

LONDON NOTICE No. 3127

ISSUE DATE: 11 March 2009
EFFECTIVE DATE: 30 March 2009

INTRODUCTION OF CASH SETTLED COMMODITY SWAP AND CASH SETTLED COMMODITY OPTION CONTRACTS ON BCLEAR

CONTRACT SPECIFICATIONS AND REPORTING ARRANGEMENTS

Executive Summary

This Notice informs Members of the introduction on Bclear of cash settled Commodity Swap and cash settled Commodity Option Contracts based on Cocoa, Robusta Coffee and White Sugar.

1. Introduction

- 1.1 This Notice informs Members that cash settled Commodity Swap and cash settled Commodity Option Contracts in respect of Cocoa, Robusta Coffee and White Sugar ("the Contracts") will be made available via Bclear on and from Monday 30 March 2009.
- 1.2 This Notice provides Members with the following information with respect to the introduction of the Contracts:
 - (a) Summary Contract design and full legal Contract Specifications;
 - (b) minimum volume requirements;
 - (c) trade reporting and confirmation
 - (d) access and reporting rights;
 - (e) reporting days, reporting hours and Last Trading Days;
 - (f) fees;
 - (g) statement in relation to EDSP Price Formation; and
 - (h) the regulatory position in the United States.

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

2. Contract Details

- 2.1 The Exchange will make the Contracts available via Bclear only. Summary Contract design and full legal Contract Specifications can be found in Attachments 1 and 2, respectively, to this Notice.

3. Minimum Volume Requirement

- 3.1 There is no minimum volume requirement in respect of the Contracts.

4. Access and Reporting Rights

- 4.1 Direct access to Bclear is available to Members of the London market, including those affiliates of Members who have been approved by the Exchange pursuant to Rule 3601 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members, i.e. as is the case with their LIFFE CONNECT[®] business, Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange's trade confirmation process.
- 4.2 To submit trades in the Contracts via Bclear, Members will need a Commodities Futures Subscription (CMF), in respect of the cash settled Commodity Swap Contracts and a Commodities Options Subscription (CMO) in respect of the cash settled Commodity Option Contracts.
- 4.3 To claim trades only, Members will need to have the appropriate entitlement set up in the membership database.
- 4.4 To clear trades in the Contracts, Members require the relevant clearing status (GCM, CCM or ICM) and access to the Commodities Trade Registration System ("Commodities TRS").
- 4.5 Further details about how to access Bclear are contained in the Bclear Live Preparation Guide which can be found on the NYSE Euronext website (www.nyx.com/bclear).

5. Business Days and Hours

- 5.1 Transactions in respect of the Contracts will be capable of being reported via Bclear on those market days on which the relevant underlying market is open for business i.e. when the related physical delivery Commodity Futures Contract is available on the LIFFE CONNECT[®] Central Order Book. A list of market days for 2009 on which transactions in the Contracts will **not** be capable of being reported via Bclear forms Attachment 3 to this Notice.
- 5.2 Members may report transactions to the Exchange via Bclear between the hours specified in the table which forms Attachment 4 to this Notice. In respect of a contract on its Last Trading Day or Expiry Day, as applicable, reporting hours will end at the time trading ceases in the related physical delivery Commodity Futures Contract, as set out in the Contract Specification.
- 5.3 The reporting arrangements explained in Section 12 of Book II of the Rules and section 5 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.

6. Fees

- 6.1 Details of all fees will be advised to Members in due course.

7. Statement in relation to EDSP Price Formation

- 7.1 The Exchange draws the following statement to the attention of potential users of the cash settled Commodity Swap and cash settled Commodity Option Contracts. Members should ensure that their clients are made aware of the statement.

“Statement in relation to EDSP Price Formation

Potential users of the cash settled Commodity Swap/Commodity Options* Contracts (“the Contracts”) made available on the London International Financial Futures and Options Exchange should familiarise themselves with the Contract Terms and Administrative Procedures and any associated information.

The EDSP price formation process for the Contracts is based on the Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract traded in the LIFFE CONNECT[®] Central Order Book on the Last Trading Day of the Contract. Such day shall be one calendar month prior to, in the case of Robusta Coffee, the first permissible Tender Day under that contract and one calendar month prior to the Last Trading Day in the case of White Sugar and Cocoa (subject to provisions of the Contract Specification which allow for the Last Trading Day to be moved in particular circumstances). Potential users of the Contracts should familiarise themselves with the Contract Terms and Administrative Procedures for the related physical delivery Commodity Futures Contract as well as the Trading Procedures in respect of Daily Settlement Prices and any associated information.

Price formation leading to the EDSP for each Contract is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity in the LIFFE CONNECT[®] Central Order Book around the time at which the relevant Daily Settlement Price is established is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting positions in the Contract and the related physical delivery Commodity Futures Contract. Such participants might typically seek to achieve this by unwinding their positions in the related physical delivery Commodity Futures Contract at prices which they anticipate will contribute to the calculation of the relevant Daily Settlement Price which will, in turn, be used to determine the EDSP for the Contract. A consequence of this activity might be that prices used in the calculation of the Daily Settlement Price differ from price levels achieved earlier in the trading day.

