

## **TECHNICAL SPECIFICATIONS THE CORN FUTURES CONTRACT**

### **Article 1 - PRELIMINARIES**

This document sets forth the specific rules and regulations governing the transactions carried out on the Corn Futures Contract quoted in EUROS. It is supplemented by instructions from the clearing house relative to the delivery of the Corn Futures Contract.

### **Article 2 - PRINCIPLE**

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

## **CHAPTER I - THE CONTRACT**

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

The Corn Futures Contract's underlying security asset is yellow, red corn of "European Union" origin. The goods must be delivered dry, without abnormal odour or smell, free from living parasites on the goods and must meet all current trading standards and the legislation in force, having the following specifications :

- Water content: 15 %.
- Broken grains: 4 %.
- Sprouted grains: 2,5 %.
- Grains impurities: 4 %.
- other impurities: 1 %.

The underlying is said to be conventional corn, 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>.

<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).

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

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

## **CHAPTER II - TRADING DAY**

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

The Corn futures contract is traded on the LIFFE CONNECT® electronic system or its successor during the following hours (Paris time) :

Pre-opening: 7H04 am– 10h45 a.m.

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

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

Operations are transacted on 10 consecutive contract months.

Contract months are : November, January, March, June and August.

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

Contracts expire on the date specified by the Exchange, in principle on the 5<sup>th</sup> of the contract month, in accordance with the schedule established by the business market. If it is a non working day, the first trading day following this day.

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 tonnes (minimum/maximum).

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

The minimum quotation set is 0.25 EUR per metric tonne.

### **Article 9 – MARKET ANIMATORS**

EURONEXT PARIS SA may designate market animators for this contract who are not necessarily members of the MATIF. Market animators commit to respect the measures of the terms and conditions as defined by EURONEXT PARIS SA. The role of the market animators is to increase contract liquidity.

### **Article 10 – DAILY SETTLEMENT PRICE (DSP)**

The Settlement System in Market Services will be used to calculate the Daily Settlement Price by taking a feed of reported prices for a period of no less than two minutes before the time specified for the settlement of a contract, as notified by Euronext Paris S.A. This period is known as the “Settlement Range”. However, Euronext Paris S.A will also monitor market activity throughout the Trading Day to ensure that settlement prices are a fair reflection of the market.

The Settlement Range will be used to monitor spread levels. Thereafter, the following criteria will be taken into account, as applicable:

- (a) the traded price during the last minute of the Settlement Range; or, if there is more than one traded price during this time:
- (b) the trade weighted average of the prices traded during the last minute of the Settlement Range, rounded to the nearest tick; or, if there are no traded prices during this time:
- (c) the price midway between the active bids and offers at the time the settlement price is calculated, rounded to the nearest tick.

Where a trade weighted average or a midway price between active bids and offers results in a price which is not a whole tick, the rounding convention that will apply in respect of (b) and (c) above will be in accordance with that set out in the relevant contract specifications. In addition, the following criteria are monitored in Market Services and may be taken into account, as applicable:

- (d) price levels as indicated by spread quotations;
- (e) spread relationships with other contract months of the same contract; and
- (f) price levels and/or spread relationships in a related market.

### **Article 11 – EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)**

The EDSP for a particular delivery month shall be calculated by Exchange officials on the Last Trading Day, as follows:

The prices, offers or bids used for the calculation of the EDSP shall be those during the two minute period immediately preceding cessation of trading. Where there are no prices, bids or offers in the previous two minutes, then the 30 minute period immediately preceding cessation of trading shall be used, and failing that the last trades, offers or bids prior to the 30 minute period.

- (a) if (as far as reasonably ascertainable) one or more Contracts for that delivery month have been made in the pit on the Last Trading Day
  - (i) if only one Contract has been made, the EDSP shall be the price (as far as reasonably ascertainable) at which that Contract was made; or
  - (ii) if more than one Contract has been made, the EDSP shall be the average rounded down to the nearest 0.25 Euro of the prices (as far as reasonably ascertainable) at which such Contracts were made, weighted by reference to the number of lots (as far as reasonably ascertainable) comprised in each such Contract;
- (b) if (as far as reasonably ascertainable) on the Last Trading Day, no Contract for that delivery month has been made in the pit but both an offer (or offers) and a bid (or bids) have been made in the pit in respect of a Contract (or Contracts) for that delivery month, then the EDSP shall be the average of the lowest price (as far as reasonably ascertainable) at which such an offer was made and the highest price at which such a bid was made and such average shall be rounded to the nearest 0.25 euro ;
- (c) if (as far as reasonably ascertainable) on the Last Trading Day, no Contract for that delivery month has been made in the pit and either no offer or no bid has been made in the pit in respect of a Contract (or Contracts) for that delivery month, then exchange officials shall determine the EDSP by reference inter alia to the price at which any bid or offer, as the case may be, in respect of a Contract for that delivery month was made in the pit during such period on such day
- (d) if (as far as reasonably ascertainable) on the Last Trading Day, no Contract for that delivery month has been made in the pit and neither an offer nor a bid have been made in the pit in respect of a Contract (or Contracts) for that delivery month, then exchange officials may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the pit on the Last Trading Day for the delivery month and period referred to in paragraphs e(i) and (ii) below and, if necessary, rounded to the nearest 0.25 euro.

