

## **TECHNICAL SPECIFICATIONS OF THE RAPESEED OIL FUTURES CONTRACT**

### **Article 1 - PRELIMINARIES**

This document sets forth the specific rules and regulations governing the transactions carried out on the Rapeseed Oil Future Contract quoted in EUROS.

It is supplemented by instructions and notices from LCH.Clearnet SA relative to the delivery of the Rapeseed Oil 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 Oil Futures Contract's underlying asset is crude, degummed rapeseed oil of any origin and of good merchantable quality, guaranteed unbleached, produced from non-GM double zero rapeseed varieties as per EU regulations of sound, loyal and merchantable quality, all duties and taxes paid, and meeting the following specifications:

-free fat acid (f.f.a.) as oleic acid, calculated on a molecular weight of 282 :	maximum 1,75%
-moisture, volatile matter and impurities :	maximum 0,4%
-lecithin (expressed as phosphorus) :	maximum 300mg/kg
-erucic acid :	maximum 2%
-flashpoint minimum :	250°F (121 °C).

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

The Rapeseed Oil Futures Contract is for 20 metric ton lots of goods of homogeneous quality, exempt from all duties and taxes, made available in bulk.

Euronext may accept changes in conditioning for contract months for which there are no open positions.

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## **CHAPTER II - TRADING DAY**

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

The Rapeseed Oil Futures Contract is traded on the UTP 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 DELIVERY MONTHS**

Operations are transacted on ten consecutive contract months.  
Contract months are : March, June, September, December.

### **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 20 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 - 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:

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(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 10 – 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.

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(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 11 - SPECIAL TRANSACTIONS**

The special transactions and strategies that are authorised on the Rapeseed Oil Futures Contract are those agreed in the Euronext trading procedures.

## **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 20 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 instructions.

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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 the 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 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 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 the LCH.Clearnet SA. Upon receipt by LCH.Clearnet SA of a delivery margin, the initial margin may be refunded.

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## **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 26 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, 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 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 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, LCH.Clearnet SA will refund to the party not subject to any conviction, the various margins due to it.

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### **Section 3 - Delivery**

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

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

Loading must begin on the working day on which the ship or barge is made available. The latest date to begin the loading is 5 business days before the end of the Delivery Period. Working days are determined according to the standard practices in the port of delivery.

#### **Article 22 - DELIVERY POINTS**

A lot shall be made available in a FOB - ship or FOB barge basis, stowed, and with the vessel presented by the buyer ready to receive goods and "ready for loading".in accordance with the NOFOTA rules (Netherlands Oils, Fats and Oilseeds Trade Association).

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

Any change in the list of authorised delivery points 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 may from time to time list or de-list an approved delivery point which shall have such effect with regard to existing or new Contracts or both as Euronext Paris SA 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 23 - OWNERSHIP TRANSFER**

Transfer of ownership between seller and buyer is made pursuant to the NOFOTA rules and the LCH.Clearnet SA delivery instructions.

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

- Subject to these Rules and Regulations and the texts describing their application, the removal will be governed by the rules of NOFOTA , FOB barge or sea vessel and if any, prevailing in the delivery points, 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 port, these Rules and Regulations and, in addition, the texts detailing their application will prevail.

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## **Article 25 - DELIVERABLE QUALITY**

The deliverable quality of the commodity is defined in article 3 of these Rules and Regulations.

Rapeseed oil that does not conform to one of these conditions cannot be delivered in performance of the Rapeseed Oil Futures Contract.

The above quality may be modified by Euronext Paris S.A. for contract delivery months for which there are no open positions.

The amount payable by the Buying Clearing member to the Selling Clearing Member in exchange for physical delivery is calculated on the basis of the EDSP.

The applicable standards for determining the above mentioned quality, and the list of authorised supervision companies and analysts are specified in the LCH.Clearnet SA clearing rules.

## **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 the clearing house, 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 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.

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**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.

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 court of arbitration as designated by LCH.Clearnet SA clearing rules.

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