Potential users should consider the risks of holding positions into expiry of the cash settled Commodity Swap/cash settled Commodity Options* Contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, whether to roll or close positions prior to expiry”.

*As applicable.

8. U.S. Regulatory Position

- 8.1 Members should note that U.S. persons are not permitted to engage in transactions in the Contracts on Bclear, pending achievement of the appropriate regulatory status with the relevant US regulatory authorities. The Exchange will advise Members in due course if and when such status is achieved.

For further information in relation to this Notice, Members should contact:

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**CASH SETTLED COMMODITY SWAP CONTRACTS
SUMMARY CONTRACT DESIGN**

Commodity Swap Contract	Robusta Coffee	White Sugar	Cocoa
Exchange Contract No.	92	93	94
Price basis	US dollars per tonne	US dollars and cents per tonne	£ Sterling per tonne
Related physical delivery Commodity Futures Contract	Robusta Coffee (Exchange Contract No. 409)	White Sugar (Exchange Contract No. 407)	Cocoa (Exchange Contract No. 401)
Notional Contract size (tonnes)	10	50	10
Delivery months	Jan, Mar, May, Jul, Sep, Nov such that a maximum of 10 contract months are available at any one time	Mar, May, Aug, Oct, Dec, such that a maximum of 8 contract months are available at any one time	Mar, May, Jul, Sep, Dec, such that a maximum of 10 contract months are available at any one time
Last Trading Day	The day which is one calendar month prior to the first permissible Tender Day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)
Settlement Day	The business day immediately following the Last Trading Day	The business day immediately following the Last Trading Day	The business day immediately following the Last Trading Day
Minimum price fluctuation (Value)	One dollar per tonne (\$10)	10 cents per tonne (\$5.00)	One pound per tonne (£10)
EDSP	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day

**CASH SETTLED COMMODITY OPTION CONTRACTS
SUMMARY CONTRACT DESIGN**

Cash Settled Commodity Options Contract	Robusta Coffee	White Sugar	Cocoa
Known as Exchange Contract No.	95	96	97
Exercise Style	European	European	European
Related physical delivery Commodity Futures Contract	Robusta Coffee (Exchange Contract No.409)	White Sugar (Exchange Contract No.407)	Cocoa (Exchange Contract No.401)
Price basis	US dollars per tonne	US dollars/cents per tonne	£ Sterling per tonne
Contract size (tonnes)	10	50	10
Expiry months	Jan, Mar, May, Jul, Sep, Nov such that a maximum of 10 contract months are available for trading	Mar, May, Aug, Oct, Dec, such that a maximum of 8 contract months are available for trading	Mar, May, Jul, Sep, Dec, such that a maximum of 10 contract months are available for trading
Expiry Day	The day which is one calendar month prior to the first permissible Tender Day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)
Settlement Day	The business day immediately following the Expiry Day	The business day immediately following the Expiry Day	The business day immediately following the Expiry Day
Minimum price fluctuation (Value)	One dollar per tonne (\$10)	5 cents per tonne (\$2.50)	One pound per tonne (£10)
Exercise Price increments	\$25 per tonne up to \$1,000 and \$50 per tonne from \$1,001 and above	\$10 per tonne	£25 per tonne
EDSP	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day

EXCHANGE CONTRACT NO. 410
CASH SETTLED COMMODITY SWAP CONTRACTS

(A) CONTRACT TERMS
(Issue Date: 11 March 2009)¹

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD
(Issue Date: 11 March 2009)¹

(C) ADMINISTRATIVE PROCEDURES
(Issue Date: 11 March 2009)¹

Delivery Months

Robusta Coffee	July 2009 onwards
White Sugar	August 2009 onwards
Cocoa	July 2009 onwards

¹ Please refer to London Notice No. 3127.

EXCHANGE CONTRACT NO. 410
CASH SETTLED COMMODITY SWAP CONTRACTS

THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS
EXCHANGE

(A) CONTRACT TERMS

1. Interpretation

1.01 Save as otherwise specified herein, words and phrases defined in the Rules shall have the same meanings in these terms, the Contract Details specified by the Board for Commodity Swap Contracts and in the Administrative Procedures.

1.02 In these terms and the Administrative Procedures:

“Administrative Procedures” means all procedures from time to time implemented by the Board pursuant to the Rules for the purposes of this Exchange Contract.

“associated delivery month of the related physical delivery Commodity Futures Contract” means a month which is the same month as the delivery month in respect of the Contract.

“business day” means a day on which the market, the Clearing House and banks in London are open for business.

“Buyer” in respect of a Contract means the person who buys one or more lots the subject of such Contract (including, except where the context otherwise requires, the Clearing House as buyer under a registered Contract).

“Commodity Swap Contract” means any of the contracts described in Table 1, as the case may be.

“Contract” means a contract made in the terms of this Exchange Contract for the sale and purchase of one or more lots, and “registered Contract” means a contract registered by the Clearing House.

“delivery month” means a month specified as such by the Board in Table 1 in respect to each Commodity Swap Contract, for which a contract in the terms of Exchange Contract No. 410 may be made.

“\$” and “cents” denote the lawful currency of the United States of America, known, at the date of the issue of these terms, as “the dollar” and “cents”, respectively.

