



EXCHANGE CONTRACT NO. 405

WHEAT FUTURES CONTRACT

(A) CONTRACT TERMS - Issue Date: 13 September 2005

(B) ADMINISTRATIVE PROCEDURES - Issue Date: 7 December 2004

Delivery Months: September 2005 onwards

Last Revision (London Notice No. 2684 issued 13 September 2005 refers):-
Revision to the mycotoxin requirements

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Wheat Futures Contract Terms

Terms of Exchange Contract No. 405

1. Interpretation

1.01 Save as otherwise specified herein, words and phrases defined in the Rules shall have the same meanings in these terms and in the Administrative Procedures.

For the avoidance of doubt, these contract terms and Administrative Procedures are implemented under (and have the same force as) the Rules. In the event of any conflict between any provision of these contract terms and the Rules, the Rules will prevail.

1.02 In these terms and in 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.

“the Analyst” means Eurofins Scientific (UK) Ltd, 445 New Cross Road, London SE14 6TA or such other analyst as may be approved by the Board from time to time in substitution.

“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 obliged under such Contract to accept transfer in respect of each lot of the delivery amount of Wheat and to pay the Invoicing Amount in respect of each such lot (including, except where the context otherwise requires, the Clearing House as a Buyer under a registered Contract).

“Clean Wheat Warrant” means a Wheat Warrant delivered by a Seller to the Clearing House pursuant to a Tender which has been endorsed in accordance with the Grainstorekeeper Procedures.

“Contract” means a contract made expressly or impliedly 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.

“Conversion Date” means the date on which the conversion rate for Sterling against the euro is fixed in accordance with EMU legislation.



“Default in Performance” has the meaning attributed to it in term 17.02.

“Delivery Month” means each month specified as such by the Board pursuant to the Rules.

“Earliest Tender Day” means the day so specified in Administrative Procedure 5.

“EDSP” means Exchange Delivery Settlement Price and has the meaning attributed to it in term 6.

“EMU Legislation” means legislative measures of the European Council, and as appropriate the United Kingdom, for the introduction of, changeover to or operation of the euro pursuant to implementation of Economic and Monetary Union including such legislative measures as are enacted in contemplation of the United Kingdom introducing the euro as its lawful currency.

“€” denotes the single currency of the European Union introduced in a Member State as the lawful currency of that Member State pursuant to its participation in Economic and Monetary Union in the European Union pursuant to EMU legislation known, at the date of the issue of these terms, as “euro”.

“EU” means the European Union.

“Grainstorekeeper” means a grainstorekeeper which has been registered by the Exchange in its absolute discretion to store Wheat for delivery under a Contract and which appears on the list of Registered Grainstorekeepers published from time to time by General Notice.

“Grainstorekeeper Procedures” means LIFFE’s Grainstorekeeper Procedures in respect of Wheat and Barley Futures Contracts from time to time in force.

“Initial Tender” has the meaning attributed to it in the definition of “Subsequent Tender”.

“Invoicing Amount” has the meaning attributed to it in term 7.

“Last Trading Day” in respect of any Delivery Month has the meaning attributed to it in Administrative Procedure 4.

“Member State” means a member of the European Union.

“Pounds”, “£”, “pence” and “penny” denote lawful currency of the UK.

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

“Relevant Assurance Requirements” means, in respect of delivery months up to and including July 2004:

- (a) in respect of Wheat of UK origin, grain passport sticker requirements in respect of grain from assured farms, as referred to in the Trade Assurance Scheme for Combinable Crops (“TASCC”) Scheme Manual in force on the relevant Tender Day; and
- (b) in respect of Wheat of other than UK origin, those requirements specified by the Board from time to time.

“Relevant Assurance Requirements” means, in respect of the September 2004 delivery month and all subsequent delivery months:

- (a) in respect of Wheat of UK origin, grain passport sticker requirements in respect of grain from assured farms, as referred to in the Trade Assurance Scheme for Combinable Crops (“TASCC”) Scheme Manual in force on the relevant Tender Day; and
- (b) in respect of Wheat of other than UK origin, those requirements as referred to in the UKASTA Code of Practice for the Manufacture of Safe Compound Animal Feedstuffs, clause 4.1.4.5 ‘All other feed ingredients and materials (including unlicensed herbal products and similar ingredients and imported combinable crops)’, in force on the relevant Tender Day”.

