

**CONTRACT RULES: ICE FUTURES API 2 ROTTERDAM COAL FUTURES
CONTRACT, ICE FUTURES API 4 RICHARDS BAY COAL
FUTURES CONTRACT**

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**SECTION U- CONTRACT RULES:
ICE FUTURES API 2 ROTTERDAM COAL FUTURES CONTRACT
ICE FUTURES API 4 RICHARDS BAY COAL FUTURES CONTRACT**

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² Inserted 17 July 2006, 14 August 2006, Amended 11 February 2013, 3 September 2014, 26 July 2021

³ Inserted 17 July 2006, Amended 11 February 2013, 26 July 2021

⁴ Inserted 17 July 2006

⁵ Inserted 17 July 2006

⁶ Inserted 17 July 2006, Amended 24 December 2009, 11 February 2013, 26 July 2021

⁷ Inserted 17 July 2006

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U.1 SCOPE⁸

The Rules in this Section U and in Sections I and V shall apply to Contracts for the ICE Futures API 2 Rotterdam Coal Futures Contract and the ICE Futures API 4 Richards Bay Coal Futures Contract.

U.2 DEFINITIONS⁹

In the Contract Rules and the Administrative Procedures the following terms shall bear the meanings set opposite them below, if not inconsistent with the subject or context:

“Argus Coal Daily”	means the daily periodical published by Argus Media Ltd. which contains, among other things, a Rotterdam assessment and a Richards Bay assessment;
“Argus Coal Daily International”	means the daily periodical published by Argus Media Ltd. which contains, among other things, a Rotterdam assessment and a Richards Bay assessment;
“Argus/McCloskey’s Coal Price Index Report”	means a coal price index report incorporating the API 2 and API 4 Indices;
“Calendar Year Contract”	means a strip of 12 consecutive contract months commencing January and ending with December;
“International Commercial Terms” or “Incoterms”	the set of International rules for the interpretation of commonly used shipping terms of trade, as revised from time to time;
“lot”	means 1000 tonnes of coal;
“McCloskey’s Coal Report”	means the periodical published every two weeks by The McCloskey Group Limited, which contains, among other things, McCloskey’s North West European steam coal marker and McCloskey’s FOB Richards Bay marker;
“IHS McCloskey’s Fax”	means the weekly periodical published by The McCloskey Group Limited, which contains, among other things, McCloskey’s North West European steam coal marker and McCloskey’s FOB Richards Bay marker;
“IHS McCloskey’s fob Richards Bay marker”	means a spot price assessment based on Richards Bay, South Africa;
“IHS McCloskey’s North West European steam coal marker”	means a spot price assessment based on the Amsterdam – Rotterdam – Antwerp area;
“Quarter Contract”	means three consecutive contract months and grouped as follows: January, February and March (first quarter); April, May and June (second quarter); July, August and September (third quarter); and October, November and December (fourth quarter);
“Richards Bay	means a spot price assessment based on Richards Bay, South Africa;

⁸ Inserted 17 July 2006, Amended 11 February 2013, 26 July 2021

⁹ Amended 14 August 2006, Amended 11 February 2013, 3 September 2014, 26 July 2021

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assessment”

“Rotterdam assessment” means a spot price assessment based on the Amsterdam – Rotterdam – Antwerp area;

“Season Contract” means six consecutive contract months and grouped as follows:

"Summer Contract" consisting of the months April to September; and

"Winter Contract" consisting of the months October to March;

“API 2 (cif ARA) Index”
or such successor index
 (“API 2 Index”)

is the average of the Argus cif (as defined in the Incoterms) Rotterdam assessment published in both Argus Coal Daily International and Argus Coal Daily on a Friday (dated next Business Day) and McCloskey’s North West European steam coal marker as published in both McCloskey’s Fax on a Friday (dated Friday) and the fortnightly McCloskey’s Coal Report (dated every other Friday).

