

Circular No.: PMEX/MKT, BD&CSS/2016/51

December 01, 2016

# Listing of PMEX Super Basmati Paddy Rice Weekly Futures Contracts

PMEX is pleased to inform that following PMEX Supper Basmati Paddy Rice Weekly Futures Contracts have been listed at the Exchange.

| S. No | Name of Contract  | Contract Symbol |
|-------|---|-----------------|
| 1     | PMEX Super Basmati Paddy Rice (Grade A-1) Weekly Futures Contract | PADDYSBR1-A1    |
| 2     | PMEX Super Basmati Paddy Rice (Grade A-2) Weekly Futures Contract | PADDYSBR2-A2    |
| 3     | PMEX Super Basmati Paddy Rice (Grade A-3) Weekly Futures Contract | PADDYSBR3-A3    |
| 4     | PMEX Super Basmati Paddy Rice (Grade A-4) Weekly Futures Contract | PADDYSBR4-A4    |

All the above mentioned contracts will be made available for trading from December 02, 2016.

The contract specifications have been provided in Annexure A, which will be binding on all the brokers of the Exchange and constituents trading through them. Moreover, trading timing and other trading parameters such as margins, delivery center, tare allowance, etc. are specified in the Annexure B.

For further information and assistance, please feel free to contact our Customer Support Services by phone on 021-111-623-623, 0300-8213-324 and 0321-8756-623 or by email at support@pmex.com.pk.

Best regards,

-Sd-Ejaz Ali Shah Managing Director



Annexure A

|    | PMEX Super           | Basmati Paddy Rice   | e (Grade A-1) Wee  | kly Futures Contract Specificati   | ons               |
|----|----------------------|--|--|------------------------------------|-------------------|
|    |                      | Hours and trading days of the PMEX Super Basmati Paddy Rice (Grade A-1) Weekly Futures Contract shall be (excluding Exchange specified holidays) as given below or as Specified by the Exchange from time to time: |  |                                    |                   |
|    |                      | Trading Days:  | Monday to S  | Saturday                           |                   |
| 1  | Trading Hours / Days | Trading Hours:   |  | 5:00 pm PST                        |                   |
|    |                      | On last trading day of   | contract will be clos  | sed at 05:00 pm.                   |                   |
|    |                      | demand.  |  | or trading only in the trading sea |                   |
| 2  | Unit of Trading      | will remain 1 MT)  |  | kg above 1 MT, however minimum     |                   |
| 3  | Price Quotation      | Exchange through a taxes.  | The price quoted shall be in rupees per 40 Kg ex-Muridke or as communicated by the Exchange through a circular from time to time. Price quotation will be exclusive of all |                                    |                   |
| 4  | Trading System       | PMEX ETS   |  |                                    |                   |
| 5  | Tick Size            | Rupee 1 per 40 Kg o  | or as specified by th  | e Exchange from time to time.      |                   |
| 6  | Delivery Unit        | Minimum 1 MT or a  | as specified by the I  | Exchange.                          |                   |
| 7  | Delivery Logic       | Compulsory   |  |                                    |                   |
| 8  | Quantity Variation   | +/- 2 % or as specifi  | ed by the Exchange   | through a circular                 |                   |
|    |                      | Following are the quality specifications of Paddy Rice to be delivered under this con or as communicated by the Exchange from time to time through a circular:   |  |                                    |                   |
|    |                      | 1 Variety  |  | Super Basmati                      |                   |
|    |                      | 2 Type   |  | Extra Long                         |                   |
|    |                      | 3 Colour   |  | Pale Yellow                        |                   |
|    |                      | 4 Moisture   |  | 17% Max                            |                   |
|    | Quality              | 5 Contrasting  | Varieties  | 4% Max                             |                   |
| 9  | Specifications       | 6 Green Grain  |  | 5% Max                             |                   |
|    |                      | 7 Red Rice   |  | 1% Max                             |                   |
|    |                      | 8 Heat Damag   | e  | 0.5% Max                           |                   |
|    |                      | 9 Field Damag  |  | 1% Max                             |                   |
|    |                      | 10 Broken Grai   |  | 1.5% Max                           |                   |
|    |                      | 11 Shriveled Gr  | rain   | 5% Max                             | *                 |
|    |                      | 12 Cracks  |  | 5% Max                             |                   |
|    |                      | 13 Dirt/Trash/Ir   | nert   | 4% Max                             |                   |
|    |                      | 1. As per curre  | ent industry practi  | ice Paddy shall be delivered in    | bulk and/or in    |
|    |                      | serviceable u  | sed/new Jute bags of   | of 65 Kgs. Tare allowance of 1.5 K | g per bag will be |
|    |                      | deducted to c  | alculate the net wei   | ght.                               |                   |
| 10 | Packaging            | 2. Bulk delivery   | in tractor trolleys  | or as specified by the Exchange    |                   |
|    |                      | If any change occur through a circular.  | rs in the industry p   | practice, it will be communicated  | by the Exchange   |



