of grading, a sample is found not to conform to the contract requirements in any category, such sample shall be graded as not tenderable and grading of the sample shall cease.

E.2.2.6.2 A Delivery Unit which has been graded as not tenderable will be noted as such on SDP, and the SDP record shall specify under which category the sample has failed. In respect of gradings conducted pursuant to the Cocoa Contract Rules and these GWPs, it shall be noted on SDP at which stage of the grading process for that particular category the Delivery Unit became not tenderable.

## E.3 ***[Robusta Coffee***

### E.3.1 ***General***

E.3.1.1 *In accordance with Rule GGGG.4, the following grading procedures shall apply, such that they do not conflict with GWP E.1.11.*

### E.3.2 ***Grading Procedure***

#### E.3.2.1 ***Samples representing parcels, single lots or grouped lots***

*The Grading Panel shall satisfy themselves that the samples presented are identified as either:*

- (a) *each representing a single parcel or lot and are not presented as being connected to any other parcels or lots; or*
- (b) *are presented as being grouped lots.*

*Those samples submitted as not representing grouped lots shall follow GWPs E.3.2.2 and E.3.2.4 to E.3.2.7. Those samples submitted representing grouped lots shall follow GWPs E.3.2.3 and E.3.2.4 to E.3.2.7.*

#### E.3.2.2 ***Sample preparation for a single lot***

E.3.2.2.1 *A member of the Grading Panel shall check that the sample complies with GWP E.1.11.*

E.3.2.2.2 *If so, a member of the Grading Panel shall then break the sample seal(s) and empty the entire contents of the grading sample into a tray and thoroughly mix the grading sample by hand.*

E.3.2.2.3 *A laboratory sample shall then be prepared by use of a flat-bottomed scoop to remove a quantity of beans weighing not less than 300 g from the grading sample which shall be placed in a clean and odourless container. The net weight of the laboratory sample shall be recorded on SDP.*

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### E.3.2.3 **Sample preparation for grouped lots**

E.3.2.3.1 *A member of the Grading Panel shall check that all the samples presented for grading as grouped lots comply with GWP E.1.11.*

E.3.2.3.2 *If so, a member of the Grading Panel shall then break the sample seals and empty the entire contents of each grading sample into separate trays and thoroughly mix each one separately by hand.*

E.3.2.3.3 *The Grading Panel will then visually examine the general appearance of each grading sample and be satisfied that all are homogenous in overall uniformity with each other. If the Grading Panel does not agree that the samples are homogenous, then the samples shall be graded as individual lots and shall follow GWP E.3.2.2.*

E.3.2.3.4 *If agreed that each sample is visually homogenous with the others, a member of the Grading Panel shall mix the grading samples together and quarter the resulting mixed grading samples such that the resulting quartered material is approximately 1.5 kg.*

E.3.2.3.5 *A laboratory sample shall then be prepared by use of a flat-bottomed scoop to remove a quantity of beans weighing not less than 300 g from the 1.5 kg grading sample described in GWP E.3.2.3.4 which shall be placed in a clean and odourless container. The net weight of the laboratory sample shall then be recorded on SDP.*

### E.3.2.4 **Olfactory test**

E.3.2.4.1 *A member of the Grading Panel shall bring their nose close to the whole of a laboratory sample and sniff sharply. If any abnormal odour is detected, then this is to be corroborated by the other members of the Grading Panel.*

E.3.2.4.2 *In doubtful cases, if there is a suspicion of an abnormal odour, a clean, odourless container shall be half-filled with coffee from the laboratory sample, closed hermetically, and kept for a minimum of one hour at room temperature. The container shall be opened and the evaluation of the odour repeated.*

E.3.2.4.3 *The result shall be recorded if the sample is graded not being free of foreign odour and the single lot or grouped lots shall be non-tenderable.*

### E.3.2.5 **Visual examination**

E.3.2.5.1 *A laboratory sample shall be spread over a plain black surface under diffuse daylight or artificial light reproducing daylight as closely as possible and the sample inspected to confirm that the botanical origin of the beans in the sample conform with the contract specification, failing which the single lot or grouped lots shall be non-tenderable.*

### E.3.2.6 **Screen Test**

E.3.2.6.1 *A laboratory sample shall be weighed, the weight recorded, and the sample material poured into the nest of sieves sized 15, 14, 13 and 12, the lid placed on top and the receiver placed under the sieve with the smallest aperture.*

E.3.2.6.2 *The sieves shall be agitated with a slight corner-to-corner tilting action and with slight vertical shaking until no further beans move from one screen to the next, or a process which gives equivalent results. At the end of this operation, a sharp knock should be given to the nest of sieves in order that beans only loosely held in apertures will fall through. The oversize collected on each of the sieves used shall be weighed to the nearest 1g, and, if applicable, the undersize collected in the receiver. Beans remaining in apertures shall be considered to be retained on the sieve in question. The weights for each screen shall be recorded.*

### E.3.2.7 **Determination of Foreign Matter and Defects**

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E.3.2.7.1 *A laboratory sample shall be weighed and the weight recorded. The laboratory sample shall be examined for foreign matter and Defects pursuant to Rules GGGG.4(d) and (e). Any such material so identified shall be separated and the aggregate in both categories shall each be weighed to the nearest 1g and the results compared to the weight of the laboratory sample.*

E.3.3 ***Standards***

E.3.3.1 *Lots which are graded shall be deemed as tenderable subject to meeting the requirements as set out in Rule GGGG.4(c)(ii).*

E.3.3.2 *Grading results from samples that have been derived from grouped lots shall apply to each individual lot making up the grouped lots.]*