

TECHNICAL SPECIFICATIONS OF THE RESIDENTIAL WOOD PELLETS CONTRACT
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Article 1 - PRELIMINARIES

This document sets forth the specific rules and regulations governing the transactions carried out on Residential Wood Pellets Contract quoted in EUROS.

It is supplemented by an Instruction from LCH.Clearnet SA relating to the delivery of commodity future contracts and a specific Notice relating to the delivery of the Residential Wood Pellets Contract.

Article 2 - PRINCIPLE

The trading of this contract is governed by Euronext Paris SA's (MATIF market) 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 Residential Wood Pellets Contract's underlying asset is residential wood pellets of all origins, ENplus A1 certified, in line with latest version applicable of the European Pellet Council (EPC) ENplus Quality Certification Scheme for Wood Pellets Handbook (ENplus Handbook). The goods must be produced from stem wood or chemically untreated residues from the wood processing industry, by an ENplus A1 certified producer. The goods must meet the maximum level of minor elements set by the ENplus Handbook, according to the ISO 16968 standard.

Physical parameters and properties

- Diameter: 6 mm \pm 1 mm
- Length: 3.15 mm minimum, 40 mm maximum
- Moisture content: 10% maximum as received
- Ash content: 0.7% maximum, dry basis.
- Mechanical durability: 98% minimum as received
- Fines (<3.15 mm): basis 4%, maximum 6% as received
- Net calorific value: \geq 4.6 kWh/kg (16,5 MJ/kg) minimum as received

- Bulk density: 600 kg/m³ minimum, 750 kg/m³ maximum, as received

Chemical analysis:

- Additives: 2% maximum as received, the type (material and trade name) and quantity shall be documented, compliant with the latest version of ENplus Handbook.
- Nitrogen content: 0.3% maximum dry basis
- Sulphur content: 0.04% maximum dry basis
- Chlorine content: 0.02% maximum dry basis
- Ash deformation temperature 1200° C minimum, the ash used for the measurement is produced at 815 °C

Certification:

All deliveries must be accompanied with a valid ENplus A1 certificate, including the certification of the producer and trader(s) and service provider(s) if any.

The Bill of Lading shall also mention that the product is ENplus A1 certified.

Article 4 - TRADING UNIT

The Residential Wood Pellets Contract is for 25 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 Residential Wood Pellets Contract is traded on the Universal Trading Platform, during the following hours (Paris time):

Trading session: 10:45 a.m. to 6:30 p.m. (UTC+1)

Article 6 - CONTRACT MONTHS

Operations are transacted on 12 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 Euronext Paris SA, 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 Euronext Paris SA, in principle on the first trading day of the month following the expiration of a contract, in accordance with the schedule established by Euronext Paris SA.

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

Article 8 - QUOTATIONS

The contract unit is 25 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 - DAILY SETTLEMENT PRICE (DSP)

Euronext Paris SA performs 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 SA. This period is known as the "Settlement Range". However, Euronext Paris SA 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 mid price 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 Euronext Paris SA 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 market 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 market but both an offer (or offers) and a bid (or bids) have been made in the market 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 market and either no offer or no bid has been made in the market in respect of a Contract (or Contracts) for that delivery month, then Euronext Paris SA 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 market 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 market and neither an offer nor a bid have been made in the market in respect of a Contract (or Contracts) for that delivery month, then Euronext Paris SA 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 market 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 Euronext Paris SA 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 market 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 Euronext Paris SA 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 Residential Wood Pellets 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 25 metric tonnes of goods in accordance with the provisions of these Rules and Regulations.

The notification notice submitted to LCH.Clearnet SA by the seller holding a short position must be for a minimum quantity of 500 metric tonnes (20 lots) net per principal of seller. Non-compliance with the minimum delivery quantity will constitute default by the seller 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 Expiry of a contract, the seller submits a notification notice to LCH.Clearnet SA in which it notably advises LCH.Clearnet SA of its intent to deliver, the port where delivery will take place at seller’s option, and the number of contracts involved.

On the second trading day following the Expiry of a contract, LCH.Clearnet SA assigns the notification notices to the buyers, in accordance with the terms specified in LCH.Clearnet SA’s Notice.

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

Article 14 - DELIVERY NOTICE

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

Article 15 - ACCEPTANCE AND EXCHANGE OF DELIVERY NOTICES

Under penalty of default, after the Expiry of a contract, all Clearing Members holding open buying 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 notification notice and the Delivery Notice must conform to the models established by LCH.Clearnet SA.

The technical conditions in which the submission of notification notices takes place, their acceptance, the exchange of Delivery Notices and the reporting of the final list of assignments are specified by LCH.Clearnet SA’s Notice.

Article 16 – ALTERNATIVE DELIVERY PROCEDURE

After notification notices 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’s Notice.

