Attachment 2:

**Detailed Rules of Coking Coal Futures of Dalian Commodity Exchange**

**Chapter I General Provisions**

1. The Detailed Rules of Coking Coal Futures of Dalian Commodity Exchange (the "**Detailed Rules**") are formulated pursuant to the *Trading Rules of Dalian Commodity Exchange* and the *Coking Coal Futures Contract of Dalian Commodity Exchange* for the purpose of standardizing the trading of coking coal futures contracts.
2. Dalian Commodity Exchange (the "**Exchange**"), its Members, the clients, the designated delivery warehouses, the designated quality inspection agencies, the designated futures margin depositary banks and other participants in the futures market shall comply with the Detailed Rules.
3. Where it is not provided in the Detailed Rules, the relevant rules of the Exchange shall apply.

**Chapter II Principle Terms of the Contract and Relevant Parameters**

1. The quality standards for and the quality discounts and/or premiums of standard deliverable products and substitutes under the coking coal futures contract are detailed in the *Coking Coal Delivery Quality Standards of Dalian Commodity Exchange (F/DCE JM003-2022)* as Annex 1 attached hereto.
2. The coking coal futures contract shall take the form of physical delivery.
3. The delivery warehouses designated for coking coal shall be divided into the benchmark delivery warehouses and the non-benchmark delivery warehouses (detailed in the *List of Delivery Warehouses Designated for Coking Coal of Dalian Commodity Exchange* as Annex 2 attached hereto), and may be adjusted by the Exchange as the case may be.
4. The contract months of the coking coal futures contract are January, February, March, April, May, June, July, August, September, October, November and December.
5. The trading unit of the coking coal futures contract is 60 MT/Lot.
6. The price quote unit of the coking coal futures contract is CNY/MT.
7. The minimum tick size of the coking coal futures contract is 0.5 CNY/MT.
8. The maximum quantity of orders placed each time for the coking coal futures contract shall be one thousand (1,000) lots.
9. The standard of trading margins, price limit range and position limit under the coking coal futures contract shall be subject to the relevant provisions of the *Measures for Risk Management of Dalian Commodity Exchange*.
10. The last trading day of the coking coal futures contract is the tenth trading day of the contract month.
11. The last delivery day of the coking coal futures contract is the third trading day after the last trading day.
12. The ticker symbol of the coking coal futures contract is JM.

**Chapter III Delivery and Clearing**

Section I General Provisions

1. The coking coal futures contract applies the exchange of futures for physicals (the "**EFP**"), rolling delivery and one-off delivery, the detailed procedures of which are provided in the relevant provisions of the *Measures for Delivery Management of Dalian Commodity Exchange* and the *Measures for Clearing Management of Dalian Commodity Exchange*.
2. The coking coal futures contract delivery unit shall be six thousand (6,000) tons.
3. The standard warehouse receipt of the coking coal shall be divided into the standard warehouse receipt of storage warehouse and the standard factory warehouse receipt.
4. The differences of the discounts and/or premiums of the coking coal futures contract shall be settled between the owner of the commodities and the designated delivery warehouse.
5. The dedicated VAT invoice shall be issued for delivery of coking coals.
6. The delivery commissions, the sampling and inspection fees, the storage fees and other fees of Coking Coal shall be separately published by the Exchange.

Section II Standard Warehouse Receipt Delivery

1. The *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange* shall apply to the generation, circulation and deregistration of the standard warehouse receipts, if not provided in the Detailed Rules.
2. A Member shall pay the notice of intent to deliver earnest money to the Exchange as per the standard of CNY thirty (30) per ton when it handles the notice of intent to deliver.
3. The owner which has fully completed the notice of intent to deliver shall, three (3) calendar days prior to loading the commodities in the warehouse, notify the designated delivery warehouse of the vehicle or vessel number, products, quantity, arrival time and other information, and the designated delivery warehouse shall reasonably arrange for receipt and loading-in of the commodities.
4. The designated delivery warehouse shall engage a quality inspection agency designated by the Exchange to carry out the quality inspection of the commodities to be loaded in the warehouse.