“EDSP” means the Exchange Delivery Settlement Price and has the meaning attributed to it in term 5.

“EMU legislation” means legislative measures of the European Council for the introduction of, changeover to or operation of, a single or unified European currency (whether known as the euro or otherwise) being in part implementation of the third stage of Economic and Monetary Union in the European Union.

“Last Trading Day” means, in relation to a Contract, the day specified as such in Table 1.

“market day” means a day on which the market, the Clearing House and banks in London are open for business and the related physical delivery Commodity Futures Contract is available for trading.

“£”, “Pounds”, “pence” and “penny” denote lawful currency of the United Kingdom at the date of issue of these terms, known as “Sterling”.

“Regulations” means the General Regulations and Default Rules from time to time in force of the Clearing House.

“related physical delivery Commodity Futures Contract” has the meaning attributed to it in Table 1.

“Seller” in respect of a Contract means the person who sells one or more lots the subject of such Contract (including, except where the context otherwise requires, the Clearing House as seller under a registered Contract).

“Settlement Day” in respect of a Contract means the day specified as such in Table 1.

1.03 Reference to a “term” refers to a term hereof and reference to a “Rule” and the “Articles” refer to the Exchange’s Rules and Articles respectively. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

1.04 References to a person in these terms shall be construed to include references to its successors and its permitted assigns unless the Board otherwise notifies by Notice.

1.05 Unless stated otherwise, all times specified in these terms and Administrative Procedures are expressed in London time.

2. Contract Specification

2.01 These terms shall apply to all Contracts.

2.02 Each Contract shall be for one or more lots for the delivery month specified, and at the price agreed.

2.03 The Contract size will be as detailed in Table 1.

3. Price

3.01 Bids and offers shall be quoted using the price basis provided in Table 1 for the relevant Commodity Swap Contract. A price shall be a multiple of the minimum price fluctuation as provided in Table 1.

4. Last Trading Day

4.01 On the Last Trading Day:

(a) reporting of Trades in Contracts for the relevant Delivery Month shall cease at such time as may be specified in the Administrative Procedures; and

(b) the Exchange will determine the EDSP in accordance with term 5.

4.02 If, at any time after the commencement of trading on the market day prior to the day which would have been the Last Trading Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the Last Trading Day will not be a market day then the market day next following such day shall become the Last Trading Day in respect of that delivery month. The Exchange shall publish any arrangements made pursuant to this term 4.02 as soon as it is reasonably practicable so to do.

5. Exchange Delivery Settlement Price ("EDSP")

5.01 The EDSP shall be calculated by exchange officials as detailed in Table 1.

5.02 The Exchange shall publish a provisional EDSP and the final EDSP at or by such times as may be specified in the Administrative Procedures. The final EDSP shall be final and binding for all purposes.

5.03 The Board may from time to time amend the timing of the calculation of the EDSP for any reason determined by the Board and any such changes shall have such effect with regard to existing and/or new Contracts as the Board may determine.

6. Payment

6.01 In respect of each lot comprised in a Contract the following payments shall be made by the time specified therefor in the Administrative Procedures:

(a) where the final EDSP exceeds the Contract price, payment by the Seller to the Clearing House and payment by the Clearing House to the Buyer of an amount calculated by multiplying the difference between the Contract price and the EDSP by the relevant Contract size for that lot as specified in Table 1; and

- (b) where the Contract price exceeds the final EDSP, payment by the Buyer to the Clearing House and payment by the Clearing House to the Seller of an amount calculated by multiplying the difference between the EDSP and the Contract price by the relevant Contract size for that lot as specified in Table 1.
- 6.02 Payment shall be made by the time on the Settlement Day specified for this purpose in the Administrative Procedures.
- 7. Default in Performance
- 7.01 A Buyer or a Seller other than the Clearing House shall be in default where:
 - (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed in and in accordance with these terms, the Rules and the Administrative Procedures and the Regulations; or
 - (b) he fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified in these terms or in the Administrative Procedures or under the Regulations; or
 - (c) in the reasonable opinion of the Clearing House he is in default in performance.
- 7.02 Subject to the default rules of the Clearing House, in the event of default by a Buyer or a Seller in respect of a registered Contract, the Board shall, at the request of the Clearing House, forthwith fix a price for invoicing back and each Commodity Swap Contract at issue shall be invoiced back at that price. Such price may at the Board's absolute discretion take account of any compensation the Board may consider should be paid by either party to the other.
- 8. Force Majeure
- 8.01 Subject to any steps taken at any time by the Board under emergency powers in the Rules and subject to the Default Rules of the Clearing House, a Seller or a Buyer shall be liable to perform his obligations in respect of a lot comprised in a Contract by the due time therefore, notwithstanding that he may be or is likely to be prevented from so doing by any event beyond his reasonable control including, without limitation, any act of God, strike, lockout, war, armed conflict, use of force by authority of the United Nations, fire, riot or civil commotion, combination of workmen, act of terrorism, breakdown of machinery, unavailability or restriction of computer or data processing facilities or energy supplies or bank transfer systems.
- 9. Articles, Rules, Regulations, etc
- 9.01 Every Contract shall be subject to the Articles and the Rules and the Regulations in so far as applicable notwithstanding that either or both of the parties to it may not be members of the Exchange or of the Clearing House.