| 11 | Delivery Centers                             | The seller's own location/warehouse in Muridke / adjoining area communicated by the Exchange through a circular.  Alternate locations may be used with the mutual consent of buyer and seller with pri intimation to the Exchange.  The Exchange approved quality certification agency / assayer will certify the quality a grade of commodity. The same shall be delivered / loaded on the vehicle(s) arranged the buyer or seller for delivery.  |  |  |  |
|----|--|--|--|--|--|
| 12 | No. of active<br>Contracts                   | A maximum of 7 contracts may be made available for trading.  |  |  |  |
| 13 | Opening Date                                 | Each contract will open in the ETS of the Exchange up to 7 days before expiry.   |  |  |  |
| 14 | Last Trading Day<br>(Contract Expiry<br>Day) | Each contract will expire on a day as specified by the Exchange in the ETS, as properties to contract's opening date.  |  |  |  |
| 15 | Holiday<br>Convention                        | In case the first trading day of a contract falls on an Exchange holiday, the contract will start trading from the following Exchange trading day with a shorter maturity.  In case the last trading day of a contract falls on a holiday, the contract will be settled on the following Exchange trading day.   |  |  |  |
| 16 | Daily Settlement<br>Price                    | All open positions will be marked to market using daily settlement price. Exchange of determine the daily settlement price using one of the methods described hereunder or such other manner as may be prescribed by the Exchange through a circular from time time:  - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the mark sources (average of collected prices from the market will formulate the sporice) |  |  |  |
| 17 | Final Settlement<br>Price                    | The final settlement price will be the daily settlement price of the last trading day of contract or as specified by the Exchange through a circular.  |  |  |  |
| 18 | Daily Price<br>Fluctuation                   | +/- 10%, or as specified by the Exchange through a circular.   |  |  |  |
| 19 | Settlement Mode                              | All open positions after the close of contract shall be settled by either of the following modes:  Delivery of Paddy Rice as per clause 11.  The contract can be settled before expiry through "Exchange for Physical (EFP)" notified by the Exchange through a circular.  Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fixed policy of the Exchange.   |  |  |  |
| 20 | Pre-Trade Check                              | The Exchange will enforce a pre-trade check in which Sellers will be asked to deport Paddy Rice before making it available on the ETS for sale as per prescribed deport procedure of the Exchange.  The buyer must deposit cash margin before executing the trade. The amount of marking be notified by the Exchange through a circular from time to time.   |  |  |  |



|    |  | For delivery, sellers have to complete the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract specifications. The Exchange approved certification agency / assayer will certify the quality and grade of commodity delivered.   |
|----|--|--|
|    |  | The seller will now be eligible to place a sell order on the Exchange. After execution of the trade, buyer will be eligible to take delivery from the seller's location.   |
| 21 | Delivery Mode & Delivery Period                            | With the consent of seller and buyer, the Exchange may allow the buyer to take possession of commodity at seller's own risk, before the execution of trade at PMEX. In such cases, the traders will be required to trade in the PMEX system promptly failing which PMEX will not be responsible for commodity already in the possession of the buyer.      |
|    |  | If the buyer opts to take the delivery from the seller's location, it should be done through his own transport. Paddy Rice shall be delivered/loaded in the vehicle(s) arranged by the Buyer at the time of final delivery.  |
|    |  | Once the commodity is loaded / delivered in the vehicle(s) arranged by the buyer, it will become the sole responsibility of the buyer and the Exchange will not be responsible for any loss whatsoever including change in quality or quantity.  |
|    | 10/.   | Any failure to deliver by the seller or taking of delivery by the matched buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of buyer.  |
| >  |  | The final payment will include final settlement amount plus all applicable taxes if any, at the time of delivery.  |
| 22 | Pay-in and Pay-out<br>of Funds for Final<br>Settlement     | The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location. The seller will be eligible to receive funds, once the commodity has been shipped / loaded from the seller's location after completing all delivery related requirements. |
| 23 | Quality<br>Certification                                   | The seller has to provide a quality certification from the Exchange approved assayer that the Paddy Rice delivered meets the quality specifications as per contract specifications.  |
|    |  | The Exchange will not be responsible for quality or quantity of the Paddy Rice after taking of delivery by the buyer.  |
| 24 | Cost of certification, weighing, storage and delivery etc. | All charges associated with quality certification, weighing, storage, or any other charges related to delivery will be borne by the buyer and / or seller in the manner communicated by the Exchange from time to time through a circular.   |
| 25 | Position Limit   | Broker: Greater of 10% of open interest or 2,000 contracts per broker, gross across all clients and across all maturities.  Client: Greater of 5% of open interest or 500 contracts per client, gross across all maturities.   |
| 26 | Margin<br>Requirement                                      | The buyer must pay 100% Margin or as specified by the Exchange from time to time. Seller must deposit commodity before order entry as per specified procedure of the Exchange.   |
| 27 | Additional Margin  | The Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.  |
| 28 | Further Regulation   | This contract shall be subject to the PMEX General Regulations and all applicable Federal / Provincial laws.   |



