

**SGX SICOM TSR 20 RUBBER OPTIONS
CONTRACT SPECIFICATIONS**

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1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

- 1.1 In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications for SGX SICOM TSR 20 Rubber Options Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement of the put and call options based on the SGX SICOM TSR 20 (FOB) Rubber Futures Contract traded on the SGX-DT Market.
- 1.2 These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.
- 1.3 Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.
- 1.4 In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

At-the-money Strike / ATM Strike	means the exercise price that is a multiple of the Exercise Price Interval and nearest to the previous day’s Daily Settlement Price of the underlying Futures Contract when the Exchange lists such exercise price, save that where there are two such exercise prices, the “ATM Strike” means the exercise price at the lower multiple;
Exercise Price Interval	means two-hundredth of a United States dollar, which is equivalent to two United States cents;
Futures Contract	means the SGX SICOM TSR 20 (FOB) Rubber Futures Contract traded on the SGX-DT Market;
Option Contract	means this option on Futures Contract traded on the SGX-DT Market;
Forward Contract	means the SGX SICOM OTC TSR 20 Forwards Contract accepted by the Clearing House for clearing;
Tonne	means a metric tonne of 1,000 kilogrammes; and
TSR20 Rubber	means rubber of the specifications referred to in the contract specifications of the underlying Futures Contract.

2. TRADING

¹ These Rules may be found on the Exchange’s website at <http://www.sgx.com>.

2.1 Trading Months and Hours

The Option Contract shall be listed for such Contract Months and made available for trading during those hours determined by the Exchange.

2.2 Trading Unit

The trading unit shall be an Option Contract to buy, in the case of a call option, or to sell, in the case of a put option, one lot of the Futures Contract, which is equivalent to five Tonnes of TSR20 Rubber.

2.3 Minimum Fluctuations

The price of an Option Contract shall be quoted in one-thousandth of a United States dollar per kilogramme of TSR20 Rubber, which is equivalent to five United States dollar per lot of the Option Contract.

2.4 Exercise Prices

- (a) Exercise prices shall be stated as a price that is a multiple of the Exercise Price Interval, e.g. 142.0, 144.0, 148.0, etc.
- (b) Subject to clause 2.4 (c), at the commencement of trading of an Option Contract for a Contract Month, the Exchange shall list an exchange price of the Option Contract that is equivalent to the ATM Strike.
- (c) The Exchange may, at its sole discretion, list additional exercise prices for the Option Contract on any trading day of an Option Contract of a specific Contract Month (i) as determined by the Exchange or (ii) upon the request of Members.
- (d) No new exercise prices shall be listed, however, if there is less than one Trading Day remaining to the Expiration Day of the Option Contract of the Contract Month.
- (e) The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits

Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of the Option Contracts, the Futures Contracts and the Forward Contracts that exceeds an equivalent of 10,000 Futures Contracts on the same side of the Market in respect of any or all Contract Months combined.

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) one Forward Contract shall be deemed to be equal to four Futures Contract;

- (b) the futures-equivalent of an Option Contract shall be deemed to be equal to the relevant option delta computed by the Clearing House for the option series;
- (c) a long call Option Contract, a short put Option Contract, a long Forward Contract and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, a short Forward Contract and a short Futures Contract are on the same side of the Market.

2.7 Termination of Trading

Trading in each Option Contract shall terminate on the last Business Day of the month preceding the Last Trading Day of the underlying Futures Contract.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

This Option Contract is a European Style Option Contract that may be exercised by the Buyer only at expiry.

3.2 Exercise of Option Upon Termination of Trading

- (a) Where instructions to the contrary have not been delivered to the Clearing House by such cut-off timing on Expiration Day as prescribed by the Clearing House, an in-the-money Option Contract shall be exercised automatically. The instructions must be provided by the Clearing Member who represents the Buyer of the Option Contract.
- (b) An Option Contract is in-the-money if the Daily Settlement Price of the underlying Futures Contract lies above the exercise price in the case of a call Option Contract, or below the exercise price in the case of a put Option Contract.
- (c) Option Contracts that are exercised shall be assigned by the Clearing House on an arbitrary basis to Clearing Members holding short open positions in the same series. A Clearing Member to whom an exercised Option Contract is assigned shall be notified as soon as practicable after such option is assigned by the Clearing House. Upon exercise of an Option Contract of a specified Contract Month, the deliverable contract is the Futures Contract of the same Contract Month.
- (d) The Clearing Member who represents the Seller of the Option Contract will be assigned a short Futures Contract position if a call Option Contract is exercised or a long Futures Contract position if a put Option Contract is exercised. The Clearing Member who represents the Buyer of the Option Contract will be assigned a long position in the underlying Futures Contract if a call Option Contract is exercised and a short position in the underlying Futures Contract if a put Option Contract is exercised.
- (e) All Futures Contract positions shall be assigned at a price equal to the exercise price

of the Option Contract.

3.3 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.