“Rent” means a charge for storage (including insurance cover and VAT) payable by a Warrant Holder in accordance with these terms, the Grainstorekeeper Procedures and the terms of the Wheat Warrant.

“Seller” in respect of a Contract means the person who is obliged under such Contract to deliver in respect of each lot of the delivery amount of Wheat (including, except where the context otherwise requires, the Clearing House as Seller under a registered Contract).

“Seller’s Delivery Notification” means the notice submitted at time of Tender in respect of each Wheat Warrant by the Seller to the Clearing House.

“Seller’s Notice of Tender” means the notice instigating delivery given by the Seller to the Clearing House.

“Settlement Day” has the meaning attributed to it in Administrative Procedure 8(d).



“Store” means any storage accommodation registered by the Exchange for the storage and delivery of Wheat.

“Subsequent Tender” means a Tender in respect of a Wheat Warrant that has previously been subject to a Tender in the same Delivery Month (the first such Tender in such Delivery Month being the “Initial Tender”).

“Tender” means the delivery by a Seller of a Seller’s Notice of Tender pursuant to a Contract.

“Tender Day” in respect of any lot comprised in a Contract means the Business Day on which a Seller’s Notice of Tender in respect of such lot is given by the Seller and accepted by the Clearing House.

“Unpaid Rent” in respect of a Subsequent Tender by a Seller of a Wheat Warrant in the possession of the Clearing House, means the amount of Rent, being the product of the maximum rate of Rent per tonne (as determined by the Board from time to time) and the number of days for which Rent is unpaid by the Seller, payable to the relevant Grainstorekeeper in respect of Wheat the subject of such Wheat Warrant.

“Wheat” means wheat of the quality and condition specified in term 5.

“Wheat Warrant” means a document issued by a Grainstorekeeper pursuant to these terms and Administrative Procedures which authorises the Warrant Holder to (i) take delivery and (ii) transfer the right to require delivery of the Wheat referred to therein and which has not expired.

“Warrant Holder” means a person who is entitled to possession of the relevant Wheat Warrant.

1.03 Subject to term 23.01, in these terms references to “lawful currency” shall be construed to include units of value of the euro which may be used validly to discharge payment obligations pursuant to the laws of the United Kingdom once the United Kingdom has introduced the euro as its lawful currency pursuant to EMU Legislation and notwithstanding that such units of value of the euro may not at all material times following the Conversion Date constitute legal tender in the United Kingdom.

1.04 References to a “term” refer to terms hereof, and references to a “Rule” refer to a rule of the Exchange’s Rules. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

2. Contract Specification

2.01 Each Contract shall be for one or more lots each of 100 tonnes of Wheat for the Delivery Month specified.

3. Price

3.01 The Contract price shall be in pounds and pence per tonne with minimum fluctuations of 5 pence per tonne.

3.02 The Contract shall be in respect of Wheat which has borne such co-responsibility levy as may be payable on Wheat at the date of issue of the Wheat Warrant under regulations of the EU. No price deduction shall be made by the Clearing House or by the Buyer for co-responsibility levy which shall always be the liability of the Seller.

4. Rent, Storage and Other Costs and Charges, Contract Price and Wheat Warrants

4.01 The Contract price shall be inclusive of the amount of Rent payable by the Seller pursuant to term 4.02 (whether in respect of Wheat subject to an Initial Tender or any Subsequent Tender). Delivery of Wheat the subject of a Wheat Warrant shall be free to Buyer's lorry in bulk from a Store. Any taxes, duties, and levies (other than the VAT on Rent payable by the Seller) which may be or may become payable shall be paid by the Buyer.

4.02 Without prejudice to any other obligation of the Seller to pay Rent to the relevant Grainstorekeeper, a Seller (other than the Clearing House in its capacity as Seller) is liable to pay Rent to such Grainstorekeeper for the period of fourteen calendar days after the Tender Day. Subject to term 4.03, a Seller shall deliver a Clean Wheat Warrant to the Clearing House pursuant to these terms, the Administrative Procedures and the Grainstorekeeper Procedures.

4.03 A Seller shall not be obliged to deliver a Clean Wheat Warrant to the Clearing House in respect of a Subsequent Tender where the Wheat Warrant to be delivered by the Seller pursuant to the Tender is, at the time of such Tender, in the possession of the Clearing House. The Clearing House, in such circumstances, shall deduct the amount of Unpaid Rent from the invoicing amount payable by it to the Seller and shall account for such amount to the relevant Grainstorekeeper in accordance with the Regulations.