- (e) If in the opinion of exchange officials, the EDSP which would result from a calculation made in accordance with paragraphs (a), (b) or (c) would not be consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the pit on the Last Trading Day for:
- (a) the relevant delivery month prior to the applicable period referred to in paragraphs (a), (b) or (c), as the case may be; or
  - (b) any other delivery month during the applicable period referred to in paragraphs (a), (b) or (c), as the case may be,
- then exchange officials may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices, offers or bids for the delivery month and period referred to, and, if necessary, rounded to the nearest 0.25 euro.
- (f) The EDSP shall be final and binding for all purposes.

## **Article 12 - SPECIAL TRANSACTIONS**

The special transactions and strategies that are authorised on the Corn Futures Contract are those agreed in the trading procedures :

## **CHAPTER III - DELIVERY**

### **Article 13 - 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 tonnes of goods in accordance with the provisions of these Rules and Regulations.

The Notice of Intent to Deliver submitted to the clearing house by the clearing member holding a short position must be for a minimum quantity of 500 metric tonnes net per principal. Non compliance with the minimum delivery quantity will constitute default by the clearing member holding a short position for the corresponding quantity and will result in the application of article 28 of these Rules and Regulation.

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

### **Article 14 - DELIVERY SCHEDULE**

Beginning with the fifth trading day preceding an upcoming expiration, the clearing house will require from principals, in accordance with the terms specified by clearing house instructions, one or more Warehouse Receipts issued by an approved silo for a quantity at least equal to their respective short positions with respect to this contract.

Warehouse Receipts must be submitted to the clearing house in accordance with the terms specified by clearing house instructions and must reach the clearing house at the contract's date of expiration at the latest. When a principal holding a short position has not fulfilled his obligations concerning the submission of Warehouse Receipts, the clearing house will automatically liquidate the contracts involved.

Each Warehouse Receipt, submitted to the clearing house, to be valid, must be joined with the certified document from the seller, to deliver a conventional product such as described in article 3 of this instruction. When a seller has not fulfilled his obligations, the clearing house will automatically liquidate the contracts involved.

On the first trading day following the close of a contract, the clearing member holding a short position submits a Notice of Intent to Deliver to the clearing house in which it advises the clearing house of its intent to deliver, the silo where delivery will be taken, the number of contracts involved and the corresponding number of Warehouse Receipts.

On the second trading day following the contract closing, the clearing house assigns the Notices of Intent to Deliver to clearing members holding long positions and proceeds to the matching of clearing members holding long positions with those holding short positions, in accordance with the terms specified in clearing house instructions.

On the third trading day following the contract closing, the clearing member holding a short position transmits a Delivery Notice to the clearing member holding a long position who submits the notice, completed and signed by the counterparts, to the clearing house.

#### **Article 15 - 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 16 - ACCEPTANCE AND EXCHANGE OF DELIVERY NOTICES**

Under penalty of default, after the close of a contract, expiration, 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 the clearing house.

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 clearing house instructions.

#### **Article 17 – 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 the clearing house in the forms specified by clearing house instructions.

Upon receipt of the Notice of Performance, the delivery margins cited in articles 18 and 19 hereinafter may be refunded

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

#### **Article 18 - 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 the clearing house. Upon receipt by the clearing house of a delivery margin, the initial margin may be refunded.

#### **Article 19 - ADDITIONAL DELIVERY MARGIN**

Until Notice of Performance of the contract is received, the clearing house 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 clearing house instructions.

Additional delivery margins will be refunded upon receipt by the clearing house of the Notice of Performance specified in article 27 of these Rules and Regulations.

#### **Article 20 - 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 18 and 19 of these Rules and Regulations will be considered to be in default and his counterpart will benefit from the conditions specified in article 28 of these Rules and Regulations, without prejudice to any legal proceedings that may be initiated.

Each time that the margins cited in articles 18 and 19 of these Rules and Regulations are not advanced, the clearing house will immediately so advise the concerned clearing member and counterpart.

#### **Article 21 – REFUND OF MARGINS**

The clearing house will refund the various above-cited margins upon receipt of the Notice of Performance of the contract cited in article 27 of these Rules and Regulations, signed by the buyer and the seller.

In the event of non-performance of the contract, the clearing house 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 30 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 the clearing house 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 the clearing house 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, the clearing house will refund to the party not subject to any conviction, the various margins due to it.

### ***Section 3 - Delivery***

#### **Article 22 - AVAILABILITY**

The transfer of property between principals occurs by means of transfer at the silo. The transfer takes place on the 16th calendar day of the delivery month. . If it is a non working day, the first trading day following this day.

