



API4 Richards Bay Coal Options (Futures Style Margin)

Contract Specifications

Description	The ICE Richard's Bay Coal Options contract is an option on the ICE Richard's Bay Coal Futures contract. At expiry, one lot of Richard's Bay Coal Options will exercise into one lot of Richard's Bay Coal Futures. Richard's Bay Coal Options are European-style, such that In-The-Money options, unless abandoned, are automatically exercised at expiry. At-The-Money and Out-of-The-Money options will expire un-exercised unless the Member has elected to exercise them.
Contract Symbol	AFO
Hedge Instrument	ICE Richard's Bay Coal Futures contract.
Trading Period	Up to 60 consecutive months Quarterly, seasonal, calendar, and any period of consecutive monthly contracts can be registered as a strip. For example, a Q1 option is an option on Jan, an option on Feb, and an option on Mar, with each option expiring thirty calendar days before the start of the relevant contract month.
Expiration Date	Trading will cease when the intraday reference price is set, 12:50 - 13:00 LLT, thirty calendar days before the start of the contract period. If that day is a non-business day, expiry will be on the preceding business day. For example, on 30 November 2012 both the January 2013, Quarter 1 2013, and Calendar Year 2013 contracts will expire.
Contract Security	ICE Clear Europe acts as central counterparty to all trades thereby guaranteeing the financial performance of ICE Futures Europe contracts registered in the name of its Members up to and including delivery, exercise and/or settlement.
Trading Model	Continuous trading throughout trading hours

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Trading Methods	Electronic futures, Exchange for Physical (EFP), Exchange for Swap (EFS) and Block Trades are available for this contract.
Unit of Trading	1,000 metric tonnes of thermal coal
Minimum Trading Size	1 lot = 1,000 metric tonnes
Minimum Block Order	5 lots = 5,000 metric tonnes
Quotation	The contract price is in US Dollars and in US Dollar Cents per tonne
Strike Price Increments	A minimum of 5 strike prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. IFEU may add one or more strike prices nearest to the last price listed as necessary
Minimum Price Fluctuation	1 dollar cent per tonne
Minimum Tick	\$0.01 per tonne.
Maximum Price Fluctuation	There are no limits.
Position Limit	Positions are reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take steps to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate.
Option Premium	Futures Style
Exercise	Expires into the ICE Richard's Bay Coal Futures contract with European-style exercise. If the option is not abandoned, automatic exercise will occur for options which are one or more ticks in the money. At-The-Money and Out-of-The-Money options will expire worthless. Members will have up to one hour after cessation of trading on the option expiry day to manually abandon or exercise an option.