9.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and, in the event of any conflict between these terms and the Rules, the Rules shall prevail.

10. Arbitration

10.01 Subject to term 10.02, and to the Rules, any dispute arising from or in relation to a Contract shall be referred to arbitration under the Rules relating to arbitration and arbitration shall be held in accordance with the Rules in force at the time of such reference.

10.02 No dispute arising from or in relation to any invoicing back price fixed by the Board under these terms shall be referred to arbitration under the Rules.

11. Governing Law

11.01 Every Contract shall be governed by and construed in accordance with English law.

12. Non-registered Contracts

12.01 In respect of a Contract which is not a registered Contract (“non-registered Contract”) these terms shall be modified by the parties thereto so as to require and allow that a Contract to be registered by the Clearing House under the Rules and Regulations is capable of being so registered and to facilitate the performance of obligations or the exercise of rights under such registered Contract in accordance with these terms. Modifications may also be made to the terms of a non-registered Contract to permit performance of obligations or the exercise of rights under such non-registered Contract or any other non-registered Contract if, without such modifications, it may not be possible to perform such obligations or to exercise such rights by the applicable times specified in the Administrative Procedures. In particular, but without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-registered Contract.

13. Economic and Monetary Union

13.01 The Board in its absolute discretion may from time to time vary, substitute or remove any of, or add to, the terms of this Exchange Contract in any way which the Board considers desirable, arising out of or in connection with the introduction of the euro as the lawful currency of the United Kingdom, or to facilitate the calculation of and making of payments in euro or to facilitate the calculation of the EDSP, in pursuance of this Exchange Contract.

13.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 13.01 shall have such effect with regard to existing and/or new Contracts as the Board may determine.

13.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to term 13.01 and 13.02 shall be the subject of a Notice.

14. Statement in Relation to EDSP Price Formation

14.01 The Exchange draws the following statement to the attention of potential users of its cash settled Commodity Swap Contracts. Members should ensure that their clients are made aware of the statement.

“Statement in relation to EDSP Price Formation

Potential users of the cash settled Commodity Swap Contracts (“the Contracts”) made available on the London International Financial Futures and Options Exchange should familiarise themselves with the Contract Terms and Administrative Procedures and any associated information.

The EDSP price formation process for the Contracts is based on the Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract traded in the LIFFE CONNECT® Central Order Book on the Last Trading Day of the Contract. Such day shall be one calendar month prior to, in the case of Robusta Coffee, the first permissible Tender Day under that contract and one calendar month prior to the Last Trading Day in the case of White Sugar and Cocoa (subject to provisions of this Contract Specification which allow for the Last Trading Day to be moved in particular circumstances). Potential users of the Contracts should familiarise themselves with the Contract Terms and Administrative Procedures for the related physical delivery Commodity Futures Contract as well as the Trading Procedures in respect of Daily Settlement Prices and any associated information.

Price formation leading to the EDSP for each Contract is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity in the LIFFE CONNECT® Central Order Book around the time at which the relevant Daily Settlement Price is established is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting positions in the Contract and the related physical delivery Commodity Futures Contract. Such participants might typically seek to achieve this by unwinding their positions in the related physical delivery Commodity Futures Contract at prices which they anticipate will contribute to the calculation of the relevant Daily Settlement Price which will, in turn, be used to determine the EDSP for the Contract. A consequence of this activity might be that prices used in the calculation of the Daily Settlement Price differ from price levels achieved earlier in the trading day.

Potential users should consider the risks of holding positions into expiry of the cash settled Commodity Swap Contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and

whether to take steps to neutralise such exposure; for example, whether to roll or close positions prior to expiry”.

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Issue Date: 11 March 2009

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD FOR COMMODITY SWAP CONTRACTS (“TABLE 1”)

Commodity Swap Contract	Robusta Coffee	White Sugar	Cocoa
Exchange Contract No.	92	93	94
Price basis	US dollars per tonne	US dollars and cents per tonne	£ Sterling per tonne
Related physical delivery Commodity Futures Contract	Robusta Coffee (Exchange Contract No. 409)	White Sugar (Exchange Contract No. 407)	Cocoa (Exchange Contract No. 401)
Notional Contract size (tonnes)	10	50	10
Delivery months	Jan, Mar, May, Jul, Sep, Nov such that a maximum of 10 contract months are available at any one time	Mar, May, Aug, Oct, Dec, such that a maximum of 8 contract months are available at any one time	Mar, May, Jul, Sep, Dec, such that a maximum of 10 contract months are available at any one time
Last Trading Day	The day which is one calendar month prior to the first permissible Tender Day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Last Trading Day is not a market day, then the Last Trading Day shall be the market day immediately preceding such day)
Settlement Day	The business day immediately following the Last Trading Day	The business day immediately following the Last Trading Day	The business day immediately following the Last Trading Day
Minimum price fluctuation (Value)	One dollar per tonne (\$10)	10 cents per tonne (\$5.00)	One pound per tonne (£10)
EDSP	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Last Trading Day