5. Quality and Condition

For contract months up to and including the July 2006 delivery month, term 5.01 shall provide as follows:

5.01 The Wheat which is the subject of a Wheat Warrant shall be of EU origin and of the following standard:

- (a) Wheat to be sound and sweet and in good condition and to contain not more than 3% heat damage;
- (b) natural weight to be not less than 72.50 kg per hectolitre;
- (c) moisture content not to exceed 15%;
- (d) admixture;
 - (i) seeds and/or total admixture of farinaceous grain (including wild oats) and dirt not to exceed 2% of which the dirt content not to exceed 1%;
 - (ii) ergot or garlic not to exceed 0.001%; and
- (e) sprouted wheat not to exceed 8%.

For the November 2006 and subsequent delivery months, term 5.01 shall provide as follows:

5.01 The Wheat which is the subject of a Wheat Warrant shall be of EU origin and of the following standard:

- (a) Wheat to be sound and sweet and in good condition and to contain not more than 3% heat damage;
- (b) natural weight to be not less than 72.50 kg per hectolitre;
- (c) moisture content not to exceed 15%;
- (d) admixture;
 - (i) seeds and/or total admixture of farinaceous grain (including wild oats) and dirt not to exceed 2% of which the dirt content not to exceed 1%;
 - (ii) ergot or garlic not to exceed 0.001%;

- (e) sprouted wheat not to exceed 6%; and
- (f) mycotoxins not to exceed the maximum levels specified under any EU legislation in force, from time to time, with respect to unprocessed cereals intended for use in feed.

5.02 All the tests in terms 5.01 (a) to (e) inclusive shall be applied on a weight basis.

5.03 In respect of September 2003 and subsequent delivery months, the Wheat which is the subject of a Wheat Warrant shall meet the Relevant Assurance Requirements.

6. Exchange Delivery Settlement Price (“EDSP”)

6.01 Subject to term 6.02, the EDSP for Contracts for a particular Delivery Month shall be calculated by exchange officials on each Business Day during the delivery period. This shall be the average of the final bid and offer made on the market on the previous Business Day and displayed on the price reporting system. The average shall be rounded up if necessary. If either a bid or an offer or both are not made (and the market is trading normally) the exchange officials may, in such fashion as they deem fit, solicit the best bids and offers available in order to establish a bid and an offer for each Delivery Month.

6.02 If, in the opinion of exchange officials, the EDSP which would result from a calculation made in accordance with term 6.01 would be unrepresentative, impracticable or incompatible with due observance of the Exchange’s responsibilities then exchange officials may in their absolute discretion fix the EDSP at a price determined by them with reference to such available data as they deem appropriate.

6.03 The Exchange shall publish the EDSP by the time specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

7. Invoicing Amount

7.01 The “Invoicing Amount” in respect of each lot referred to in a Seller’s Notice of Tender shall be the sum calculated in accordance with the formula:

$$\text{Contract Weight} \times (\text{EDSP} - \text{Unpaid Rent})$$

where:

$$\text{EDSP} = \text{the EDSP for the relevant Tender Day}$$

- 7.02 (a) Where the sum calculated in accordance with term 7.01 is not a number of pounds and whole pence, such sum shall be rounded to the nearest sum which is a number of pounds and whole pence, and the Invoicing Amount shall be such nearest sum.
- (b) Where the sum calculated in accordance with term 7.01 is a number of pounds and whole pence and one half of one penny, such sum shall be rounded up to the nearest sum which is a number of pounds and whole pence, and the Invoicing Amount shall be such nearest sum.

8. Settlement Payments

8.01 In respect of each lot referred to in a Seller's Notice of Tender, in addition to any other payment required by these terms, the following payments shall be made by the time specified for that purpose in the Administrative Procedures:

- (a) where the EDSP for the relevant Tender Day exceeds the Contract price, payment by the Seller to the Clearing House or payment by the Clearing House to the Buyer, or both (as the case may require), and
- (b) where the Contract price exceeds the EDSP for the relevant Tender Day, payment by the Buyer to the Clearing House or payment by the Clearing House to the Seller, or both (as the case may require),

of an amount calculated as the difference, in pounds and pence multiplied by 100 in respect of each lot, between the EDSP for the relevant Tender Day and the Contract price.

