



<b>Publication Date</b>	04 October 2023
<b>Enforcement Date</b>	05 October 2023
<b>Subject</b>	<b>Delivery procedure applied to corn future contract</b>
<b>Market</b>	Derivatives (commodities)
<b>Notice repealed</b>	This Notice supersedes Notice 2018-047
<b>Classification</b>	Public

**Preliminary Statement:**

In addition to the relevant LCH SA Clearing Rules and relevant Euronext Paris SA trading rules, Clearing Members acting on the corn futures contract should get acquainted with the relevant Trading Terms and Conditions, as defined below in Article 1 of this Notice, including the terms and conditions applied by the approved silo for the delivery of such corn futures contract.

Clearing Members acting on the corn futures contract should notably be aware that acceptance of goods into storage and storage conditions are performed in accordance with the quality criteria defined in the general terms and conditions of such approved silo, which may be more restrictive than those mentioned in Article 3 below (notably in respect of the quality criteria set out in the Technical Addendum n°V of the *Syndicat de Paris du Commerce et des Industries des Grains, Produits du sol et dérivés*) and may be amended from time to time.

More specifically, selling Clearing Members acting on the corn futures contract should also be aware that, according to Section 3.1.3 of Instruction III.4-4 and Article 8.1 of this Notice, the transfer pertains to goods already physically stored and duly registered within the books of the relevant silo in accordance with the latter's terms and conditions. Subsequently, the transfer of goods is performed by the silo under the form of a book-entry transfer process between the account opened in the name of the order giver of the selling Clearing Member on the one hand and the account opened in the name of the order giver of the buying Clearing Member on the other hand.

When the services provided by LCH SA are performed on Trading Days, such Trading Days shall also be Clearing Days in the meaning of the Clearing Rules.

Pursuant to Instruction III.4.4 related to the delivery of commodity contracts, this Notice sets forth the operational details and specificities applied to the delivery of corn.



## 1 – Relevant applicable trading terms and conditions and Incoterms, and conditions applied for commodity's acceptance in the approved silo

<b>Trading Terms and Conditions</b>	Incograin Formula no. 23 and technical addendum no. V issued by 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).
<b>Incoterm</b>	EXW (Ex-Works)
<b>Commodity's acceptance into storage and storage conditions applied by the approved silo</b>	In accordance with the general terms and conditions of the relevant silos
<b>Commodity transfer</b>	By silo transfer during the Delivery Period in accordance with the Trading Terms and Conditions listed above.

## 2 – Contract underlying specifications – Base quality

This section aims to define the reference quality of the deliverable corn.

It may however be modified by decision of Euronext Paris SA for the contract months for which there are no Open Positions.

The corn future contract's underlying security asset is yellow and russet corn of "European Union".

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.

For corn future contracts the following specifications are required:

- For all deliveries before November 2023
  - Water content: 15% maximum 15,5%
  - Broken grains: 4% maximum 10%
  - Sprouted grains: 2,5% maximum 6%
  - Impurities grains: 4% maximum 5%
  - Other impurities: 1% maximum 3%
- For all deliveries upon November 2023
  - Water content: 15% maximum 15,5%
  - Broken grains: 5% maximum 8%
  - Total impurities: 3,5% maximum 7%

Mycotoxins not to exceed, at the time of delivery, the maximum levels specified under EU legislation in force with respect to unprocessed cereals intended for use in feed products.

This underlying asset is deemed to be a conventional product, i.e. a product containing no genetically modified organisms, or containing genetically modified organisms whose presence is adventitious or technically unavoidable, in accordance with European Union regulations<sup>1</sup>.

The corn futures contract is applicable for lots of 50 metric tons of goods of homogeneous quality, exempt from all duties and taxes.

### 3 – Deliverable quality – Reductions or allowances

The deliverable quality of the deliverable corn is defined by the “Syndicat de Paris du Commerce et des Industries de Grains, Produits du sol et dérivés” in the Technical Addendum no. V. Premiums and discounts to reflect the difference between the delivered quality and the base quality apply in accordance with Incograin contract formula n°23 and the Technical Addendum n°V.

