Chapter 1114
Coal (API 4) FOB Richards Bay (Argus-McCloskey) Short Dated Option on Calendar Futures Strip

1114100. SCOPE OF CHAPTER
This chapter is limited in application to short dated put and call options on calendar year strips of Coal (API 4) fob Richards Bay (Argus-McCloskey) futures contracts. In addition to the rules of this chapter, transactions in short dated options on calendar year strips of Coal (API 4) fob Richards Bay (Argus-McCloskey) futures shall be subject to the general rules of the Exchange insofar as applicable.

1114101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

1114101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1114101.B. Trading Unit
Coal (API 4) fob Richards Bay (Argus-McCloskey) Short Dated Option on Calendar Futures Strip is an option on the Coal (API 4) fob Richards Bay (Argus-McCloskey) futures contract. On expiration of a call option, the long position will be assigned twelve consecutive long futures months, beginning with the January contract for the calendar year following the option expiry month, of the Coal (API 4) fob Richards Bay (Argus-McCloskey) futures contract at the strike price. On exercise of a put option, the long position will be assigned twelve consecutive short futures months, beginning with the January contract for the calendar year following the option expiry month, of the Coal (API 4) fob Richards Bay (Argus-McCloskey) futures contract at the strike price.

1114101.C. Price Increments
The minimum price fluctuation is $0.01 per metric ton ($120 per contract). Prices shall be quoted in US dollars and cents per metric ton. A cabinet trade may occur at a price of $0.001 per metric ton, or $12.00 per contract, however, if it results in the liquidation of positions for both parties to the trade.

1114101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels
The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1114101.E. Termination of Trading
The option Expiration Day shall be 30 calendar days prior to the first calendar day of the contract month. If such day is not a UK business day, the Expiration Day shall be the first preceding UK business day. Trading shall cease at 12:30 p.m. London time on the option's Expiration Day.

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 2:30 p.m. London time on the Expiration Day—The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects markets prices at the termination of trading of a contract.
1114101.F. Type Option

The option is a European-style option which can only be exercised into the underlying futures on Expiration Day.

1114102. EXERCISE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1114103. DISCLAIMER

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