9. Seller, Buyer and Grainstorekeeper

9.01 As between the Seller and the Clearing House and the Clearing House and the Buyer respectively, and subject to term 4.03, the timely delivery of one or more Clean Wheat Warrants in respect of the Contract quantity shall be good performance of their respective obligations as Seller under a Contract. Any question as to the quantity, quality, condition or other incident of the Wheat the subject of a Wheat Warrant shall be an issue between the Warrant Holder and the Grainstorekeeper alone.

10. Administrative Procedures

10.01 The Contract shall (without prejudice to any other provision herein) be subject to such Administrative Procedures as may from time to time be announced by the Board, provided always that if there be any conflict between the Administrative Procedures and these terms the provisions of these terms shall prevail.

10.02 The Board may at its discretion at any time revoke, alter or add to the Administrative Procedures. Any such amendment shall be the subject of a General Notice and shall have such effect on existing as well as new Contracts as the Board may direct.

11. Disputes

11.01 Any dispute arising in respect of a Contract or a Wheat Warrant shall be referred to arbitration in accordance with term 18.

12. Exclusion of Liability

12.01 Neither the Exchange nor the Board nor the Clearing House shall have any liability whatsoever for the performance by a Grainstorekeeper of his responsibilities under these terms and Administrative Procedures or of any responsibilities he may assume towards members or other parties pursuant to any Wheat Warrant or Contract nor for the condition of a Store or its suitability for the storage of Wheat. Parties placing Wheat into a Store or taking delivery of Wheat in or from the same shall accordingly have no claim against the Exchange, or Board or the Clearing House, for any loss or damage thereby incurred however such loss or damage may be caused.

13. War or Government Intervention

13.01 If the Board after consultation with the Clearing House, determines in its discretion that one of the following conditions is satisfied, that is to say:

- (a) a state of war exists, or is imminent or threatened, and is likely to affect the normal course of business;
- (b) a government of any state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls in a manner likely to affect the normal course of business; or
- (c) an international organisation or any institution or agency thereof has introduced, varied, terminated or allowed to lapse any provision, or has given notice of its intention or appears to be about to do so, so as to be likely to affect the normal course of business,

then open Contracts for such Delivery Months as the Board shall specify (which may if the Board so determines include Contracts under which notice of Tender has been given) shall, upon the Board's formal announcement that such condition is satisfied, be invoiced back at the official daily settlement price fixed in respect of each such Delivery Month for the date of the announcement or for such one of the six Business Days (not counting any day



on which there was no official settlement price) immediately preceding the date of the announcement as the Board shall in its absolute discretion specify in the announcement.

- 13.02 Accounts shall be made up by the Clearing House on this basis for each contracting party. Settlement of such accounts shall be due immediately and shall be treated as complete and final notwithstanding any further change of circumstances.
- 13.03 In the case of a Delivery Month for which there is no official settlement price, open Contracts shall under this term be invoiced back at the market value determined by the Board in its absolute discretion.
- 13.04 The Board's formal announcement under this term shall be made by General Notice.
- 13.05 The decision of the Board as to the price at which Contracts are to be invoiced back shall be binding on both parties. No dispute as to such price may be referred to arbitration but the completion of invoicing back shall be without prejudice to the right of either party to refer any dispute arising out of the Contract to arbitration under the Rules.
14. Force Majeure
- 14.01 For the purposes of this term 14 a "Force Majeure event" shall mean an event outside the control of either party to a Contract which hinders or prevents the performance in whole or in part by a party of his obligations under the Contract (other than an obligation to make a payment), including but not limited to fire, riot or civil commotion, storm, flood, earthquake, explosion, accident howsoever caused, strike, lockout, work to rule or other industrial action, act of God, war, armed conflict, use of force by authority of United Nations, act of terrorism, act of government or other national or local authority or any agency thereof, breakdown of machinery, and unavailability, restriction, failure or delay in transportation or computer or data processing systems or communication or energy supplies or bank transfer systems.
- 14.02 Neither party to a Contract shall be deemed in Default in Performance of his obligations nor shall any penalty or damages be payable if and to the extent that performance of any obligation is hindered or prevented by a Force Majeure event.
- 14.03 If a Force Majeure event hinders or prevents a party from performing any obligation for a period of five days beyond the time limit fixed in or under the Contract, the commodity if not already delivered to the Buyer shall be invoiced back at a price to be determined by the Board at its absolute discretion. Such price shall be binding on the parties. No dispute as to the price may be referred to arbitration but the completion of invoicing back shall

be without prejudice to the right of either party to refer any dispute arising out of the Contract to arbitration under the Rules.