The amount owed by the buying Clearing Member making the purchase, against delivery of the commodity, to the selling Clearing Member making the sale will be calculated on the basis of the Settlement Price adjusted, if necessary, by reduction and allowances as defined in Technical Addendum n°V of the “Syndicat de Paris du Commerce et des Industries de Grains, Produits du sol et dérivés”.

When the quality criteria of the commodity to be transferred does not conform to one of the deliverable quality, the commodity cannot be delivered in performance of the corn futures contract and the Clearing Member holding a short position will be in default.

### 4 – List of required delivery documents

D refers to the contract's Expiry day which corresponds to the last Trading Day of a contract maturity.

List of required delivery documents	Main features	Timetable to issue and send the document to LCH SA
<b>Attestation to deliver a conventional product</b>	<p>The attestation to deliver a conventional product issued by the selling order-giver, under the responsibility of the selling Clearing Member, makes it possible to attest delivery of a conventional product, namely a product without GMO risk, i.e. 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.</p> <p>An attestation to deliver a conventional product must accompany each storage certificate given to LCH SA.</p>	<p><b>From D-5 to D-1</b></p> <p>In accordance with the schedule set out for the delivery of storage certificates as defined below.</p>
<b>Storage certificate</b>	<p>The storage certificate enables the silo to represent and warrant to LCH SA that it has a deliverable quality of goods in</p>	<ul style="list-style-type: none"> <li>• <b>For selling Open Positions equal or greater than 100 lots (5,000 tons), the selling Clearing Member shall submit to</b></li> </ul>

<sup>1</sup> Regulation (EC) 1829/2003 of the European Parliament and the Council of 22 September 2003 on genetically modified food and feed (OJEU 18-10-2003).



	its stores in the name of the selling Clearing Member and for a specified quantity.	<p><b>LCH SA at least one storage certificate at the latest on the 5<sup>th</sup> Trading Day before the Expiry (D-5) at 05.00 p.m. CET.</b></p> <p>Between D-5 and the Trading Day before the Expiry day (D-1), if a selling Open Position equal or greater than 100 lots increases, or if a selling Open Position lower than 100 lots becomes greater than 100 lots, the selling Clearing Member must submit to LCH SA one storage certificate, at the latest at 5:00 p.m. CET on the Trading Day of the increase, so that the whole selling Open Position is covered.</p> <ul style="list-style-type: none"> <li>• <b>For selling Open Positions smaller than 100 lots (5,000 tons), the storage certificates shall be delivered by the silo to LCH SA at the latest on the Trading Day preceding the Expiry (D-1) at 05.00 p.m. CET.</b></li> </ul>
<b>Notification Notice</b>	<p>The notification notice enables the selling Clearing Member to advise LCH SA about:</p> <ul style="list-style-type: none"> <li>• its intent to deliver;</li> <li>• the number of contracts involved;</li> <li>• the Clearing origin (house or client);</li> <li>• the place of delivery.</li> </ul>	D+1
<b>Delivery Notice</b>	<p>The delivery notice embodies the commitment by the selling Clearing Member to deliver the specified quantity of contracts and by the buying Clearing Member to take delivery of the corresponding commodity at the place specified. It also enables the selling Clearing Member to inform the buying Clearing Member of the loading point for the goods.</p>	D+3
<b>Notice of Performance</b>	<p>The buying Clearing Member and the selling Clearing Member acknowledge by signing the notice of performance, the fulfilment of their reciprocal obligations.</p>	<p><b><u>Either in case of Alternative Delivery Procedure :</u></b></p> <ul style="list-style-type: none"> <li>• on D+3 before 3:00 p.m CET upon an amicable agreement between the buying Clearing Member and the selling Clearing Member who agree to depart from LCH SA guarantee and opt for the alternative delivery procedure.</li> </ul> <p><b><u>Either in case of CCP Delivery Procedure:</u></b></p> <ul style="list-style-type: none"> <li>• After fulfilment of buying Clearing Members and selling Clearing Members reciprocal obligations as part of the CCP delivery procedure and at least on the first Trading Day of the month following the Delivery month.</li> </ul>



## 5 – Preliminary steps to delivery

### 5.1 - Monitoring of Positions

Pursuant to the Instruction III.4.4, Clearing Members must net/offset their Open Positions on a daily basis.

