

Technical specifications of the Rapeseed Futures contract

EURONEXT INSTRUCTION

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EURONEXT

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 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 SA rules and regulations.

CHAPTER I - THE CONTRACT

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

Article 3 - UNDERLYING SECURITY ASSET

The Rapeseed Futures Contract's underlying security asset is rapeseed of all origins, variety 00. 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 :

- 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 Regulations¹.

Article 4 - TRADING UNIT

The Rapeseed 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.

¹ 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 Euronext electronic system, during the following hours (Central European Time, UTC+1):

Pre-opening: 7:30 a.m. CET to 10:45 a.m. CET

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

Article 6 - CONTRACT MONTHS

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

There are always ten contract months available for trading.

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 tonnes (minimum/maximum).

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

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

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:
- 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.
- (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 Futures Contract are those agreed in the 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 50 metric tonnes of goods in accordance with the provisions of these Rules and Regulations.

The Notice of Intent to Deliver submitted to clearing house by the selling clearing member holding a short position must be for a minimum quantity of 500 metric tonnes 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 SA in which it advises LCH 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 SA assigns the Notices of Intent to Deliver to the buyers, in accordance with the terms specified in LCH 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 SA.

Article 14 - DELIVERY NOTICE

The issuance of a Delivery Notice and its acceptance concretizes 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, 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 LCH 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 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 SA in the forms specified by LCH 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 SA. Upon receipt by LCH 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 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 SA instructions.

Additional delivery margins will be refunded upon receipt by LCH 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 SA will immediately so advise the concerned clearing member and counterpart.

Article 20 – REFUND OF MARGINS

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

Article 21 - AVAILABILITY

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.

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

Article 23 - OWNERSHIP TRANSFER

Article 24 - RULES GOVERNING MERCHANDISE REMOVAL

- Incograin form n° 15 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) for ports located in France
- Einheitsbedingungen im Deutschen Getreidehandel for ports located in Germany,
- contract n° 7 of the Arbitration and Conciliation Chamber for Seeds and Grains of Antwerp for ports located in Belgium,
- or any other regulatory condition substituted for them.

Article 25 - DELIVERABLE QUALITY - REDUCTIONS OR ALLOWANCES

- water content maximum 10 %
- impurities content maximum 3 %

- oleic acidity maximum 2 %
- erucic acid content maximum 2 %
- glucosinolates content maximum 25 micromoles
- 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.²

Rapeseed that does not conform to one of these conditions cannot be delivered in performance of the Rapeseed Futures Contract. The above quality may be modified by decision of Euronext Paris S.A. to contract months for which there are no open position.

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 upwards or downwards to take account of the discrepancy between the quality delivered and the base quality.

Increases are calculated in accordance with the following scale (fraction pro rata) :

- Price increase of 1.5 % for 1 % additional oil
- Price increase of 0.5 % for 1 % less humidity
- Price increase of 0.5 % for 1 % less impurities

Decreases are calculated in accordance with the following scale :

- Price reduction of 1.5 % for 1 % less oil
- Price reduction of 1 % for 1 % more humidity
- Price reduction of 1 % for 1 % more impurities

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

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 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 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 SA instruction.

² 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 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 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.

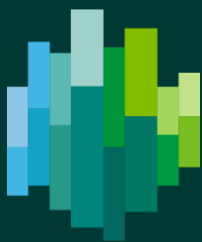
Article 30 : ARBITRATION

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

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