15. Trade Emergency

15.01 If in the opinion of the Board or the Clearing House an excessive position or unwarranted speculation or any other undesirable situation or practice affecting or capable of affecting the market is developing or has developed the Board may take any steps whatsoever to correct the situation or practice and may give directions to members accordingly. Such steps may (without prejudice to the generality of this term) include any of the following:

- (a) the suspension or curtailment of trading in one or more Delivery Months for such time as may be specified, or the limitation of trading to the liquidation of open Contracts, subject to any condition or exception that may be specified;
- (b) extension of the places at or from which delivery may be made or modification of the specification of the commodity to be delivered, or both, subject to payment of such compensation by such person or persons as may be specified;
- (c) the deferment of performance of some or all Contracts for one or more Delivery Months for such time as may be specified, subject to payment of such compensation by such person or persons as may be specified.

15.02 The Board member whose firm or company has any direct interest in the determination of compensation under term 15.01(b) or term 15.01(c) above shall be excluded from the deliberations of the Board in such determination.

15.03 The contravention by a member of any direction under this term 15 may be treated for all purposes as an infringement of the Rules.

16. New Legislation

16.01 If the Board shall after consultation with the Clearing House in its absolute discretion determine that a change of legislative or administrative provisions of the United Kingdom or any state or territory or the European Union, or of an institution or market organisation in any country or group of countries has affected, is affecting or is likely to affect the normal course of business, the Board shall have power to vary the terms of Contracts in any way it deems necessary or desirable for restoring or preserving the orderly course of business.

16.02 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or of such existing Contracts as

may be specified by the Board). Without limitation of its powers hereunder the Board will use its best endeavours to keep any variation to the minimum considered reasonably necessary to achieve the purpose of this term.

- 16.03 The Board's powers under this term shall be exercised by General Notice. A variation of terms made hereunder shall take effect at such time and for such period as the Board shall declare but (without prejudice to term 16.02 above) shall not take effect earlier than the date of publication of said General Notice.
- 16.04 A Contract affected by a variation under this term shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed by the Board.
- 16.05 A variation made by the Board under this term 16 may be modified or revoked by a subsequent variation made hereunder.
17. Default in Performance
- 17.01 The provisions of this term 17 shall be subject to the default rules from time to time in force of the Clearing House.
- 17.02 For the purposes of this term 17, a reference to a "Default in Performance" shall, subject to term 17.04, be construed as including an actual failure by a Seller or a Buyer under term 17.02 in performing its obligations under a Contract or an anticipated failure. An anticipated failure is one which the Clearing House, in its reasonable opinion, thinks will occur and in respect of which the Clearing House considers that it should take action under the provisions of this term 17.
- 17.03 A Buyer or a Seller shall be in Default in Performance where:
- (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed in accordance with these terms, the Rules and the Administrative Procedures and the Regulations;
 - (b) he fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified for that purpose in the Administrative Procedures; or
 - (c) in the reasonable opinion of the Clearing House, he is in Default in Performance.
- 17.04 Errors in a notice, which are determined in the Clearing House's absolute discretion to be clerical errors which can be readily rectified and are rectified, shall not be treated as constituting a Default in Performance.

- 17.05 Subject to terms 17.06(b) and 17.10 and to Administrative Procedure 8, if it appears to the Clearing House that a Seller or a Buyer is in Default in Performance under a registered Contract, the Clearing House shall notify the Exchange of the Default in Performance and may, in its absolute discretion:
- (a) take such steps as it deems appropriate to facilitate a mutually acceptable resolution of the Default in Performance. A resolution of a Default in Performance may be on such terms and take such form as is acceptable to the Clearing House, to the Seller and to the Buyer. Such terms may limit some or all of the rights of the Seller, the Buyer or the Clearing House to refer any matter concerning or arising out of a Default in Performance (or the resolution thereof) to arbitration under term 18;
 - (b) without prejudice to any of its other rights under this term 17, refer to the Board any dispute or issue arising between any of the parties. If upon such reference, the Board is of the opinion that the Default in Performance is of minor significance it shall determine any such dispute or issue between such parties upon such evidence as it may deem relevant and convey its findings to such parties who shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of any party to refer the dispute or any related dispute to arbitration under term 18; or
 - (c) take any steps whatsoever which may appear desirable to the Clearing House for the protection of the Clearing House or of the Seller or Buyer not in Default in Performance including, without prejudice to the generality of the foregoing, any steps in order to perform its obligations to a party under a registered Contract.
- 17.06 If, within five business days of the Default in Performance having come to the attention of the Clearing House:
- (a) the steps taken by the Clearing House have not led or are not likely to lead to a resolution of the Default in Performance; or
 - (b) the Clearing House has not taken any steps and the Default in Performance remains unresolved,