Starting on the twelfth Trading Day before the Expiry (D-12), and when the authorised Open Position limits are exceeded, Clearing Members must provide LCH SA with a detailed statement of the net Positions of their order-givers.

For the sake of clarity, the number of Open Positions is calculated by the Clearing Member at the order-givers level.

### 5.2 - Submission of the attestation to deliver a conventional product

- Principles

The attestation to deliver a conventional product is a document issued by the selling order-giver under the responsibility of the selling Clearing Member. The selling Clearing Member represents and warrants that the information contained therein is accurate and commits to meet the deadlines for delivering the attestation to LCH SA.

- Contents of the attestation to deliver a conventional product

In the attestation, the selling order-giver represents and warrants, under the responsibility of the selling Clearing Member, to deliver a product that is said to be a conventional product, namely a product without GMO risk, i.e. a product containing no genetically modified organisms or containing genetically modified organisms whose presence is adventitious or technically unavoidable.

The attestation must conform to the standard form established LCH SA.

The attestation is kept by the silo and a copy is sent by email with the storage certificate to LCH SA, to the selling Clearing Member and its order-giver.

If the attestation to deliver a conventional product is missing, the storage certificate is no longer valid.

- Terms of issuance

The attestation to deliver a conventional product is a document issued by the selling order-giver under the responsibility of the selling Clearing Member when the goods are placed in the silo. This document is recorded and kept by the silo. The silo sends a copy by email to the selling Clearing Member and its order-giver. The attestation to deliver a conventional product is personal and cannot be transferred, endorsed or assigned.

- Terms to submit to LCH SA

An attestation to deliver a conventional product must accompany each storage certificate given to LCH SA. The information contained in the attestation to deliver a conventional product must correspond in terms of quantity and place of delivery to the information mentioned on the storage certificate. Consequently, there is an attestation to deliver a conventional product for each storage certificate issued.

The deadlines for sending attestations to LCH SA are the same as those governing the delivery of storage certificates. They are submitted depending on the open position held by the selling order-giver before the close of the expiry.

### 5.3 - Delivery of the storage certificate(s)

- Principles

The storage certificate is a document issued by an authorised silo under the responsibility of the selling Clearing Member especially concerning information contained in this document as well as the deadlines for delivering it to LCH SA.

- Contents of the storage certificate

In the storage certificate, the silo represents and warrants that it holds the goods belonging to the order-giver of the selling Clearing Member which quality complies with the deliverable quality as defined in chapter 3 of this Notice.

This document must conform to the LCH SA's standard and must specify:

- the name of the issuing silo;
- the issuance date of the certificate;
- a specific number assigned by the silo;
- the contract Expiry;
- the identity of the beneficiary order-giver and its Clearing Member;
- the quantity of goods for which the certificate is issued.

- Terms of issuance

The storage certificate is issued by the silo under the control of the selling Clearing Member, upon request of the order-giver holding the goods in the books of the silo. The storage certificate must be issued via the "Required System" listed in a Notice. In the case this system would not be available, the "Back-up System" listed in a Notice shall be used and storage certificates shall be issued and sent via emails, accompanied by the attestation to deliver a conventional product, simultaneously to LCH SA, to the selling Clearing Member and to its order-giver. The storage certificate is personal and cannot be transferred, endorsed or assigned.

In case such requirement for issuing the storage certificate to LCH SA via the "Required System" listed in a Notice is not met as of the expiry date mentioned in the Fee Grid, LCH SA will apply the penalties mentioned in the Fee Grid. These penalties will not apply where the "Back-up System" is used due to malfunction or unavailability of the "Required System".

- Terms to submit to LCH SA

For the sake of clarity, the number of Open Positions is calculated by the Clearing Member at the order-givers level.

In addition of the process mentioned below, in case the deadlines for sending the storage certificates to LCH SA are not met, LCH SA will apply the penalties mentioned in the Fee Grid.

**For selling Open Positions equal or greater than 100 lots (or 5,000 tons):**

On the 5<sup>th</sup> Trading Day before the Expiry day (D-5) by 5.00 p.m. CET at the latest, any selling Clearing Member having a selling Open Position which is equal or greater than 100 lots or 5,000 tons must submit to LCH SA (i) at least one storage certificate for a quantity at least equal to this selling Open Position and (ii) the corresponding attestation to deliver a conventional product pursuant to the terms of article 5.2. above.