(C) ADMINISTRATIVE PROCEDURES FOR COMMODITY SWAP CONTRACTS

Last Trading Day in respect of a Contract

At the time at which trading ceases for the associated delivery month of the related physical delivery Commodity Futures Contract	Reporting of Trades in Contracts for the relevant Delivery Month shall cease.
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As soon as reasonably practicable after cessation of trading in the associated delivery month of the related physical delivery Commodity Futures Contract	The Exchange will publish a provisional EDSP.
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As soon as reasonably practicable after publishing the provisional EDSP	The Exchange will publish the final EDSP.
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Settlement Day

By 10.00 hours	All payments required by term 6.01 to be made by the Buyer to the Clearing House and the Clearing House to the Seller shall have been completed.
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Issue Date: 11 March 2009	----- 0 -----
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EXCHANGE CONTRACT NO. 502

CASH SETTLED COMMODITY OPTIONS
(EUROPEAN-STYLE EXERCISE)

(A) CONTRACT TERMS
(Issue Date: 11 March 2009)¹

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD
(Issue Date: 11 March 2009)¹

(C) ADMINISTRATIVE PROCEDURES
(Issue Date: 11 March 2009)¹

Expiry Months

Robusta Coffee	July 2009 onwards
White Sugar	August 2009 onwards
Cocoa	July 2009 onwards

¹ Please refer to London Notice No. 3127.

EXCHANGE CONTRACT NO. 502
IN RESPECT OF CASH SETTLED COMMODITY OPTION CONTRACTS
(EUROPEAN-STYLE EXERCISE)

THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS
EXCHANGE

(A) CONTRACT TERMS

1. Interpretation

1.01 Save as otherwise specified herein, words and phrases defined in the Rules shall have the same meanings in these terms, the Contract Details specified by the Board for Option Contracts on Commodity Futures and in the Administrative Procedures.

1.02 In these terms and the Administrative Procedures:

“Administrative Procedures” means all procedures from time to time implemented by the Board pursuant to the Rules for the purposes of this Exchange Contract.

“associated delivery month of the related physical delivery Commodity Futures Contract” means a month which is the same month as the expiry month in respect of the Contract.

“business day” means a day on which the market, the Clearing House and banks in London are open for business.

“Buyer” in respect of a Contract means the person who is entitled under such Contract to exercise the option or options the subject of such Contract (including, except where the context otherwise requires, the Clearing House as buyer under a registered Contract).

“call option” means an option specified as such in the Contract.

“Clearing House Notice of Exercise” means a notice from the Clearing House, in a form from time to time prescribed by the Clearing House, confirming to the Seller of an option that the Clearing House has exercised an option against the Seller.

“Commodity Options Contract” and “Contract” means any of the contracts as described in Table 1, as the case may be, and “registered Contract” means a contract registered by the Clearing House.

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“\$” and “cents” denote the lawful currency of the United States of America, known, at the date of the issue of these terms, as “the dollar” and “cents”, respectively.

“EDSP” means the Exchange Delivery Settlement Price and has the meaning attributed to it in term 9.

“EMU legislation” means legislative measures of the European Council for the introduction of, changeover to or operation of, a single or unified European currency (whether known as the euro or otherwise) being in part implementation of the third stage of Economic and Monetary Union in the European Union.

“Exercise Notice” means a notice in the form prescribed by the Clearing House from time to time notifying the Clearing House that a Buyer of an option thereby wishes to exercise one or more options against the Clearing House.

“exercise price” in respect of an expiry month, means a price authorised as such by the Exchange in respect of which a Contract for such expiry month can be made.

“Expiry Day” has the meaning ascribed to it in Table 1.

“expiry month” means each month specified as such in Table 1 in respect of a Commodity Options Contract.

“market day” means a day on which the market, the Clearing House and banks in London are open for business and the related physical delivery Commodity Futures Contract is available for trading.

“£”, Pounds”, “pence” and “penny” denote lawful currency of the United Kingdom at the date of issue of these terms, known as “Sterling”.

“put option” means an option specified as such in the Contract.

“related physical delivery Commodity Futures Contract” has the meaning attributed to it in Table 1.

“Regulations” means the General Regulations and Default Rules of the Clearing House from time to time in force.

“Seller” in respect of a Contract means the person who sells the option or options the subject of such Contract (including, except where the context otherwise requires, the Clearing House as seller under a registered Contract).

“Settlement Amount” has the meaning given to it in term 9.01.

“Settlement Day” in respect of an option means the day specified as such in Table 1.