the Clearing House will refer the matter to the Board. If upon reference of the dispute or issue to the Board, the Board is of the opinion that the Default in Performance may not be determined by the Board in accordance with term 17.05(b), then each lot of Wheat the subject of the dispute or issue shall be the subject of cash settlement at a price fixed by the Board in consultation with the Clearing House. The price may at the Board's absolute discretion take account

of any compensation that the Board may consider, on the evidence before it, should be paid by either party to the other.

- 17.07 Any cash settlement price fixed under term 17.06 shall be binding on the parties. No dispute as to the price may be referred to arbitration but the completion of cash settlement shall be without prejudice to the right of either party to refer the dispute or issue between them to arbitration under term 18.
- 17.08 Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which the Default in Performance relates shall be paid by the Buyer or Seller who is in Default in Performance. Any steps taken by the Clearing House in relation to a Default in Performance shall be without prejudice to any rights (including rights to refer matters to arbitration under term 18), obligations or claims of the Buyer, the Seller or the Clearing House in relation to a Contract to which the Default in Performance relates.
- 17.09 A Buyer or Seller who is in Default in Performance under this term 17, shall forthwith pay to the Clearing House any sums payable by him under term 8 and any sums payable pursuant to this term 17.
- 17.10 Notwithstanding that a Buyer or Seller may be in Default in Performance under this term 17, the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this term 17, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House's rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- 17.11 A Buyer, a Seller or the Clearing House may refer a dispute or issue arising out of a Default in Performance under this term 17 (subject always to the application of provisions of terms 17.05, 17.06 and 17.07) to arbitration under term 18.
- 17.12 The provisions of this term 17 relating to steps that may be taken by the Clearing House, where there appears to the Clearing House to be a Default in Performance by a party to a registered Contract, may be varied, or different steps may be substituted therefore by the Board from time to time. Any such variation or substitution shall have such effect with regard to such existing and/or new Contracts and registered Contracts as the Board may determine.

18. Arbitration

18.01 Any dispute arising out of or in respect of a Contract or a Wheat Warrant shall (subject to terms 13.05, 14.03 and 17.01 to the extent that they apply, and subject to the terms of the Contract) be referred to arbitration under the Rules relating to arbitration. The arbitration shall be conducted in accordance with the arbitration rules in force at the time of reference.

18.02 The determination and payment of an invoicing back price shall not limit the jurisdiction of arbitrators to make such award as they deem proper on the issue before them. 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.

19. Rules, Administrative Procedures, etc.

19.01 Every Contract shall be subject to the Articles and the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it be not a member of the Exchange or of the Clearing House.

19.02 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.

20. Law and Jurisdiction

20.01 Contracts made under or pursuant to the Rules shall be governed by and construed in accordance with English law. Subject to term 18, any question arising therefrom shall be subject to the jurisdiction of the English courts.

20.02 The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, 1980, shall apply to Contracts.

21. Powers of the Board

21.01 The provisions of terms 13, 15, 16, 17 and 23 shall be without prejudice to any other powers of the Board.

22. Non-registered Contracts

22.01 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 with the Clearing House under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such registered Contract (and of any intermediate Contract)

in accordance with these terms and the Administrative Procedures. Modifications may also be made to the terms of a non-registered Contract to permit performance of such non-registered Contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures. 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.

23. Economic and Monetary Union

- 23.01 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 euros or to facilitate the calculation of the EDSP or any Invoicing Amount, in pursuance of this Exchange Contract.
- 23.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 23.01 shall have such effect with regard to existing and/or new Contracts as the Board may determine.
- 23.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to terms 23.01 and 23.02 shall be the subject of a General Notice.

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Issue Date: 13 September 2005

Wheat Futures Contract

Exchange Contract No. 405

Administrative Procedures

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2. Timetable

Delivery Procedures

Sellers may Tender from 10.30 hours on the first Tender Day to 14.00 hours on the Last Trading Day. The normal first Tender Day is:

- (i) for January - the second Business Day after Christmas Day; and
- (ii) for other Delivery Months - the seventh calendar day prior to the first Business Day of the Delivery Month. If this is not a Business Day the next following Business Day is the first Tender Day.