|    | PMEX Super   | Basmati Paddy Rice (  | Grade A-2) Weekly                           | Futures Contract Specification  | ns                                  |  |
|----|--|---|---|---|-------------------------------------|--|
|    |  | Hours and trading da<br>Futures Contract shall<br>Specified by the Excha                              | be (excluding Excl                          | per Basmati Paddy Rice (Gradhange specified holidays) as givene:        | e A-2) Weekly<br>en below or as     |  |
| 1  | Trading Hours /<br>Days  | Trading Days:<br>Trading Hours:   | Monday to Satu<br>10:00 am to 5:0           |   |                                     |  |
|    |  | On last trading day co  | ntract will be closed                       | at 05:00 pm.  |                                     |  |
|    |  | demand.   |   | trading only in the trading season                                      |                                     |  |
| 2  | Unit of Trading  | will remain 1 MT)   |   | above 1 MT, however minimum   |                                     |  |
| 3  | Price Quotation  | Price quoted shall be<br>Exchange through a cases.  | e in rupees per 40<br>circular from time t  | Kg ex-Muridke or as commu<br>o time. Price quotation will be            | exclusive of al                     |  |
| 4  | Trading System   | PMEX ETS  |   |   |                                     |  |
| 5  | Tick Size  |   |   | Exchange from time to time.   |                                     |  |
| 6  | Delivery Unit  | Minimum 1 MT or as  | specified by the Exc                        | change.   |                                     |  |
| 7  | Delivery Logic   | Compulsory  |   |   |                                     |  |
| 8  | Quantity Variation   | +/- 2 % or as specified   | d by the Exchange th                        | rough a circular  |                                     |  |
|    |  | Following are the qua   | ality specifications o                      | f Paddy Rice to be delivered und  | der this contrac                    |  |
|    |  | or as communicated b  | y the Exchange fron                         | time to time through a circular:  |                                     |  |
|    |  |   |   | S Daamati   |                                     |  |
|    |  | 1 Variety   |   | Super Basmati   |                                     |  |
|    |  | 2 Type  |   | Extra Long<br>Pale Yellow   |                                     |  |
|    |  | 3 Colour<br>4 Moisture  |   | 19% Max   |                                     |  |
|    | Quality  | 4 Moisture<br>5 Contrasting V   | arieties                                    | 4% Max  |                                     |  |
| 9  | Specifications   | 6 Green Grains  | arieties                                    | 5% Max  |                                     |  |
|    |  | 7 Red Rice  |   | 1% Max  |                                     |  |
|    |  | 8 Heat Damage   |   | 0.5% Max  |                                     |  |
|    |  | 9 Field Damage  |   | 1% Max  |                                     |  |
|    |  | 10 Broken Grain   |   | 1.5% Max  |                                     |  |
|    |  | 11 Shriveled Gra  |   | 5% Max  |                                     |  |
|    |  | 12 Cracks   |   | 5% Max  |                                     |  |
|    |  | 13 Dirt/Trash/Inc   | ert   | 4% Max  |                                     |  |
|    |  | 1. As per curren  | nt industry practice                        | Paddy shall be delivered in   | bulk and/or in                      |  |
|    |  |   | ed/new Jute bags of of culate the net weigh | 55 Kgs. Tare allowance of 1.5 Kg<br>t.                                  | g per bag will b                    |  |
| 10 | Packaging  | 2. Bulk delivery i  | n tractor trolleys or                       | as specified by the Exchange  |                                     |  |
|    |  | If any change occurs in the industry practice, it will be communicated by the Excuthrough a circular. |   |   |                                     |  |
|    |  | The seller's own lo   |   | in Muridke / adjoining area circular.                                   | districts or a                      |  |
| 11 | Alternate locations may be used with the mutual consent of buyer and intimation to the Exchange. |   |   |   | seller with prio                    |  |
|    |  | The Exchange approved grade of commodity. the buyer or seller for                                     | The same shall be                           | tion agency / assayer will certify<br>delivered / loaded on the vehicle | the quality and<br>e(s) arranged by |  |