Moreover, if, between D-5 and the Trading Day before the Expiry day (D-1), a selling Open Position equal or greater than 100 lots increases, or if a selling Open Position lower than 100 lots becomes greater than 100 lots, the selling Clearing Member must submit to LCH SA (i) one



storage certificate, at the latest at 5:00 p.m. on the Trading Day of the increase, so that the whole selling Open Position is covered and (ii) the corresponding attestation to deliver a conventional product.

When a selling Clearing Member fails to provide the relevant storage certificate(s) along with the relevant attestation to deliver a conventional product within the specified deadline as mentioned above, such selling Clearing Member is deemed to be in default.

In such a case, any selling Open Position equal or greater than 100 lots not covered by the relevant storage certificate(s) and the relevant attestation to deliver a conventional product, shall be managed according to the following steps:

*When the failure to provide the relevant storage certificate occurs until the second Trading Day before the Expiry (D-2):*

- Firstly, the Clearing Member must offset or reduce such selling Open Position(s) to either (i) a number of Open Positions already covered by a storage certificate, or (ii) to less than 100 lots as the case may be, before 06:30 p.m. CET on the Trading Day of the failure to provide the storage certificate.
- Secondly, on the next Trading Day, at 10.30 a.m. CET, if the Clearing Member has failed to offset or reduce such selling Open Position(s) to either in accordance with the paragraph above, LCH SA is entitled to liquidate either (i) the part of the selling Open Position(s) not covered by the relevant storage certificate or (ii) the part which is above 99 lots, as the case may be.

*When the failure to provide the relevant storage certificate occurs on the Trading Day before the Expiry (D-1):*

- Firstly, the Clearing Member which has failed to perform its obligation to deliver a storage certificate and a corresponding attestation to deliver a conventional product for such selling Open Position(s) within the specified deadline mentioned above, must either (i) offset or reduce such selling Open Position(s) to a quantity covered by a storage certificate, or (ii) if a selling Open Position lower than 100 lots has become greater than 100 lots on D-1, liquidate its selling Open Position(s), before 06:30 p.m. CET on the Trading Day of the failure to provide the storage certificate.
- Secondly, on the next Trading Day, at 10.30 a.m. CET, if the Clearing Member has failed to offset or reduce or liquidate such selling Open Position(s), LCH SA will be entitled to liquidate such selling Open Position.

**For selling Open Positions smaller than 100 lots (or 5,000 tons):**

The Clearing Members which selling Open Position is lower than 100 lots (or 5,000 tons) must provide LCH SA with a storage certificate and the corresponding attestation to deliver a conventional product pursuant to the terms of article 5.2 above, for a quantity at least equal to their Open Position, on the Trading Day before the Expiry day (D-1) at 05.00 p.m. CET at the latest.

When a selling Clearing Member fails to provide the relevant storage certificate(s) and the corresponding attestation to deliver a conventional product within the specified deadline as mentioned above for its selling Open Positions lower than 100 lots, the selling Clearing Member is deemed to be in default.

In such a case, any selling Open Position(s) lower than 100 lots not covered by the relevant storage certificate(s) and the corresponding attestation to deliver a conventional product shall be liquidated according to the following steps:



- Firstly, the Clearing Member which has failed to perform its obligation to deliver a storage certificate and a corresponding attestation to deliver a conventional product for such selling Open Positions lower than 100 lots within the specified deadline as mentioned above must liquidate its selling Open Position(s) by the end of the Trading Day before the expiry (D-1) at 06.30 p.m. CET.
- Secondly, on the Expiry day (D) at 10.30 a.m. CET, if the Clearing Member has failed to liquidate such selling Open Positions, LCH SA is entitled to liquidate such selling Open Position.
- Management of the certificates by the silos

For each storage certificate issued, the silo undertakes to segregate the corresponding goods in an account, identified in its internal management system, which belongs to the order-giver of the selling Clearing Member, in order to follow up individually the tonnages relating to the delivery of the corn futures contract in euros.