Tender Day (*except for Last Trading Day*)

By 10.30 hours

Sellers who wish to Tender shall input delivery notification to CPS and deliver to the Clearing House:

- Seller's Notice of Tender
- Seller's Delivery Notification
- Clean Wheat Warrants in accordance with term 4, subject to term 4.03.



After 10.30 hours	Wheat Warrants allocated to Buyers by the Clearing House in accordance with the Regulations. The Clearing House supplies Buyers with: <ul style="list-style-type: none">- Buyer's Notice of Tender- Seller's Delivery Notification
Before 11.00 hours	The EDSP shall be published by the Exchange.
Last Trading Day	
At 12.30 hours	Trading in the Contract Delivery Month shall cease.
Before 13.00 hours	The EDSP shall be published by the Exchange.
By 14.00 hours	Sellers with open positions deliver to the Clearing House: <ul style="list-style-type: none">- Seller's Notice of Tender- Seller's Delivery Notification- Clean Wheat Warrants in accordance with term 4, subject to term 4.03
After 14.00 hours	Wheat Warrants allocated to Buyers by the Clearing House in accordance with the Regulations. The Clearing House supplies Buyers with: <ul style="list-style-type: none">- Buyer's Notice of Tender- Seller's Delivery Notification
Settlement Day	
By 10.00 hours	The Clearing House debits Buyers via PPS.
After 12.00 hours	The Clearing House credits Sellers via PPS. The Clearing House makes the Wheat Warrants available to Buyers in accordance with Administrative Procedure 8(a).

3. Delivery Months

For contract months introduced on or before 23 January 2005, Administrative Procedure 3 shall provide as follows:

Trading shall be for delivery in the months of September, November, January, March, May and July or such other months as may be determined by the Board.

For contract months introduced on and from 24 January 2005, Administrative Procedure 3 shall provide as follows:

Trading shall be for delivery in the months of November, January, March, May and July or such other months as may be determined by the Board.

4. Cessation of Trading

Trading in respect of each Delivery Month except July shall cease at 12.30 hours on the 23rd day of the month but if that day is not a Business Day at 12.30 hours on the Business Day immediately prior to the 23rd day of the month.

Trading in respect of the July Delivery Month shall cease at 12.30 hours on the 7th day of July but if that day is not a Business Day at 12.30 hours on the Business Day immediately prior to the 7th day of July.

5. Tenders

- (a) A Tender may be made only in respect of Wheat held in a Store. Wheat tendered is to be segregated pursuant to procedure 3.6 of the Grainstorekeeper Procedures from the time when the Wheat Warrant is drawn up and signed by the Grainstorekeeper. Wheat so segregated shall remain segregated until delivered out of Store against the Wheat Warrant. A Tender shall be in such form and accompanied by such documents as the Board or the Clearing House may require.
- (b) The Earliest Tender Day shall be the seventh day prior to the first Business Day of the month of delivery and if that day is a non-business day then the next following Business Day shall be the Earliest Tender Day, except in respect of January delivery. The Earliest Tender Day for January delivery shall be the second Business Day after Christmas Day.
- (c) Subject to Administrative Procedure 5(d), by 10.30 hours on a Tender Day a Tender shall be delivered to the Clearing House by a Seller

wishing to Tender stating the number of Contracts against which the Tender is made and, subject to term 4.03, accompanied by a Seller's Notice of Tender, one or more Clean Wheat Warrant(s) in accordance with term 4, and one or more Seller's Delivery Notification(s).

- (d) A Tender shall be made and received based upon the open position as at close of business the previous Business Day on any Business Day from the Earliest Tender Day up to and including the last Business Day prior to the Last Trading Day. On the Last Trading Day every Seller who has an open sale Contract, even if the Contract is not yet registered, shall be bound to Tender by 14.00 hours and the Tender shall be made and received based upon the open position as at cessation of trading.

6. Allocation of Tenders

Every Buyer who has a Contract open for the relevant Delivery Month shall be bound to accept any valid Tender complying with the terms and these Administrative Procedures of which notice is forwarded to him by the Clearing House in accordance with the Regulations even if the Contract is not yet registered.

7. No Withdrawal or Substitution

An Initial Tender or a Subsequent Tender shall not be withdrawn nor substitution allowed except with the consent of the Buyer or, in case of dispute, unless so ordered by the Board.

