

INSTRUCTION N° 05- 01 April 11, 2005:  
CANCELS AND REPLACES INSTRUCTION N° 04-02 of December 17, 2004:

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| <b>TECHNICAL SPECIFICATIONS OF THE<br/>RAPESEED FUTURES CONTRACT</b> |
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### **Article 1 - PRELIMINARIES**

This document sets forth the specific rules and regulations governing the transactions carried out on the Rapeseed Future Contract quoted in EUROS.  
It is supplemented by instructions from the LCH.Clearnet SA relative to the delivery of the Rapeseed Futures Contract.

### **Article 2 - PRINCIPLE**

The trading of this contract is governed by MATIF rules and regulations.  
The clearing of this contract is governed by LCH.Clearnet SA rules and regulations

## **CHAPTER I - THE CONTRACT**

### **Article 3 - UNDERLYING SECURITY ASSET**

The Rapeseed Futures Contract's underlying security asset is rapeseed of all origins, variety 00, of sound, fair and merchantable quality, having the following specifications :

- oil content : 40 %
- water content : 9 %
- impurities content : 2 %

The underlying is said to be conventional rapeseed, which is defined as a product containing no genetically modified organisms, or containing genetically modified organisms whose presence is adventitious or technically unavoidable, in accordance with requirements in force under EU Regulations<sup>1</sup>.

### **Article 4 - TRADING UNIT**

The Rapeseed Futures Contract is for 50 metric ton lots of goods of homogeneous quality, exempt from all duties and taxes, made available in bulk.  
LCH.Clearnet SA may accept changes in conditioning for contract months for which there are no open positions.

<sup>1</sup>EC regulation n° 1829/2003 of the European Parliament and the Council of the 22 September 2003 on genetically modified food and feed (OJEU 18-10-2003).

## **CHAPTER II - TRADING DAY**

### **Article 5 – TRADING SYSTEM AND TRADING HOURS**

The Rapeseed Futures Contract is traded on the LIFFE CONNECT® electronic system during the following hours (Paris time) :

Pre-opening: 10:30 a.m. to 10:45 a.m.

Trading session: 10:45 a.m. to 6:30 p.m.

### **Article 6 - CONTRACT MONTHS**

Operations are transacted on six consecutive contract months.

Contract months are : February, May, August, and November.

### **Article 7 – EXPIRY DATE OF A CONTRACT MONTH**

Contracts expire on the date specified by the Exchange, in principle on the last trading day of the month preceding the contract month, in accordance with the schedule established by the business market.

The opening of a new contract will occur on the date set by the Exchange, in principle on the first trading day of the month following the expiration of a contract, in accordance with the schedule established by the Exchange.

Any change in schedule will apply only to contract months for which there are no open positions

### **Article 8 - QUOTATIONS**

The contract unit is 50 metric tons (minimum/maximum).

Quotations are made in EUROS (EUR) per metric ton. They are expressed exclusive of tax.

The minimum quotation set is 0,25 EUR per metric ton.

### **Article 9 – PRICE OF MARGIN CALLS**

Euronext Paris SA on a daily basis sets the price for margin calls for each maturity, at the close of the trading day.

It takes into account the last prices processed or quoted or, in the absence of quotations, the trend of the other international markets and of any other assessment factors.

### **Article 10 - SETTLEMENT PRICE**

After the close of the last trading day of a contract month, Euronext Paris SA shall set its settlement price.

The settlement price takes into account the latest prices processed or quoted, or in the absence of quotations, the trend of the other international markets and of any other assessment factors.

## **Article 11 - SPECIAL TRANSACTIONS**

The following special transactions are authorised on the Rapeseed Futures Contract :

- inter-delivery month spreads,
- Basis trades (against actual).
- butterfly
- condor

## **CHAPTER III - DELIVERY**

### **Article 12 - PRELIMINARIES**

At maturity, any outstanding contract will result in delivery by the seller and in accepting the delivery by the buyer, of a lot of 50 metric tons of goods in accordance with the provisions of these Rules and Regulations.