The owner shall notify, three (3) calendar days prior to the loading-in, to the designated delivery warehouse the method of delivery, the quantity of delivery and the date of delivery. The designated delivery warehouse shall notify, after its receipt of the owner's notice of loading-in the warehouse, to the designated quality inspection agency the aforesaid information which shall be clearly described in the quality inspection agreement. In addition, the quality inspection agreement shall provide for, among other things, the day and night operation fees, the method that the designated delivery warehouse notifies the designated quality inspection agency of the coking coal to be loaded in the warehouse, the quantity of inspection, the time of issuing the inspection report, and the liability arising out of or in connection with the incurred losses for any reason attributable to the designated quality inspection agency's failure to timely appear at the site. The inspection fees shall be borne by the owner and shall be forwarded by the designated delivery warehouse.

1. The sampling of the coking coal shall be carried out in the coking coal flows at the time of being loaded in and stacked in the warehouse.
2. The receiving and consigning weights of coking coal shall be subject to the weighting by the designated delivery warehouse through the measurement of wagon balance or rail weighbridge. The designated delivery warehouse shall, on the basis of the moisture test result of the coking coal issued by the quality inspection agency designated by the Exchange and subject to the provisions of the *Coking Coal Delivery Quality Standards of Dalian Commodity Exchange (F/DCE JM003-2022),* calculate the weight which shall be the basis for issuing a warehouse receipt.
3. The quality inspection agency designated by the Exchange shall, after its completion of the quality inspection of the coking coal loaded in the warehouse, issue one (1) original and three (3) duplicate inspection reports; and the original shall be submitted to the designated delivery warehouse and two (2) of the duplicates shall be respectively submitted to the Exchange and the owner.
4. The designated delivery warehouse shall carry out, subject to the applicable provisions of the Exchange, inspection of the quality and other relevant materials and certificates of the coking coal which has been loaded in the warehouse.
5. The deregistration of the standard warehouse receipt shall be carried out against the warehouse receipts of the coking coal within three (3) trading day following the last delivery day.
6. When the coking coal is loaded out of the storage warehouse, the owner which holds the Notice to Load Out or load-out password shall contact the designated delivery warehouse for the loading-out matters three (3) calendar days prior to the actual pickup date, and shall pick up the commodities at the designated delivery warehouse within ten (10) working days (inclusive of the tenth working day) after the deregistration of the standard warehouse receipt.
7. Upon the coking coal being loaded out of the warehouse, the designated delivery warehouse shall issue to the owner the actual test result of moisture tested by the designated delivery warehouse and produce the quality inspection report upon registration of the warehouse receipt.

The designated delivery warehouse shall calculate, on the basis of the actual test result of moisture and the *Coking Coal Delivery Quality Standards of Dalian Commodity Exchange (F/DCE JM003-2022)*, the weight to be loaded out of the warehouse and then have the sufficient weight loaded out.

The designated delivery warehouse may settle the quality premiums and discounts with the clients on the basis of the quality inspection report upon registration of the warehouse receipt, or after the sampling and reserved sampling through mutual negotiations and without objection from the buyer or seller to the quality of the coking coal within fifteen (15) calendar days after being loaded out of the warehouse, on the basis of the quality inspection report upon registration of the warehouse receipt, or otherwise on the basis of the sampling inspection results in case of any objection from the buyer and/or seller to the quality of the coking coal. The quality inspection report upon registration of the warehouse receipt shall prevail in case of any inconsistency between the sampling inspection result and the inspection result upon registration of the warehouse receipt provided, however, that such inconsistency falls within the scope of the national standard deviation provisions.

1. The owner who has a dispute with respect to the moisture actual test result by the designated delivery warehouse shall choose the designated inspection agencies to have the inspection carried out on site, and the inspection result shall be the weight measurement basis of being loaded out of the warehouse.