- 1.03 Reference to a “term” refers to a term hereof and reference to a “Rule” and the “Articles” refer to the Exchange’s Rules and Articles respectively. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.
- 1.04 References to a person in these terms shall be construed to include references to its successors and its permitted assigns unless the Board otherwise notifies by Notice.
- 1.05 Unless stated otherwise, all times specified in these terms and Administrative Procedures are expressed in London time.
- 2. Contract Specification
 - 2.01 These terms shall apply to all Contracts.
 - 2.02 Each Contract shall be for one or more put options or one or more call options based on the relevant Commodity Options Contract for the Expiry Day and at the exercise price agreed. An exercise price shall be expressed and agreed in the currency and value specified in Table 1 for each Commodity Options Contract.
 - 2.03 The Contract size will be as detailed in Table 1.
- 3. Price
 - 3.01 Bids and offers shall be quoted using the price basis provided in Table 1 for the relevant Commodity Options Contract. A price shall be a multiple of the minimum price fluctuation as provided in Table 1.
- 4. Exercise of an Option by a Buyer against the Clearing House and Confirmation of Exercise
 - 4.01 Subject to term 4.02, a Buyer may exercise an option against the Clearing House only on the Expiry Day and shall do so by giving to the Clearing House an Exercise Notice in respect of such option by the time specified in the Administrative Procedures and in a manner from time to time prescribed by the Clearing House.
 - 4.02 The Clearing House shall give to the Buyer a notice in a form from time to time prescribed by the Clearing House, on the day and by the time specified for that purpose in the Administrative Procedures, confirming which options specified in an Exercise Notice have been validly exercised by the Buyer in accordance with these terms.

5. Exercise by the Clearing House against a Seller and Confirmation of Exercise

- 5.01 Subject to term 5.02, on the day on which an option is validly exercised by a Buyer in accordance with term 4.01, the Clearing House shall select a Seller of an option of the same type and at the same exercise price and for the same Expiry Day by such method of selection as may be specified in the Administrative Procedures and shall exercise such option in a form and manner from time to time prescribed by the Clearing House.
- 5.02 If the Clearing House is unable to exercise an option against a Seller in accordance with term 5.01 on the day referred to in such term, the Clearing House shall do so as soon as possible thereafter and such option shall be deemed to have been exercised on the day referred to in term 5.01 which, for the purpose of these terms, shall be the day of exercise of such option.
- 5.03 In respect of each option exercised by the Clearing House against a Seller under term 5.01 or term 5.02, the Clearing House shall give to the Seller a Clearing House Notice of Exercise by the time specified for that purpose in the Administrative Procedures on the market day following the day of exercise of the option and in a manner from time to time prescribed by the Clearing House.

6. Expiry

- 6.01 An option in respect of an Expiry Day which has not been exercised in accordance with term 4 or 5, as applicable, shall expire on the day and at the time specified for that purpose in the Administrative Procedures.

7. Expiry Day

- 7.01 On the Expiry Day:
- (a) trading in Contracts for the relevant expiry month shall cease at such time as may be specified in the Administrative Procedures; and
 - (b) the Exchange will determine the EDSP in accordance with term 9.
- 7.02 If, at any time after the commencement of trading on the market day prior to the day which would have been the Expiry Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the Expiry Day will not be a market day then the market day next following such day shall become the Expiry Day in respect of that expiry month. The Exchange shall publish any arrangements made pursuant to this term 7.02 as soon as it is reasonably practicable so to do.

8. Payment

- 8.01 The Buyer shall pay the option price in respect of an option to the Clearing House not later than the time specified by the Clearing House on the market day following the Expiry Day.

8.02 In respect of an option to which the Clearing House is party as Buyer, the Clearing House shall pay the option price to the Seller not later than the time specified by the Clearing House on the market day following the Expiry Day.

9. Exchange Delivery Settlement Price ("EDSP")

9.01 The EDSP for Contracts for a particular Expiry Day shall be calculated as specified in Table 1.

9.02 The Exchange shall publish a provisional EDSP and the final EDSP at or by such times as may be specified in the Administrative Procedures. The final EDSP shall be final and binding for all purposes.

9.03 The Board may from time to time amend the timing of the calculation of the EDSP for any reason determined by the Board and any such changes shall have such effect with regard to existing and/or new Contracts as the Board may determine.

10. Settlement Amount and Payment

10.01 The Settlement Amount in respect of an option exercised under term 4 or term 5, as applicable, shall be:

- (a) in the case of a call option, the amount by which the EDSP exceeds the exercise price, or
- (b) in the case of a put option, the amount by which the exercise price exceeds the EDSP,

multiplied in each case by the Contract size for that option as specified in Table 1.

10.02 The Settlement Amount shall be paid by the Seller to the Clearing House by the time specified for this purpose in the Administrative Procedures and the Clearing House shall pay the Settlement Amount to the Buyer on the same day.

11. Default in Performance

11.01 A Buyer or a Seller other than the Clearing House shall be in default where:

- (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed in and in accordance with these terms, the Rules and the Administrative Procedures and the Regulations; or
- (b) he fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified in these terms or in the Administrative Procedures or under the Regulations; or
- (c) in the reasonable opinion of the Clearing House he is in default in performance.

11.02 Subject to the default rules of the Clearing House, in the event of default by a Buyer or a Seller in respect of a registered Contract, the Board shall, at the request of the Clearing House, forthwith fix a price for invoicing back and each option at issue shall be invoiced back at that price. Such price may at the Board's absolute discretion take account of any compensation the Board may consider should be paid by either party to the other.