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 Expiry of the contract, the Clearing Member deposits a delivery margin with LCH.Clearnet SA in accordance with the amount and with the instruments accepted by LCH.Clearnet SA. Upon receipt by LCH.Clearnet SA of a delivery margin or the Notice of Performance in case of alternative delivery procedure, the initial margin may be refunded.

Article 18 - ADDITIONAL DELIVERY MARGIN

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

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

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 Expiry, either for his own account or for the account of his principal, who fails to put up the margins cited in articles 17 and 18 of these Rules and Regulations will be considered to be in default and his counterpart will benefit from the conditions specified in article 27 of these Rules and Regulations, without prejudice to any legal proceedings that may be initiated.

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

Article 20 – REFUND OF MARGINS

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

In the event of non-performance of the contract, and in accordance with LCH.Clearnet SA's Instruction relating to the delivery of commodity future contracts and LCH.Clearnet SA's Notice relating to the delivery of the Residential Wood Pellets Contract, LCH.Clearnet SA will only return the two counterparts' various margins upon production of:

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

Section 3 - Delivery

Article 21 - AVAILABILITY

From the third trading day following the Expiry of the contract month, the buyer notifies the seller, in the forms specified by LCH.Clearnet SA's Notice, the day on which the lighter will become available, subject to notice of five business days (the "loading provisory notice").

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

Article 22 - DELIVERY PORTS

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

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

Any change in the list of authorised delivery port applies only to contract months for which there are no open positions. As an exception, for Contract months that are more than two 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 LCH.Clearnet SA. Any such determination will be subject to prior consent from LCH.Clearnet SA and will be notified to Members by means of a Notice or otherwise as Euronext Paris may direct.

Article 23 – RISK AND OWNERSHIP TRANSFER

Risk of the shipment and related costs shall pass from the seller to the buyer in accordance with the relevant FOB INCOTERMS rules applicable and ownership of the underlying goods shall pass with the transfer of the bill of lading corresponding to the shipment of such underlying goods.

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 prevailing in the delivery ports, i.e. :

- Additional Commercial Terms of Individual ports located in Belgium, and in the Netherlands, or any other country where a delivery port is situated by a Notice from LCH.Clearnet SA.
- European Federation of Energy Traders FOB annex C rules.
- and any relevant rule from the ENplus Handbook (latest version applicable).
- 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.

Article 25 - DELIVERABLE QUALITY - REDUCTIONS OR ALLOWANCES

The quality of the deliverable merchandise is defined as follows :

- ENplus A1 certified, with the physical parameters and properties as well as chemical properties as defined in article 3 and in particular:
 - length : minimum 3.15 mm maximum 40 mm; a maximum of 1% of the pellets may be longer than 40 mm, with no pellets longer than 45 mm.
 - fines (<3.15mm): basis 4% maximum 6% as received

The above quality may be modified by decision of Euronext Paris S.A. to contract months for which there are no open position.

Residential wood pellets that do not conform to these conditions cannot be delivered in performance of the Residential Wood Pellets Futures Contract.

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.

Price increases and reductions are calculated in accordance with the following scale (fraction pro rata) :

- Price increase of 0.5 % for 0.5% less fines

Decreases are calculated in accordance with the following scale :

- Price reduction of 0.5 % for 0.5% additional fines

The applicable standards for determining the above mentioned quality and the list of authorisation companies and of analysis laboratories accredited by the European Pellet Council (EPC).

The buyer may, at his own cost, at the time and site of delivery, have an EPC accredited testing body take samples as prescribed in the ENplus Handbook (latest Version in force). The buyer and the seller may stipulate that said sampling be monitored. In the event that the wood pellets do not comply with the deliverable quality, the seller will reimburse the cost of the analysis to the buyer.

Inspections of quality and/or composition shall be conducted in accordance with the methods prescribed by the EPC at the time of the inspection if no other methods are agreed upon.

Article 26 - NOTICE OF PERFORMANCE

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

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

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

Article 27 - DEFAULT

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

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

Article 28 - COMPENSATION FOR DAMAGES

The application of the provisions ensuing from article 27 of these Rules and Regulations will not constitute an obstacle to proceedings that the injured party may pursue in relation to

the defaulting party if the injured party establishes that the failure to deliver, accept delivery, or to make payment resulted from gross or intentional negligence.

Article 29 - FORCE MAJEURE

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

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

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

Article 30 - DISPUTE SETTLEMENT

In the event of a dispute, the Parties shall seek first an amicable settlement to their conflict. In such case, the Parties will meet in order to find a mutual and acceptable solution to such dispute according to the EPC complaint procedure described in the ENplus Handbook. Should such amicable settlement not be reached, the dispute will be submitted to the court as hereafter described.

In the event of a dispute not solved as abovementioned, the Courts of the place of performance of the contract shall have express and exclusive jurisdiction, even when there are several defendants or when a third party is involved, and including emergency proceedings or proceedings concerning protective measures, summary proceedings or ex parte proceedings.