The owner who has a dispute with respect to the quality inspection result of the coking coal may choose either of the following two methods to have sampling and reserved sample carried out:

1. to continue the loading-out, and choose a designated inspection agency to have the sampling and reserved sample carried out in the coking coal flows; or
2. to choose a designated inspection agency to have the sampling carried out through opening the stack, shifting the stack or otherwise.

Both parties shall take the sampling inspection result as the basis for dispute settlement subject to Article 56 of the *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange*. It shall be deemed that the sampling inspection result is consistent with the inspection result produced by the designated delivery warehouse and shall be deemed to be the basis for dispute settlement in the event of any inconsistency between the sampling inspection result and the inspection result upon registration of the warehouse receipt provided, however, that such inconsistency falls within the scope of the national standard deviation provisions.

The quality inspection fees shall be prepaid by the owner. Any and all fees (including, but not limited to, the inspection charges and the travel expenses) and the loss shall be borne by the owner in case the inspection result is consistent with the inspection result produced by the designated delivery warehouse or by the designated delivery warehouse in case inspection result is inconsistent with the inspection result produced by the designated delivery warehouse.

1. When the coking coal is loaded out of the factory warehouse, the owner shall pick up the commodities at the factory warehouse within four (4) calendar days (inclusive of the fourth calendar day) following the deregistration day of the standard warehouse receipt (exclusive of the deregistration day). The factory warehouse shall commence consignment within four (4) calendar days (inclusive of the fourth calendar day) following the deregistration day of the standard warehouse receipt (exclusive of the deregistration day), and shall provide the delivery services as reasonably requested by the owner and shall negotiate with the owner with respect to the transportation fees, loss and otherwise.

The factory warehouse shall have the goods loaded out subject to the quality standards for being loaded in the warehouse as required by the contract and shall provide the quality inspection report to the owner issued by the factory with respect to such goods which shall be used as the basis of settlement of the quality premiums and discounts.

When the coking coal is loaded out of the factory warehouse, the factory warehouse shall carry out the sampling under the owner's supervision, and the samplings shall be sealed after being confirmed by both parties and shall be preserved for fifteen (15) calendar days following the consignment day as the basis for handling any quality dispute.

1. Where the factory warehouse consigns commodities to the owner at a speed no higher than the daily consignment speed but the owner fails to pick up the commodities due to its transportation capability or any other reason attributable to the owner, the owner shall pay to the factory warehouse the late fee as per the quantity of the commodities which shall be, but fail to be, picked up. The late fee is determined as follows:
2. from the starting date of goods pick-up (inclusive of the pick-up day), for each day, the amount of late fee on the then-current day shall be figured out by multiplying the quantity of the goods which shall be picked up but fail to be picked up on the then-current day by the corresponding amount of late fee;
3. to the completion date of goods pick-up (exclusive of the pick-up day), the total amount of late fee which the owner shall pay to the factory warehouse shall be figured out on the basis of totaling the daily amount of late fee.

The standard amount of late fee shall be CNY 2/Ton\*Day.

1. If the pick-up is carried out after expiry of the pick-up period (exclusive of the then-current day) and within nineteen (19) calendar days (inclusive of the then-current day) following the deregistration of the standard warehouse receipt (exclusive of the deregistration day), the owner shall pay the late fee to the factory warehouse, and the factory warehouse shall assume the liability related to the commodity quality, consignment time and consignment speed pursuant to the futures standards, until all the futures commodities have been consigned.

The late fee shall be determined according to the following method:

1. from the date of expiration of pick-up period (inclusive of the expiration day), for each day, the amount of late fee on the then-current day shall be figured out by multiplying the quantity of the goods which shall be picked up but fail to be picked up on the then-current day by the corresponding amount of late fee;
2. to the completion date of pick-up (exclusive of the pick-up day), the total amount of late fee which the owner shall pay to the factory warehouse shall be figured out on the basis of totaling the daily amount of late fee.

The standard amount of late fee shall be CNY 2/Ton\*Day.