| 12 | No. of active<br>Contracts  | A maximum of 7 contracts may be made available for trading.  |  |  |  |
|----|---|--|--|--|--|
| 13 | Opening Date  | Each contract will open in the ETS of the Exchange up to 7 days before expiry.   |  |  |  |
| 14 | Last Trading Day<br>(Contract Expiry<br>Day)  | Each contract will expire on a day as specified by the Exchange in the ETS, as per contract's opening date.  |  |  |  |
| 15 | Holiday<br>Convention   | In case the first trading day of a contract falls on an Exchange holiday, the contract start trading from the following Exchange trading day with a shorter maturity.  In case the last trading day of a contract falls on a holiday, the contract will be settled the following Exchange trading day.   |  |  |  |
| 16 | All open positions will be marked to market using daily settlement price. Exceed determine the daily settlement price using one of the methods described hereus such other manner as may be prescribed by the Exchange through a circular from time:  Average of best bid and offer at the closing time |  |  |  |  |
| 17 | Final Settlement Price  | price)  The final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.  |  |  |  |
| 18 | Daily Price<br>Fluctuation  | +/- 10%, or as specified by the Exchange through a circular.   |  |  |  |
| 19 | Settlement Mode   | All open positions after the close of contract shall be settled by either of the following modes:  Delivery of Paddy Rice as per clause 11.  The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.  Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine policy of the Exchange.   |  |  |  |
| 20 | Pre-Trade Check   | The Exchange will enforce a pre-trade check in which Sellers will be asked to deposi Paddy Rice before making it available on the ETS for sale as per prescribed deposi procedure of the Exchange.  The buyer must deposit cash margin before executing the trade. The amount of margin will be notified by the Exchange through a circular from time to time.   |  |  |  |
| 21 | Delivery Mode & Delivery Period   | For delivery, sellers have to complete the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract specifications. The Exchange approved certification agency / assayer will certify the quality and grade of commodity delivered.  Seller will now be eligible to place a sell order on the Exchange. After execution of the trade, buyer will be eligible to take delivery from the seller's location.  With the consent of seller and buyer, the Exchange may allow the buyer to take possession of commodity at seller's own risk, before execution of trade at PMEX. In such cases, the traders will be required to trade in the PMEX system promptly failing which PMEX will not be responsible for commodity already in the possession of the buyer.  If the buyer opts to take the delivery from the seller's location, it should be done through his own transport. Paddy Rice shall be delivered/loaded in the vehicle(s) arranged by the Buyer at the time of final delivery. |  |  |  |



|    |  | Once the commodity is loaded / delivered in the vehicle(s) arranged by the buyer, it will become the sole responsibility of the buyer and the Exchange will not be responsible for any loss whatsoever including change in quality or quantity.  |
|----|--|--|
|    |  | Any failure to deliver by the seller or taking of delivery by the matched buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of buyer.  |
|    | Pay-in and Pay-out   | The final payment will include final settlement amount plus all applicable taxes if any, at the time of delivery.  |
| 22 | of Funds for Final<br>Settlement                           | The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location. The seller will be eligible to receive funds, once the commodity has been shipped / loaded from the seller's location after completing all delivery related requirements. |
| 23 | Quality<br>Certification                                   | The seller has to provide a quality certification from the Exchange approved assayer that the Paddy Rice delivered meets the quality specifications as per contract specifications.  The Exchange will not be responsible for quality or quantity of the Paddy Rice after taking of delivery by the buyer.   |
| 24 | Cost of certification, weighing, storage and delivery etc. | All charges associated with quality certification, weighing, storage, or any other charges related to delivery will be borne by the buyer and / or seller in the manner communicated by the Exchange from time to time through a circular.   |
| 25 | Position Limit   | Broker: Greater of 10% of open interest or 2,000 contracts per broker, gross across all clients and across all maturities.  Client: Greater of 5% of open interest or 500 contracts per client, gross across all maturities.   |
| 26 | Margin<br>Requirement                                      | The buyer must pay 100% Margin or as specified by the Exchange from time to time. Seller must deposit commodity before order entry as per specified procedure of the Exchange.   |
| 27 | Additional Margin  | The Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.  |
| 28 | Further Regulation   | This contract shall be subject to the PMEX General Regulations and all applicable Federal / Provincial laws.   |