The Notice of Intent to Deliver submitted to LCH.Clearnet SA by the Selling Clearing Member holding a short position must be for a minimum quantity of 500 metric tons net per principal of Selling Clearing Member. Non compliance with the minimum delivery quantity will constitute default by the Selling Clearing Member holding a short position for the corresponding quantity to be put forward for delivery on the notification form and will result in the application of article 27 of these Rules and Regulation.

#### ***Section 1 - Delivery notification***

### **Article 13 - DELIVERY SCHEDULE**

Delivery takes place during the Delivery Period The "Delivery Period" is the delivery month, extended by, where applicable for the port in question, the number of days the port is officially closed, except public holidays.

On the first trading day following the close of a contract, the seller submits a Notice of Intent to Deliver to LCH.Clearnet SA in which it advises LCH.Clearnet SA of its intent to deliver, the port where delivery will take place, and the number of contracts involved.

On the second trading day following the contract closing, LCH.Clearnet SA assigns the Notices of Intent to Deliver to the buyers, in accordance with the terms specified in LCH.Clearnet SA instruction.

On the third trading day following the contract closing, the seller transmits a Delivery Notice to the buyer, which submits the notice, completed and signed by the counterparts, to LCH.Clearnet SA.

### **Article 14 - DELIVERY NOTICE**

The issuance of a Delivery Notice and its acceptance concretises a commitment to deliver the commodity and accept delivery of the specified number of contracts at the specified place.

### **Article 15 - ACCEPTANCE AND EXCHANGE OF DELIVERY NOTICES**

Under penalty of default, after the close of a contract, all clearing members holding open buy positions on this contract, either for their own account or for the account of their principals, are obligated to accept the corresponding Delivery Notice. The Notice of Intent to Deliver and the Delivery Notice must conform to the models established by LCH.Clearnet SA.

The technical conditions in which the submission of Notices of Intent to Deliver takes place, their acceptance, the exchange of Delivery Notices and the reporting of the final list of assignments are specified by LCH.Clearnet SA instructions.

## **Article 16 – ALTERNATIVE DELIVERY PROCEDURE**

After Notices of Intent to Deliver have been assigned, principals may, through an intermediary of their clearing member, agree to fulfil their obligations under conditions that differ from those specified in these Rules and Regulations; in this event, the parties may only invoke provisions concerning delivery. The clearing members acting on behalf of the parties involved will transmit a Notice of Performance to LCH.Clearnet SA in the forms specified by LCH.Clearnet SA instructions.

Upon receipt of the Notice of Performance, the delivery margins cited in articles 17 and 18 hereinafter may be refunded

### ***Section 2 - Delivery margin***

## **Article 17 - DELIVERY MARGIN**

Any clearing member holding an open contract after the contract's expiration, either for his own account or for the account of his principal, guarantees the performance of his obligations or those of his principals.

To this end, on the third day following the contract closing, the clearing member deposits a delivery margin with the clearing house in accordance with the amount and with the instruments accepted by LCH.Clearnet SA. Upon receipt by LCH.Clearnet SA of a delivery margin, the initial margin may be refunded.

## **Article 18 - ADDITIONAL DELIVERY MARGIN**

Until Notice of Performance of the contract is received, LCH.Clearnet SA may request an additional delivery margin, to be rendered immediately, if justified by a change in price of the underlying security asset.

The calculation and the terms of payment of this additional cover are specified by LCH.Clearnet SA instructions.

Additional delivery margins will be refunded upon receipt by LCH.Clearnet SA of the Notice of Performance specified in article 26 of these Rules and Regulations.

## **Article 19 - FAILURE TO PUT UP MARGINS**

Any clearing member holding an open contract after the contract's expiration, either for his own account or for the account of his principal, who fails to put up the margins cited in articles 17 and 18 of these Rules and Regulations will be considered to be in default and his counterpart will benefit from the conditions specified in article 27 of these Rules and Regulations, without prejudice to any legal proceedings that may be initiated.