When a selling Clearing Member modifies its commitments to deliver the corn futures contract in euros (partial or total removal, partial or total substitution of goods), and if this affects the information contained in the storage certificate(s) issued for its order-giver, the procedure to update the information provided to LCH SA shall be as follows:

- First, the silo undertakes to promptly cancel the corresponding storage certificates via the "Required System" listed in a Notice. In the case this system would not be available, the "Back-up System" listed in a Notice shall be used and storage certificates shall be cancelled via email to LCH SA and to the selling Clearing Members, stating the identity of the selling Clearing Member's order-giver and the number(s) of the corresponding certificate(s).
- Secondly, the silo may, on the same day, at the request of the selling Clearing Member's order-giver, issue one or more new certificates relating to the goods actually stored for the selling order-giver.

This cancellation procedure for storage certificates is applicable until the Trading Day before the day of transfer of goods.

The storage certificates that have not been cancelled by the issuing silo become null and void on the day that the goods are transferred or as soon as a notice of performance is submitted to LCH SA when such submission occurs before the day of the transfer of goods.

## **5.4 – Minimum quantity eligible for delivery**

The minimum quantity eligible to delivery is set up at 10 lots (or 500 tons) of corn.

Consequently, any Clearing Member having a selling Open Position lower than 10 lots (500 tons) on the Trading day before the expiry (D-1) at 03.00 p.m. CET is deemed to be in default.

In such a case, any selling Open Position lower than 10 lots shall be liquidated according to the following steps:

- Firstly, the Clearing Member holding a selling Open Position lower than 10 lots must liquidate such selling Open Position by the end of the Trading Day before the expiry (D-1) at 06.30 p.m. CET.
- Secondly, on the Expiry day (D) at 10:30 a.m. CET, if the Clearing Member has failed to liquidate such selling Open Position, LCH SA is entitled to liquidate such selling Open Position.

For the sake of clarity, the number of Open Positions is calculated by the Clearing Member at the order-givers level.





## 5.5 – Expiry

Pursuant to the Instruction III.4.4, after the Expiry (D), any Open Position will result in delivery of corn or payment of amount due.

On the Expiry day (D) at 06:30 p.m. CET, only selling Open Positions equal or greater than 10 lots covered by relevant storage certificate(s) and relevant attestation to deliver a conventional product are eligible to delivery.

## 5.6 - Notification notice

Pursuant to the Instruction III.4.4, the selling Clearing Member, for its own account or for the account of its order-givers, sends LCH SA a notification notice on the Trading Day following the Expiry (D+1) by 12:00 p.m. CET.

The notification notice, which must conform to the standard form established by LCH SA, specifies:

- \* the selling Clearing Member's name and seal
- \* the Clearing origin (house or client)
- \* the Expiry;
- \* the corresponding quantity delivered ;
- \* the number of the corresponding storage certificate(s).

The selling Clearing Member prepares a notification notice per Clearing origin (house or client), and per silo.

The notification notice delivered by the selling Clearing Member to LCH SA must relate to a minimum quantity of 10 lots (or 500 metric tons net) per order-giver otherwise the selling Clearing Member is in default.

The selling Clearing Member, for its own account or for the account of its order-givers, designates the storage certificates corresponding to each notification notice.

The aggregate tonnage for which the designated storage certificates have been issued must be equal to or greater than the one of the corresponding notification notice. One certificate can correspond to one notification notice only.

## 5.7 - Reconciliation

On first Trading Day following the Expiry (D+1):

Pursuant to the Instruction III.4.4, on the first Trading Day following the Expiry (D+1), LCH SA assigns the delivery place to buying Clearing Members on a "pro rata basis using the largest remainder rule" (see Appendix 1), including for the contracts of selling Clearing Member that do not fulfil the obligation related to the delivery of the notification notice as defined in article 5.6 of this Notice. In that case, LCH SA chooses itself the delivery place.

Then, the reconciliation of buying Clearing Members with selling Clearing Members takes place per silo, in decreasing order according to the number of their respective contracts to be delivered.

The list drawn up is transmitted by email to the Clearing Members involved in delivery, on the first Trading Day following the expiry (D+1) before 3:00 p.m. CET.