|     | PMEX Super              | Basmati Paddy Ric   | e (Grade A-3) We   | ekly Futures Contract Specifications  |  |  |
|-----|-------------------------|---|--|---|--|--|
|     |                         | Hours and trading<br>Futures Contract sh<br>Specified by the Ex   | nall be (excluding   | K Super Basmati Paddy Rice (Grade A-3) Weekly<br>Exchange specified holidays) as given below or as<br>o time: |  |  |
|     |                         | Trading Days:   | Monday to  | Saturday  |  |  |
| 1   | Trading Hours /<br>Days | Trading Hours:  |  | 5:00 pm PST   |  |  |
|     | 24,5                    | On last trading day   | contract will be clo   | osed at 05:00 pm.   |  |  |
|     |                         |   | be made available  | for trading only in the trading season upon market  |  |  |
|     |                         | demand.   | dana in multiple of  | kg above 1 MT, however minimum trading quantity   |  |  |
| 2   | Unit of Trading         | will remain 1 MT)   |  |   |  |  |
| 3   | Price Quotation         | The price quoted s<br>Exchange through<br>taxes.  | shall be in rupees<br>a circular from tir                        | per 40 Kg ex-Muridke or as communicated by the<br>ne to time. Price quotation will be exclusive of all        |  |  |
| 4   | Trading System          | PMEX ETS  |  |   |  |  |
| 5   | Tick Size               | Rupee 1 per 40 Kg   | or as specified by t   | he Exchange from time to time.  |  |  |
| 6   | Delivery Unit           | Minimum 1 MT or   | as specified by the  | Exchange.   |  |  |
| 7   | Delivery Logic          | Compulsory  |  | 4 1 - 1 - 1 - 1 -   |  |  |
| 8   | Quantity Variation      | +/- 2 % or as specif  | fied by the Exchang  | ge through a circular   |  |  |
|     |                         | or as communicated  | d by the Exchange  | ns of Paddy Rice to be delivered under this contraction time to time through a circular:                      |  |  |
|     |                         |   |  |   |  |  |
|     |                         | 1 Variety   |  | Super Basmati   |  |  |
|     |                         | 2 Type  |  | Extra Long<br>Pale Yellow   |  |  |
|     |                         | 3 Colour  |  | 21% Max   |  |  |
|     | Quality                 | 4 Moisture<br>5 Contrasting   | Variaties  | 4% Max  |  |  |
| 9   | Specifications          | 6 Green Grain   |  | 6% Max  |  |  |
|     |                         | 7 Red Rice  | 113  | 1% Max  |  |  |
|     |                         | 8 Heat Dama   | ge   | 0.5% Max  |  |  |
|     |                         | 9 Field Dama  |  | 1% Max  |  |  |
|     |                         | 10 Broken Gra   |  | 1.5% Max  |  |  |
|     |                         | 11 Shriveled C  | Grain  | 5% Max  |  |  |
|     |                         | 12 Cracks   |  | 5% Max  |  |  |
| -1% |                         | 13 Dirt/Trash/  |  | 4% Max  |  |  |
|     |                         | serviceable   | rent industry prac-<br>used/new Jute bags<br>calculate the net w | tice Paddy shall be delivered in bulk and/or ir of 65 Kgs. Tare allowance of 1.5 Kg per bag will be eight.    |  |  |
| 10  | Packaging               | 2. Bulk deliver   | y in tractor trolleys  | or as specified by the Exchange   |  |  |
|     |                         | If any change occurs in the industry practice, it will be communicated by the E through a circular.           |  |   |  |  |
|     |                         | The seller's own communicated by t  |  | se in Muridke / adjoining area districts or as gh a circular.   |  |  |
| 11  | Delivery Centers        | Alternate locations intimation to the Ex  |  | n the mutual consent of buyer and seller with prior   |  |  |
|     |                         | fication agency / assayer will certify the quality and<br>be delivered / loaded on the vehicle(s) arranged by |  |   |  |  |
| 12  | No. of active           | A maximum of 7 c  | ontracts may be me   | ade available for trading.  |  |  |
| 14  | No. of active           | A maximum of / C  | ontracts may be me   | ac available for trading.   |  |  |