1. If the owner picks up the commodities at the factory warehouse after nineteen (19) calendar days (exclusive of the then-current day) following the date of deregistration of the standard warehouse receipt (exclusive of the deregistration day), the owner shall pay the late fee to the factory warehouse as calculated in the following formula, and the factory warehouse shall assume no liability related to the commodity quality, consignment time and consignment speed under the futures standards.

Amount of late fee = CNY 2/Ton\*Day × Quantity of all the commodities × 19 Days

1. Where the factory warehouse fails to consign commodities according to the required daily consignment speed but timely completes the consignment of all the commodities, the factory warehouse shall compensate the owner.

Amount of compensation of the products = Delivery settlement price of the last delivery month of such commodity × Quantity of the commodities which shall be, but fail to be, consigned according to the required daily load out speed × 5%

1. Where the factory warehouse fails to timely complete the consignment of all the commodities, the factory warehouse shall, in addition to the compensation provided in Article 38 of the Detailed Rules, compensate the owner, the amount of such compensation for products = Delivery settlement price of the last delivery month of such commodity × Quantity of the commodities which shall be, but fail to be, consigned according to the total quantity of the commodities × 5%, the following procedures shall apply to such failure:
2. the Exchange shall supply to the owner the physical commodities of the same quality and quantity of other factory warehouses or locations and bear all the costs and expenses arising out of or in connection with the adjustment of the delivery site and the delayed consignment.
3. where the Exchange fails to supply the above commodities, the Exchange shall refund to the owner the payment of the commodities and compensate the owner.

Amount of refunded payment of commodities and compensation = Delivery settlement price of the last delivery month of such commodity × Quantity of the commodities which shall be, but fail to be, consigned according to the total quantity of the commodities × 120%

1. In the event of any violation by the factory warehouse described in Article 38 or 39 of the Detailed Rules, the compensation shall firstly be paid to the owner by the factory warehouse. Where the factory warehouse fails to pay such compensation or the amount of compensation is insufficient, shall be handled by the Exchange subject to the applicable provisions of the *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange*.

**Chapter IV Supplementary Provisions**

1. Any violation of the Detailed Rules shall be handled by the Exchange subject to the applicable provisions of the *Measures against Rule Violations of Dalian Commodity Exchange* and other rules.
2. The Exchange reserves the right to interpret the Detailed Rules.
3. The Detailed Rules shall come into force on July 1, 2019.

Annex 1: Coking Coal Delivery Quality Standard of Dalian Commodity Exchange (F/DCE JM003-2022)

Annex 2: List of Delivery Warehouses Designated for Coking Coal of Dalian Commodity Exchange(omitted).

***Disclaimer****: This English translation may be used for reference only. In cases there is any discrepancy between the English version and the original Chinese version, the original Chinese version shall prevail. Dalian Commodity Exchange may change or update this English translation without any prior notice and shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or change with regard to this English translation.*

**Annex 1:**

**Coking Coal Delivery Quality Standard of Dalian Commodity Exchange ("DCE")**

***(F/DCE JM003-2022)***

1. **Main content and applicable scope**
	1. The standard herein (the "**Standard**") stipulates the quality requirements, testing methods, inspection rules, transportation requirements, etc. for coking coal delivered at DCE.
	2. The coking coal as stated in the Standard refers to those coking coal washed and filtrated by coal washeries and whose quality could meet the requirements of coke production, with its places of production unrestricted.
	3. The Standard applies to standard products and substitute products delivered under the coking coal futures contract of DCE.
2. **Cited rules and standards**

The provisions of the following documents are incorporated as the provisions of the Standard by reference. For those cited documents noted with dates, all of their following *amendments* (excluding corrections) and revised versions shall not be applied to the Standard; for those without noted dates, their latest versions shall be applied to the Standard.