12. Force Majeure

12.01 Subject to any steps taken at any time by the Board under emergency powers in the Rules:

- (a) a Seller or a Buyer shall be liable to perform his obligations in respect of an option comprised in a Contract by the due time therefor, notwithstanding that he may be or is likely to be prevented from so doing by any event beyond his reasonable control including, without limitation, any act of God, strike, lockout, war, armed conflict, use of force by authority of the United Nations, fire, riot or civil commotion, combination of workmen, act of terrorism, breakdown of machinery, unavailability or restriction of computer or data processing facilities or energy supplies or bank transfer systems; and
- (b) in the event of a Buyer being prevented from exercising an option on its Expiry Day by the time specified in the Administrative Procedures by any event beyond his reasonable control including, without limitation, any of the events specified in term 12.01(a):
 - (i) the Buyer may give written notice to the Board specifying the Contract or, if more than one, the Contracts in respect of which the Buyer was prevented from exercising an option, the steps taken by the Buyer to exercise the option and the events which prevented him from so doing. Any such notice shall be given to the Board as soon as is practicable after the expiry of an option specified in the notice; and
 - (ii) if the Board is satisfied that the Buyer took all possible steps in the circumstances prevailing to exercise an option, the Board shall request the Clearing House to notify it of details of one or more Contracts between a Seller and the Clearing House which are on the same terms (except as to the parties or the option price) as, and have been matched by the Clearing House with, the Contract or Contracts specified in the Buyer's notice and shall fix a price for invoicing back. Each Contract the subject of the Buyer's notice and each Contract between the Clearing House and a Seller notified to the Board hereunder shall be invoiced back at such price. Such price may at the Board's absolute discretion take into account the Board's assessment of the intrinsic value of the options at the expiry thereof.

13. Articles, Rules, Regulations, etc

- 13.01 Every Contract shall be subject to the Articles and the Rules and the Regulations in so far as applicable notwithstanding that either or both of the parties to it may not be members of the Exchange or of the Clearing House.
- 13.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and, in the event of any conflict between these terms and the Rules, the Rules shall prevail.

14. Arbitration

- 14.01 Subject to term 14.02, and to the Rules, any dispute arising from or in relation to a Contract shall be referred to arbitration under the Rules relating to arbitration and arbitration shall be held in accordance with the Rules in force at the time of such reference.
- 14.02 No dispute arising from or in relation to any invoicing back price fixed by the Board under these terms shall be referred to arbitration under the Rules.

15. Governing Law

- 15.01 Every Contract shall be governed by and construed in accordance with English law.

16. Non-registered Contracts

- 16.01 In respect of a Contract which is not a registered Contract ("non-registered Contract") these terms shall be modified by the parties thereto so as to require and allow that a Contract to be registered by the Clearing House under the Rules and Regulations is capable of being so registered and to facilitate the performance of obligations or the exercise of rights under such registered Contract in accordance with these terms. Modifications may also be made to the terms of a non-registered Contract to permit performance of obligations or the exercise of rights under such non-registered Contract or any other non-registered Contract if, without such modifications, it may not be possible to perform such obligations or to exercise such rights by the applicable times specified in the Administrative Procedures. In particular, but without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-registered Contract.

17. Economic and Monetary Union

- 17.01 The Board in its absolute discretion may from time to time vary, substitute or remove any of, or add to, the terms of this Exchange Contract in any way

which the Board considers desirable, arising out of or in connection with the introduction of the euro as the lawful currency of the United Kingdom, or to facilitate the calculation of and making of payments in euro or to facilitate the calculation of the EDSP, in pursuance of this Exchange Contract.

- 17.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 17.01 shall have such effect with regard to existing and/or new Contracts as the Board may determine.
- 17.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to term 17.01 and 17.02 shall be the subject of a Notice.
- 18. Statement in relation to EDSP Price Formation
- 18.01 The Exchange draws the following statement to the attention of potential users of its cash settled Commodity Options Contracts. Members should ensure that their ensure that their clients are made aware of this statement.

“Statement in relation to EDSP Price Formation

Potential users of the cash settled Commodity Options Contracts (“the Contracts”) made available on the London International Financial Futures and Options Exchange should familiarise themselves with these Contract Terms and Administrative Procedures and any associated information.

The EDSP price formation process for the Contracts is based on the Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract traded in the LIFFE CONNECT® Central Order Book on the Last Trading Day of the Contract. Such day shall be one calendar month prior to, in the case of Robusta Coffee, the first permissible Tender Day under that contract and one calendar month prior to the Last Trading Day in the case of White Sugar and Cocoa (subject to provisions of this Contract Specification which allow for the Last Trading Day to be moved in particular circumstances). Potential users of the Contracts should familiarise themselves with the Contract Terms and Administrative Procedures for the related physical delivery Commodity Futures Contract as well as the Trading Procedures in respect of Daily Settlement Prices and any associated information.

Price formation leading to the EDSP for each Contract is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity in the LIFFE CONNECT® Central Order Book around the time at which the relevant Daily Settlement Price is established is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting positions in the Contract and the related physical delivery Commodity Futures Contract. Such participants might typically seek to achieve this by unwinding their positions in the related physical delivery Commodity Futures Contract at prices which they anticipate will contribute to the calculation of the relevant Daily Settlement Price which

will, in turn, be used to determine the EDSP for the Contract. A consequence of this activity might be that prices used in the calculation of the Daily Settlement Price differ from price levels achieved earlier in the trading day.