|    | Contracts                                    |   |  |  |
|----|--|---|--|--|
| 13 | Opening Date                                 | Each contract will open in the ETS of the Exchange up to 7 days before expiry.  |  |  |
| 14 | Last Trading Day<br>(Contract Expiry<br>Day) | Each contract will expire on a day as specified by the Exchange in the ETS, as per contract's opening date.   |  |  |
| 15 | Holiday<br>Convention                        | In case the first trading day of a contract falls on an Exchange holiday, the contract w start trading from the following Exchange trading day with a shorter maturity.  In case the last trading day of a contract falls on a holiday, the contract will be settled the following Exchange trading day.  |  |  |
| 16 | Daily Settlement<br>Price                    | All open positions will be marked to market using daily settlement price. Exchange can determine the daily settlement price using one of the methods described hereunder or in such other manner as may be prescribed by the Exchange through a circular from time to time:  - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the market sources (average of collected prices from the market will formulate the spot price)  |  |  |
| 17 | Final Settlement<br>Price                    | The final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.   |  |  |
| 18 | Daily Price<br>Fluctuation                   | +/- 10%, or as specified by the Exchange through a circular.  |  |  |
| >  | 2  | All open positions after the close of contract shall be settled by either of the following modes:   |  |  |
| 19 | Settlement Mode                              | Delivery of Paddy Rice as per clause 11.  The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.  Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine   |  |  |
| 20 | Pre-Trade Check                              | policy of the Exchange.  The Exchange will enforce a pre-trade check in which Sellers will be asked to deposit Paddy Rice before making it available on the ETS for sale as per prescribed deposit procedure of the Exchange.  Buyer must deposit cash margin before executing the trade. The amount of margin will be notified by the Exchange through a circular from time to time.   |  |  |
| 21 | Delivery Mode &<br>Delivery Period           | For delivery, sellers have to complete the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract specifications. The Exchange approved certification agency / assayer will certify the quality and grade of commodity delivered.  The seller will now be eligible to place a sell order on the Exchange. After execution of the trade, buyer will be eligible to take delivery from the seller's location.  With the consent of seller and buyer, the Exchange may allow the buyer to take possession of commodity at seller's own risk, before execution of trade at PMEX. In such cases, the traders will be required to trade in the PMEX system promptly failing which PMEX will not be responsible for commodity already in the possession of the buyer.  If the buyer opts to take the delivery from the seller's location, it should be done through his own transport. Paddy Rice shall be delivered/loaded in the vehicle(s) arranged by the Buyer at the time of final delivery.  Once the commodity is loaded / delivered in the vehicle(s) arranged by the buyer, it will |  |  |



|    |  | become the sole responsibility of the buyer and the Exchange will not be responsible for any loss whatsoever including change in quality or quantity.  |
|----|--|--|
|    |  | Any failure to deliver by the seller or taking of delivery by the matched buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of buyer.  |
|    | Pay-in and Pay-out   | The final payment will include final settlement amount plus all applicable taxes if any, at the time of delivery.  |
| 22 | of Funds for Final<br>Settlement                           | The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location. The seller will be eligible to receive funds, once the commodity has been shipped / loaded from the seller's location after completing all delivery related requirements. |
| 23 | Quality<br>Certification                                   | The seller has to provide a quality certification from the Exchange approved assayer that the Paddy Rice delivered meets the quality specifications as per contract specifications.  The Exchange will not be responsible for quality or quantity of the Paddy Rice after taking of delivery by the buyer.   |
| 24 | Cost of certification, weighing, storage and delivery etc. | All charges associated with quality certification, weighing, storage, or any other charges related to delivery will be borne by the buyer and / or seller in the manner communicated by the Exchange from time to time through a circular.   |
| 25 | Position Limit   | Broker: Greater of 10% of open interest or 2,000 contracts per broker, gross across all clients and across all maturities.  Client: Greater of 5% of open interest or 500 contracts per client, gross across all maturities.   |
| 26 | Margin<br>Requirement                                      | The buyer must pay 100% Margin or as specified by the Exchange from time to time. Seller must deposit commodity before order entry as per specified procedure of the Exchange.   |
| 27 | Additional Margin  | Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.  |
| 28 | Further Regulation   | This contract shall be subject to the PMEX General Regulations and all applicable Federal / Provincial laws.   |



|    | PMEX Super                | Basmati Paddy Rice (   | Grade A-4) Week   | ly Futures Contract Specificat  | ions                              |
|----|---------------------------|--|---|---|-----------------------------------|
| 1  | Trading Hours /<br>Days   | Futures Contract shal<br>Specified by the Exch<br>Trading Days:<br>Trading Hours:<br>On last trading day co  | Monday to Sa<br>10:00 am to 5                                       | turday<br>:00 pm PST  | iven below or as                  |
| 2  | Unit of Trading           | will remain 1 MT)  |   | g above 1 MT, however minimur   |                                   |
| 3  | Price Quotation           | The price quoted sha Exchange through a taxes.   | Il be in rupees per<br>circular from time                           | r 40 Kg ex-Muridke or as com<br>to time. Price quotation will b   | municated by the exclusive of all |
| 4  | Trading System            | PMEX ETS   |   |   |                                   |
| 5  | Tick Size                 | Rupee 1 per 40 Kg or   | as specified by the   | Exchange from time to time.   |                                   |
| 6  | Delivery Unit             | Minimum 1 MT or as   |   |   |                                   |
| 7  | Delivery Logic            | Compulsory   | operation by the  |   |                                   |
| 8  | Quantity Variation        | +/- 2 % or as specified  | d by the Exchange   | through a circular  |                                   |
| 0  | Qualitity variation       |  |   | of Paddy Rice to be delivered u   | nder this contrac                 |
| 9  | Quality<br>Specifications | 1 Variety 2 Type 3 Colour 4 Moisture 5 Contrasting V 6 Green Grains 7 Red Rice 8 Heat Damage 9 Field Damage 10 Broken Grain 11 Shriveled Gra 12 Cracks 13 Dirt/Trash/Inc | in<br>ert   | Super Basmati Extra Long Pale Yellow 23% Max 5% Max 7% Max 1% Max 10.5% Max 1% Max 1.5% Max 1.5% Max 5% Max 5% Max 5% Max |                                   |
| 10 | Packaging                 | serviceable use deducted to call  2. Bulk delivery in the serviceable used deducted to call  If any change occurs through a circular.                                    | in the industry procession/warehouse                                | r as specified by the Exchange actice, it will be communicated in Muridke / adjoining are                                 | Kg per bag will be                |
| 11 | Delivery Centers          | Alternate locations n intimation to the Excl   | nay be used with thange.  wed quality certifice.  The same shall be | he mutual consent of buyer and<br>ation agency / assayer will certic<br>e delivered / loaded on the vehi                  | fy the quality and                |