In the event of a public holiday on a Friday on which the API 2 Index is due to be published, the API 2 Index will be published on the preceding Business Day;

“API 2 (cif ARA) Monthly
Index” or such successor
index
 (“ API 2 Monthly Index”)

is published in the Argus/McCloskey’s Coal Price Index Report on the last Friday of the calendar month and is the monthly average index compiled from the weekly API 2 Indices.

In the event of a public holiday on the last Friday of the calendar month, the API 2 Monthly Index will be published on the preceding Business Day;

“API 4 (fob Richards Bay)
Index” or such successor
index
 (“API 4 Index”)

is the average of the Argus fob (as defined in the Incoterms) Richards Bay assessment as published in both Argus Coal Daily International and Argus Coal Daily on Friday (dated next Business Day) and McCloskey’s fob Richards Bay marker as published in both McCloskey’s Fax on Friday (dated Friday) and McCloskey’s Coal Report (dated every other Friday)

In the event of a public holiday on the Friday, the API 4 Index will be published on the preceding Business Day;

“API 4 (fob Richards Bay)
Monthly Index” or such
successor index
 (“ API 4 Monthly Index”)

is published in the Argus/McCloskey’s Coal Price Index Report on the last Friday of the calendar month and is the monthly average compiled from the weekly API 4 Indices.

In the event of a public holiday on the last Friday of the calendar month, the API 4 Monthly Index will be published on the preceding Business Day..

References to any periodical, report or assessment shall include references to such periodical, report or assessment as may be re-named and/or changed from time to time.

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U.3 REFERENCE QUALITY¹⁰

The ICE Futures API 2 Rotterdam Coal Futures Contract shall be referable to coal of a quality meeting the specification of coal on which the calculation of the API 2 Index is based or as otherwise determined by the Exchange from time to time.

The ICE Futures API 4 Richards Bay Coal Futures Contract shall be referable to coal of a quality meeting the specification of coal on which the calculation of the API 4 Index is based or as otherwise determined by the Exchange from time to time.

U.4 PRICE

The contract price shall be in United States dollars and cents per tonne with a minimum fluctuation of 5 cents per tonne or as otherwise determined by the Exchange from time to time.

U.5 QUANTITY

- (a) A contract shall be for one or more lots.
- (b) The Exchange may, in its absolute discretion, determine from time to time that a Contract shall be traded in a minimum number of lots or multiples thereof.

U.6 CASH SETTLEMENT PRICE¹¹

The Exchange shall publish a cash settlement price on the Business Day following the last Friday of the contract month, or such other day as may be confirmed by the Exchange as appropriate.

Subject to the Contract Rules and Procedures the cash settlement price shall be:

for the ICE Futures API 2 Rotterdam Coal Futures Contract:

a price equal to the API 2 Monthly Index for the relevant contract month as reported in the Argus/McCloskey's Coal Price Index Report;

for the ICE Futures API 4 Richards Bay Coal Futures Contract:

a price equal to the API 4 Monthly Index for the relevant contract month as reported in the Argus/McCloskey's Coal Price Index Report.

U.7 CASH SETTLEMENT OBLIGATIONS

- (a) Contracts remaining open in the relevant contract month at cessation of trading on the last day of trading for the contract month shall be subject to the cash settlement procedure set out in this Rule.
- (b) In respect of every lot comprised in the Contract, the following payments shall be made:

Where the cash settlement price

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- (i) exceeds the contract price, payment by the Seller to the Clearing House,
- (ii) exceeds the contract price, payment by the Clearing House to the Buyer,
- (iii) is less than the contract price, payment by the Clearing House to the Seller,
- (iv) is less than the contract price, payment by the Buyer to the Clearing House,

of an amount calculated by multiplying the difference between the cash settlement price and the contract price by 1000.

- (c) All payments to be made hereunder shall be made in such manner and by such time as the Clearing House may determine. They shall be made no later than the Trading Day following the date of publication of the cash settlement price.

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