Potential users should consider the implications of holding positions into expiry of the Contract. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, whether to roll or close positions prior to expiry”.

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Issue Date: 11 March 2009

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD FOR CASH SETTLED COMMODITY OPTION CONTRACTS (“TABLE 1”)

Cash Settled Commodity Options Contract	Robusta Coffee	White Sugar	Cocoa
Known as Exchange Contract No.	95	96	97
Exercise Style	European	European	European
Related physical delivery Commodity Futures Contract	Robusta Coffee (Exchange Contract No.409)	White Sugar (Exchange Contract No.407)	Cocoa (Exchange Contract No.401)
Price basis	US dollars per tonne	US dollars/cents per tonne	£ Sterling per tonne
Contract size (tonnes)	10	50	10
Expiry months	Jan, Mar, May, Jul, Sep, Nov such that a maximum of 10 contract months are available for trading	Mar, May, Aug, Oct, Dec, such that a maximum of 8 contract months are available for trading	Mar, May, Jul, Sep, Dec, such that a maximum of 10 contract months are available for trading
Expiry Day	The day which is one calendar month prior to the first permissible Tender Day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)	The day which is one calendar month prior to the last trading day of the associated delivery month of the related physical delivery Commodity Futures Contract (except that if the day which would have been the Expiry Day is not a market day, then the Expiry Day shall be the market day immediately preceding such day)
Settlement Day	The business day immediately following the Expiry Day	The business day immediately following the Expiry Day	The business day immediately following the Expiry Day
Minimum price fluctuation (Value)	One dollar per tonne (\$10)	5 cents per tonne (\$2.50)	One pound per tonne (£10)
Exercise Price increments	\$25 per tonne up to \$1,000 and \$50 per tonne from \$1,001 and above	\$10 per tonne	£25 per tonne
EDSP	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day	Daily Settlement Price of the associated delivery month of the related physical delivery Commodity Futures Contract on the Expiry Day

(C) ADMINISTRATIVE PROCEDURES FOR CASH SETTLED OPTION
CONTRACTS ON COMMODITY FUTURES

Price	The minimum price fluctuation shall be such amount as specified in Table 1.
Cabinet Transactions	A Contract may have a price of the minimum price fluctuation specified in Table 1 if entered into by one or both parties with the sole intention of closing out an existing position.

Expiry Day

At the time at which trading ceases for the associated delivery month of the related physical delivery Commodity Futures Contract	Reporting of Trades for Contracts for the relevant expiry month shall cease.
As soon as reasonably practicable	The Exchange will publish the provisional EDSP.
Within 30 minutes after publication of the provisional EDSP or as soon as reasonably practicable thereafter	The Exchange will publish the EDSP.
Within 60 minutes of the close of trading in the Contract	<p>A Buyer may submit to the Clearing House an Exercise Notice for any option in respect of the current expiry month, being an option comprised in a registered Contract or a Contract submitted to the Clearing House for registration.</p> <p>Exercise Notices submitted after such time will be rejected.</p> <p>The Clearing House shall select a Seller against whom to exercise options in accordance with term 5 and shall do so on a pro-rata basis and against Sellers' positions as at the close of business on the market on the day on which one or more Buyers have exercised options in accordance with term 4 against the Clearing House.</p>
60 minutes after the close of trading in the Contract	Any option in respect of the current expiry month to which a Buyer other than the Clearing House is party

and which has not been exercised shall expire.

The market day following the expiry of an option

By 07.00 hours

In respect of an option exercised by the Clearing House against a Seller under term 5.01, the Clearing House shall give a Clearing House Notice of Exercise to the Seller in a manner from time to time prescribed by the Clearing House.

The Clearing House shall have given notices to Buyers in accordance with term 4.02 confirming which options have been validly exercised by such Buyers.

At 07.00 hours

Any option to which the Clearing House is party as Buyer and which has not been exercised shall expire.

By 10.00 hours

Sellers will pay to the Clearing House Settlement Amounts due in respect of options to which they are party.

The Clearing House will pay Settlement Amounts due to Buyers in respect of options to which it is party as Seller.

Buyers will pay to the Clearing House premiums due in respect of options to which they are party.

The Clearing House will pay premiums due to Sellers in respect of options to which it is party as Buyer.

Such payment will be netted against the variation margin balances of Buyer and Seller by the Clearing House.

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Issue Date: 11 March 2009

**Availability of cash settled Commodity Swap and cash settled Commodity
Option Contracts via Bclear in 2009**

Market days in 2009 on which transactions will **not** be capable of being reported via Bclear:

Dates unavailable for reporting via Bclear
Friday 10 April 2009
Monday 13 April 2009
Monday 4 May 2009
Monday 25 May 2009
Monday 31 August 2009
Friday 25 December 2009
Monday 28 December 2009

**Trade Reporting Hours applicable to cash settled Commodity Swap and cash settled
Commodity Option Contracts**

Bclear Contract	Trade Reporting Hours (London Time)
Cocoa Swaps	09.30-18.00
Cocoa Options	09.32-18.00
Robusta Coffee Swaps	08.00-18.00
Robusta Coffee Options	08.02-18.00
White Sugar Swaps	09.45-18.00
White Sugar Options	09.47-18.00