| No. of active<br>Contracts  | A maximum of 7 contracts may be made available for trading.  |  |
|---|--|--|
| Opening Date  | Each contract will open in the ETS of the Exchange up to 7 days before expiry.   |  |
| Last Trading Day<br>(Contract Expiry<br>Day)  | Each contract will expire on a day as specified by the Exchange in the ETS, as per contract's opening date.  |  |
| Holiday Convention  In case the first trading day of a contract falls on an Exchange holiday, the contract start trading from the following Exchange trading day with a shorter maturity.  In case the last trading day of a contract falls on a holiday, the contract will be settled the following Exchange trading day.  |  |  |
| All open positions will be marked to market using daily settlement pridetermine the daily settlement price using one of the methods describe such other manner as may be prescribed by the Exchange through a cirtime:  - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained sources (average of collected prices from the market will formally settlement price using one of the methods describe such other manner as may be prescribed by the Exchange through a cirtime: - Average of best bid and offer at the closing time - Last Traded Price |  |  |
|   | price)   |  |
| Final Settlement Price  | The final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.  |  |
| Daily Price   | +/- 10%, or as specified by the Exchange through a circular.   |  |
| Fluctuation   | All open positions after the close of contract shall be settled by either of the following   |  |
| modes:  Delivery of Paddy Rice as per clause 11.  |  |  |
| Settlement Mode   | The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.  Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine policy of the Exchange.  |  |
| Pre-Trade Check   | The Exchange will enforce a pre-trade check in which Sellers will be asked to deposit Paddy Rice before making it available on the ETS for sale as per prescribed deposit procedure of the Exchange.  The buyer must deposit cash margin before executing the trade. The amount of margin will be notified by the Exchange through a circular from time to time.   |  |
| Delivery Mode &<br>Delivery Period  | For delivery, sellers have to complete the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract specifications. The Exchange approved certification agency / assayer will certify the quality and grade of commodity delivered.  The seller will now be eligible to place a sell order on the Exchange. After execution of the trade, buyer will be eligible to take delivery from the seller's location.  With the consent of seller and buyer, the Exchange may allow the buyer to take possession of commodity at seller's own risk, before execution of trade at PMEX. In such cases, the traders will be required to trade in the PMEX system promptly failing which PMEX will not be responsible for commodity already in the possession of the buyer.  If the buyer opts to take the delivery from the seller's location, it should be done through his own transport. Paddy Rice shall be delivered/loaded in the vehicle(s) arranged by the Buyer at the time of final delivery. |  |
|   | Contracts Opening Date Last Trading Day (Contract Expiry Day) Holiday Convention  Daily Settlement Price Final Settlement Price Daily Price Fluctuation  Settlement Mode   |  |