*GB/T 5751 Classification of Coals of China*

*GB/T 212 Methods for Proximate Analysis of Coal*

*GB/T 214 Methods for Determination of Total Sulfur in Coal*

*GB/T 479 Methods for Determination of Plastometric Index of Bituminous Coal*

*GB/T 5447 Methods for Determination of Caking Index of Bituminous Coal*

*GB/T 6948 Methods for Microscopical Determination of Reflectance of Vitrinite in Coal*

*GB/T 15591 Judging Method for Mixed Coal Type of Commercial Coal*

*GB/T 3715 Terminologies Relating to Properties and Analysis of Coal*

*GB/T 475 Methods for Manual Sampling of Coal for Commercial Use*

*GB/T 4000 Determination of Coke Reactivity Index (CRI) and Coke Strength after Reaction (CSR)*

*GB/T 8170 Rules of Rounding off for Numerical Values & Expression and Judgement of Limiting Values*

*MT/T 1181 Test of Coking Property for Coking Coal*

1. **Terms and definitions**

Terms and definitions under *GB/T 3715* shall be applied in this Standard.

1. **Quality requirements**
	1. Quality requirements for standard products

|  |  |
| --- | --- |
| **Item** | **Quality Standards** |
| Ash (Ad) | 10.5% |
| Sulfur (St,d) | 1.30% |
| Volatiles (Vdaf) | [16.0%, 26.0%] |
| Caking Index (GR.I) | Load-in≥75 | Load-out>65 |
| Maximum Plastometric Thickness (Y) | ≥10.0mm |
| Experimental coke oven produced coke strength after reaction (CSR) | [60%, 65%) |

* 1. Allowances (premiums/discounts) for quality difference of substitute products

|  |  |  |
| --- | --- | --- |
| **Item** | **Scope of Tolerance** | **Premium / Discount (CNY/MT)** |
| Ash (Ad) | ≤11.0% | (10.5%, 11.0%] | Discount of 30 |
| (10.0%, 10.5%) | Premium of 0 |
| ≤10.0% | Premium of 30 |
| Sulfur (St,d) | ≤1.60% | (1.30%, 1.60%] | Each addition of 0.01%, discount of 5 |
| [0.70%, 1.30%) | Each reduction of 0.01%, premium of 2.5 |
| <0.70% | Calculated based on 0.70% |
| Volatiles (Vdaf) | [16.0%, 28.0%] | (26.0%, 28.0%] | Discount of 50 |
| Experimental coke oven produced coke strength after reaction (CSR) | ≥60% | ≥65% | Premium of 80 |

* 1. Standard deviation of random reflectance of vitrinite (S) ≤0.13.
	2. Proportion of vitrinite maximum reflectance at 1.0%-1.7% ≥ 70%.
	3. Moisture content (Mt)≤8.0%. If moisture content (Mt)> 8.0%, converted weight per 100 lots = 6000 (tons) × (1-8.0%) / [1- actual test result of moisture (%)].
1. **Testing methods and inspection rules**
	1. Sampling and preparation of samples shall be subject to the standards in *GB/T 475*.
	2. Determination of moisture, ash and volatiles shall be subject to the standards in *GB/T 212*.
	3. Determination of sulfur content shall be subject to the standards in *GB/T 214*.
	4. Determination of caking index shall be subject to the standards in *GB/T 5447*.
	5. Determination of maximum plastometric thickness shall be subject to the standards in *GB/T 479*.
	6. Determination of random reflectance and maximum reflectance of vitrinite shall be subject to the standards in *GB/T 6948*.
	7. Determination of standard deviation of random reflectance of vitrinite shall be subject to the standards in *GB/T 15591*.
	8. Determination of experimental coke oven produced coke strength after reaction (CSR) shall be subject to the standards in *MT/T 1181* and *GB/T 4000*.
	9. Rules of rounding off for numerical values & expression and judgement of limiting values shall be subject to the standards in *GB/T 8170*.
2. **Transportation requirements**

Coking coal products shall be shipped in clean train carriages, vehicle carriages, steamship holds or other means of transport.

1. **Additional note**

The Standard shall be subject to the interpretation of DCE.