Each time that the margins cited in articles 17 and 18 of these Rules and Regulations are not advanced, LCH.Clearnet SA will immediately so advise the concerned clearing member and counterpart.

## **Article 20 – REFUND OF MARGINS**

LCH.Clearnet SA will refund the various above-cited margins upon receipt of the Notice of Performance of the contract cited in article 26 of these Rules and Regulations, signed by the buyer and the seller.

In the event of non-performance of the contract, LCH.Clearnet SA will only return the two counterparts' various margins upon production of :

- documentation of the resolution, in the event of non-performance due to force majeure specified in article 29 of rules and regulations;
- or of documentation of payment of a default indemnity by the defaulting party;
- or of documentation of a court decision, and from the convicted party, proof of payment of fines;
- or of documentation releasing the party accused of having defaulted from all blame.

When the party benefiting from a court conviction of the other party advises LCH.Clearnet SA of such decision, the clearing house will invite the convicted party, by telex or telegram return receipt requested, to provide documentation, no later than ten calendar days from the receipt of this notice, of full compliance with ruling.

In the absence of such documentation following the lapsing of the specified time period, during the subsequent eight calendar days LCH.Clearnet SA will utilise the above-mentioned margins to pay the other party the amount specified by the court.

Upon production of the court's final decision, LCH.Clearnet SA will refund to the party not subject to any conviction, the various margins due to it.

### **Section 3 - Delivery**

#### **Article 21 - AVAILABILITY**

From the third trading day following the close of the contract month, the buyer notifies the seller, in the forms specified by LCH.Clearnet SA instructions, the day on which the lighter will become available, subject to notice of five calendar days.

Loading must begin on the working on which the lighter is made available, at the last working day of the Delivery Period. This working day is determined according to the standard practices in the port of delivery.

#### **Article 22 - DELIVERY PORTS**

A lot shall be made available in a FOB - waterway position, stowed, and with the lighter presented by the buyer ready to receive goods and "ready for loading".

The list of delivery ports and their terms of authorisation are established by instruction from LCH.Clearnet SA.

Any change in the list of delivery ports applies only to contract months for which there are no open positions.

#### **Article 23 - OWNERSHIP TRANSFER**

Transfer of ownership between seller and buyer is made pursuant to the FOB - waterway conditions of the loading place.

#### **Article 24 - RULES GOVERNING MERCHANDISE REMOVAL**



#### **Article 26 - NOTICE OF PERFORMANCE**

Once the delivery of the goods has taken place and payment has been made, the seller transmits a Notice of Performance to the buyer, who files it with LCH.Clearnet SA, each of the party acknowledging the proper performance of their mutual obligations.

This document is drawn up by the clearing members in the name of and upon instructions from their principals.

To be valid, the document must conform to the model drawn up by the LCH.Clearnet SA.

#### **Article 27 - DEFAULT**

In addition to the cases specified in article 19 of these Rules and Regulations, a party who prevents the performance of the contract under the terms specified in these Rules and Regulations, will be considered to be in default.

The default will be subject to an adjustment procedure under the terms specified by LCH.Clearnet SA instruction.

#### **Article 28 - COMPENSATION FOR DAMAGES**

The application of the provisions ensuing from article 27 of these Rules and Regulations will not constitute an obstacle to proceedings that the injured party may pursue in relation to the defaulting party if the injured party establishes that the failure to deliver, accept delivery, or to make payment resulted from gross or intentional negligence.

#### **Article 29 : FORCE MAJEURE**

Any event, independent of the will of the invoking party, of a compelling nature and generally not foreseeable, that prevents even temporarily the performance of the contract will be considered as force majeure.

A declaration of force majeure will not release the buyer or the seller from fulfilling the financial obligations specified in articles 17 and 18 of these Rules and Regulations.

LCH.Clearnet SA specifies by instruction the terms permitting one of the parties to invoke such a cause of non-performance and the principles governing its resolution.

#### **Article 30 : ARBITRATION**

Arbitration necessary in the event of a dispute will be under the jurisdiction of the local courts of arbitration designated by instruction from LCH.Clearnet SA for each delivery port.