|    |  | become the sole responsibility of the buyer and the Exchange will not be responsible for any loss whatsoever including change in quality or quantity.   |
|----|--|---|
|    |  | Any failure to deliver by the seller or taking of delivery by the matched buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of buyer.   |
| 22 | Pay-in and Pay-out<br>of Funds for Final<br>Settlement     | The final payment will include final settlement amount plus all applicable taxes if any, at the time of delivery.  The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location. The seller will be eligible to receive funds, once the commodity has been shipped / loaded from the seller's location after completing all delivery related requirements. |
| 23 | Quality<br>Certification                                   | The seller has to provide a quality certification from the Exchange approved assayer that the Paddy Rice delivered meets the quality specifications as per contract specifications.  The Exchange will not be responsible for quality or quantity of the Paddy Rice after taking of delivery by the buyer.  |
| 24 | Cost of certification, weighing, storage and delivery etc. | All charges associated with quality certification, weighing, storage, or any other charges related to delivery will be borne by the buyer and / or seller in the manner communicated by the Exchange from time to time through a circular.  |
| 25 | Position Limit   | Broker: Greater of 10% of open interest or 2,000 contracts per broker, gross across all clients and across all maturities.  Client: Greater of 5% of open interest or 500 contracts per client, gross across all maturities.  |
| 26 | Margin<br>Requirement                                      | The buyer must pay 100% Margin or as specified by the Exchange from time to time. Seller must deposit commodity before order entry as per specified procedure of the Exchange.  |
| 27 | Additional Margin  | The Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.   |
| 28 | Further Regulation   | This contract shall be subject to the PMEX General Regulations and all applicable Federal / Provincial laws.  |



Annexure B

# 1. Trading Timing

Daily: 10:00 am to 5:00 pm Trading Days: Monday to Saturday

#### 2. Market Access

To access PMEX Rice Paddy trading platform, market participants can log onto https:\\agri.pmex.com.pk

# 3. Withholding Tax Exemption

To avail withholding tax (if applicable) exemption, Brokers(s) are required to provide copies of the filled account opening form along with relevant documents.

### 4. Margins

Buyer: 105% in advance to cover the trade value or as specified in the ETS.

Seller: Availability of Rice Paddy inventory in the PMEX system. (No short selling allowed)

# 5. Packaging and Tare Allowance

Bags: Seller shall deliver paddy rice in the following manner:

- In the serviceable used/new jute bags of 65 Kgs approx.
- · Bulk in tractor trolleys

No payment will be made to the seller for the jute bags in which Rice Paddy is delivered.

**Tare Allowance:** 1.5 Kg will be deducted for the jute bags to calculate the net weight of Paddy Rice delivered.

# 6. Quality Certification

SGS Pakistan (Pvt.) Limited is the approved quality certification company of the Exchange.

## 7. Warehousing and Logistics Agency

The current year for the trading of Paddy Rice will be treated as a pilot project and deliveries will only be made and received by seller and buyer in the manner explained in point no.8, which does not require the role of a Warehousing and Logistics Agency.

# 8. Delivery Mechanism

- The sellers who intend to sell Paddy Rice are advised to approach Pakistan Agricultural Coalition (PAC) in Muridke for quality certification, and other necessary arrangements.
- PAC will schedule tests.
- PAC along with SGS team will visit delivery location for sample collection.
- SGS will take sample for testing using its methodology for each batch.
- SGS will perform visual and moisture testing at the site.
- SGS will divide the sample into four portions:
  - Sealed Sample No. 01 will be handed over to PAC for handing over to buyer's representative.
  - Sample No. 02 will be analyzed at the laboratory.
  - o Sealed Sample No. 03 will be handed over to the Seller.
  - Sealed Sample No. 04 will be retained by SGS for 15 days.



- The testing decision by SGS will be considered final whereas SGS can re-test at the seller's or buyer's cost on request.
- If the quality is acceptable, the seller will be notified of the grade of the product (A-1, A-2, A-3 or A-4 and will be given a sampling and analysis report.
- With the mutual consent of the buyer and seller, buyer will take delivery from the seller before the inventory upload in the PMEX system in a manner mutually agreed between buyer and seller. PMEX will not be responsible for any dispute as the seller is delivering the Paddy Rice at his own risk to the buyer before inventory upload in the PMEX system.
- PAC will inform PMEX that the delivery has been received by the buyer and will send PMEX following information via e-mail for PMEX system update:
  - 1. Product Grade as ascertained by SGS
  - 2. Seller ID
  - 3. Product Quantity (in Kgs)
  - 4. Product Batch (SGS Job number) if any
  - 5. Buyer ID
- PMEX broker both for buyer and seller will place the agreed bid and offer price in the system and the trade will be executed immediately in the system.
- After execution of the trade, seller will be eligible to receive funds.
- Calculation of the net weight of the product will be as follows:
   Net weight of the Rice Paddy = Vehicle Loaded weight -Vehicle empty weight Jute bags weight (1.5Kg per bag, if delivered in jute bags)

# 9. Exchange and other Charges

There is no PMEX fee as well as quality certification charge etc. payable by buyer or seller. Any change in the above stated condition will be communicated through a circular.

#### 10. Taxation

Each participant would be responsible for the payment of taxes. PMEX would only collect taxes applicable on trading at PMEX and would not be responsible for the collection of taxes (such as withholding or sales tax) pertaining to other Parties, whether provincial or federal, on behalf of buyer or seller of the contract.