On this date, the principal making the sale gives the order to the silo, in the forms specified by instruction from the clearing house, to transfer the commodity to the purchasing principal.

Upon the order of the principal making the sale, the silo will transfer the goods to the principal making the purchase on the proper date and will draw up a transfer certificate, in the forms specified by clearing house instructions.

### **Article 23 - DELIVERY POINTS**

The transfer of the commodity will take place in an approved silo, in the forms specified by instruction from the clearing house.

The list of authorised silos, their terms of authorisation and the terms of performance of their services are established from time to time by a Notice from the clearing house., which shall apply to such delivery months as specified in the Notice as Euronext Paris may determine.

Any change in the list of authorised silos applies only to contract months for which there are no open positions. As an exception, for Contract months that are more than two crop years ahead, Euronext Paris SA and the Clearing House may from time to time list or de-list an approved silo, which shall have such effect with regard to existing or new Contracts or both as Euronext Paris may determine in collaboration with the Clearing House. Any such determination will be subject to prior consent from the Clearing House and will be notified to Members by means of a Notice or otherwise as Euronext Paris and the Clearing House may direct.

### **Article 24 - RULES AND REGULATIONS GOVERNING THE TRANSFER OF THE COMMODITY**

Subject to these Rules and Regulations and the texts describing their application, the transfer of the commodity will be governed by:

- the “Syndicat de Paris du Commerce et des Industries de Grains, Produits du sol et dérivés”, Incograin formula no. 23;
- or the “Syndicat de Paris du Commerce et des Industries de Grains, Produits du sol et dérivés”, Technical Addendum no. 5,;
- or any other regulatory condition substituted for them.

If any difficulty of interpretation or conflict arises between these Rules and Regulations and, in addition, texts describing their application, and the contractual methods in force at the delivery location, these Rules and Regulations and, in addition, the texts detailing their application will prevail.

### **Article 25 - DELIVERABLE GRADE - REDUCTIONS OR ALLOWANCES**

The quality of deliverable goods have the following specifications:

- Water content: 15 %.Max 15.5%
- Broken grains: 4 %.Max 10%
- Sprouted grains: 2,5 %.Max 6%
- Grains impurities: 4 %.Max 5%
- other impurities: 1 %.Max 3%

The total of the allowances for broken grains, sprouted grains, impurities in grains and other impurities must not exceed 12%.

The underlying is said to be conventional corn, 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>.

When the quality of the commodity to be transferred does not conform to one of these conditions, the commodity cannot be delivered in performance of the Corn Futures Contract and the clearing member holding a short position will be in default.

The applicable standards for determining the content of GMO and the list of authorisation companies and of analysis laboratories to conduct this optional analysis, are specified by clearing house instructions.

The quality can be modified by decision of Euronext Paris SA for the contract months for which there are no open positions.

The amount payable by the buyer to the seller in exchange for physical delivery is calculated on the basis of the closing settlement price, as adjusted downwards to take account of the discrepancy between the quality delivered and the base quality.

Decreases are calculated in accordance with technical addendum n°5 of the Syndicat de Paris du Commerce et des Industries de grains, produits du sol et dérivés (Association of Grain Commerce and Industries, land products and derivatives).

The applicable standards for determining the above mentioned quality and the list of authorisation companies and of analysis laboratories are specified by clearing house instructions.

## **Article 26 - DELIVERY DOCUMENTATION**

The certified Receipt to deliver conventional goods, allows the principal making the sale to attest that he delivers 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.

This document is issued by the seller under the Selling Clearing Member, and transmitted to the clearing house in the forms specified by clearing house instruction.

The Warehouse Receipt allows the principal making the sale to attest that he has stored a certain quantity of goods in an authorised silo. This document is issued by an authorised silo, and transmitted to the clearing house in the forms specified by clearing house instruction.

The Notice of Intent to Deliver allows the clearing member with a short position to advise the clearing house of his intent to deliver and of the delivery location as well as the number of contracts involved.

The Delivery Notice concretises the commitment of the clearing member with the short position to deliver the number of specified contracts and the obligation of the member holding the long position to accept delivery of these contracts at the specified location.

Once the transfer of the commodity has taken place and payment has been made, the clearing member holding a short position transmits a Notice of Performance to the long clearing member who files it with the clearing house, each of the parties acknowledging the proper performance of their mutual obligations.

The Notice of Intent to Deliver, the Delivery Notice and the Notice of Performance are drawn up and signed by the clearing members in the name of and upon instructions from their principals. To be valid, these documents must conform to the models drawn up by the clearing house.

## **Article 27 - DEFAULT**

In addition to the cases specified in article 20 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 clearing house instruction.

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

The application of the provisions ensuing from article 28 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 18 and 19 of these Rules and Regulations.

The clearing house 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 the clearing house.