8. Taking up of Wheat Warrants and Payment

- (a) Warrants tendered under a Contract will be retained by the Clearing House from the relevant Settlement Day until the last Settlement Day of the Delivery Month unless a request is received from the Buyer to collect the Warrant in accordance with the terms and these Administrative Procedures. Where a Buyer gives notice to the Clearing House in accordance with the Regulations by 16.00 hours on the Business Day immediately prior to the Business Day on which he wishes to collect his Wheat Warrants the Clearing House shall make the Wheat Warrants available to the Buyer, provided that the Buyer has paid in full for the Wheat Warrants.
- (b) All Wheat Warrants must be taken up at the latest by 14.00 hours on the last Settlement Day of the Delivery Month by the Buyer in accordance with the Regulations unless collected prior to this in accordance with Administrative Procedure 8(a).

- (c) Payment of the Invoicing Amount shall be effected on a net basis through the Clearing House's Protected Payments System on the Settlement Day or, where such notice is given under Administrative Procedure 8(f), on the Business Day following that on which notice is given.
- (d) The Settlement Day shall be the seventh day after the Tender Day or the last day of the Delivery Month, whichever is the earlier. But where such day is not a Business Day the Business Day immediately prior thereto shall be the Settlement Day.
- (e) If payment is not made by a Buyer in accordance with this procedure 8 and Wheat Warrants are not collected by 14.00 hours on the Business Day on which the Buyer is due to collect them under Administrative Procedure 8(a) or 8(b) (or any earlier date for which notice is given under Administrative Procedure 8(f)) the Clearing House may sell the Wheat the subject of such Wheat Warrants. Any surplus or deficit resulting from such a sale, with an account for interest and the costs of sale, shall be settled with the Clearing House forthwith.
- (f) Wheat Warrants may be collected and paid for prior to the Settlement Day with the agreement of the Clearing House provided the Buyer gives notice of his intention to do so by 16.00 hours on the Business Day immediately prior to the Business Day on which the Buyer intends to collect and pay for such Wheat Warrants.
- (g) A Buyer shall be deemed to have accepted a Tender for all purposes by 17.00 hours on the seventh Business Day after payment for the documents unless he has within such period notified the Clearing House, which will in turn immediately notify the Seller, of his intention to refer a dispute to arbitration and referred such dispute to arbitration not later than the next Business Day.
- (h) If in any case the invoice is not ready by the time payment is to be made, payment shall be made and received on account.
- (i) A Buyer who has paid for Wheat Warrants under a Contract (whether or not he collects a Wheat Warrant) shall, by the second Business Day after the Settlement Day, in respect of each such Wheat Warrant inform the Grainstorekeeper in writing of the details of the new Warrant Holder and the date on which he became the Warrant Holder.

9. Wheat Warrants

- (a) No Wheat Warrant shall be issued by a Grainstorekeeper except in respect of Wheat which is in Store, which is segregated from wheat not covered by a Wheat Warrant pursuant to procedure 3.6 of the Grainstorekeeper Procedures from the time when the Wheat Warrant is drawn up and signed by the Grainstorekeeper, and which will remain so segregated until the Wheat is delivered out in full against the Wheat Warrant and which is to be tendered on the LIFFE market.
- (b) A Warrant Holder shall withdraw from a Store the whole of his entitlement on or before the 31st of July next following his acceptance of the Wheat Warrant.

10. Sampling

- (a) Samples shall be taken at the request of the Warrant Holder at the time of delivery out of a Store. Each delivery or consignment of Wheat which is the subject of a Wheat Warrant may be sampled separately in accordance with this procedure.
- (b) Deliveries shall be sampled from not less than ten positions in fair proportion. Samples shall be bulked and a representative sample of not less than 5 kg for each delivery shall be drawn therefrom and jointly sealed by the representatives of the Grainstorekeeper and the Warrant Holder for purposes of ascertaining the natural weight on the 1 litre scale, testing for admixture, sprouted wheat and for arbitration on quality. If the claim is in respect of moisture content, an extra half kg sample shall be taken in a glass jar or polythene holder with cotton bag as outer container properly sealed.
- (c) Samples so drawn shall be forwarded immediately to the Analyst identifying the sample as Wheat under a Wheat Warrant and shall be the only ones used for testing and arbitration. Payment to the Analyst will be the responsibility of the Buyer.
- (d) The Exchange is to receive a copy of the Certificate of Analysis direct from the Analyst for its records.

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