On second Trading Day following the Expiry (D+2):

On the basis of the matches communicated by LCH SA, buying Clearing Members and selling Clearing Members assign the Positions of their order-givers to their respective counterparty, in accordance with the decreasing number of lots held in each Position.



Any Position partially allocated to a counterparty must be assigned to the next consecutive counterparties until its exhaustion before moving on the same side (buying or selling) next Position.

For selling Clearing Members, the assignment of order-givers depends on the delivery place which is not the case for the buying Clearing Members.

**Example:**

Clearing Member X has a selling position of 50 lots for the account of three order-givers A, B and C whose respective positions are 30, 15 and 5 lots.

The following reconciliations are communicated to Clearing Member X:

Buying Clearing Member	Quantity	Selling Clearing Member	Delivery place
X	10	W	SILO 1
X	18	Y	SILO 2
X	22	Z	SILO 1

The assignment of buying order-givers takes place in decreasing order according to the number of lots held. Consequently, A is matched with Z for 22 lots and with Y for 8 lots. B, the order-giver with the second largest number of lots, is matched with Y for 10 lots and then with W for 5 lots. Lastly, C is matched with W for the 5 remaining lots.

Once the matches are communicated, and pursuant to of the Instruction III.4.4, buying Clearing Members can exchange their contracts for delivery among themselves until 3:00 p.m. CET on D+2. Buying Clearing Members can only act on instruction from their order-givers and must immediately confirm to them the interchange transaction made.

Both relevant Clearing Members must immediately inform LCH SA of the interchange, by email, and specifying for each interchange the corresponding match number(s) and the number of involved contracts.

Before 5:30 p.m. CET on the second Trading Day following the Expiry (D+2), LCH SA publishes the final list of matches which takes into account the transfers recorded, and emails to relevant Clearing Members the modifications which concern them.

## 5.8 - Delivery notice

Pursuant to the Instruction III.4.4, on the third Trading Day following the Expiry (D+3), before 12:00 p.m. CET, the selling Clearing Member sends a duly completed and signed delivery notice to the buyer assigned to him.

This delivery notice specifies:

- \* the Expiry ;
- \* the matching number assigned by LCH SA ;
- \* the names and seals of the selling Clearing Member and buying Clearing Member ;
- \* the identity of the order-givers of the buying Clearing Member and selling Clearing Member.
- \* the corresponding quantity delivered ;
- \* the delivery silo,
- \* the reference number of the related storage certificate.

It must conform to the standard document established by LCH SA.

The selling Clearing Member prepares a delivery notice per type of Clearing origin (house or client), per Expiry, per silo, per storage certificate.



The data mentioned by the selling Clearing Member on the delivery notice must conform to the data previously mentioned on the notification notice. Moreover, the selling Clearing Member must mention in the delivery notice the identity of the order-givers and the respective quantities delivered by each of them.

Any buying Clearing Member must accept the delivery notice sent by the counterparty that has been assigned.

The buying Clearing Member must indicate on the delivery notice the identity of its order-givers with their respective quantities vis-à-vis each of the order-givers of the selling Clearing Member.

The order of allocation of the buying Clearing Member's order-givers to the selling Clearing Member's order-givers is irreversible.

Before 3:00 p.m. CET on the third Trading Day following the expiry (D+3), the buying Clearing Member, holding a delivery notice, has the possibility either to send it to LCH SA, or email it and simultaneously send an original copy by express letter to the attention of "LCH SA – Direction des Opérations".

On the third Trading Day following the expiry (D+3), the buying Clearing Member must send a copy of the notice to its selling Clearing Member so as to inform it of the matches between order-givers.

The delivery notice sent to LCH SA by the buying Clearing Member must be accompanied by a completed information form (see standard document in Appendix 3) for each order-giver. This document, which is intended for the silos, is sent to them by LCH SA to allow them to prepare the transfers.

A buying Clearing Member must provide this information form only once per order-giver, unless there is a change in the information it contains.

## 5.9 - Information provided to the silos

On the fourth Trading Day following the Expiry (D+4), LCH SA sends to the authorised silos by email a detailed statement of their transfers. This statement contains all transfers to be made per silo, including the following information for each transfer:

- \* the identity of the order-giver of the selling Clearing Member ;
- \* the identity of the order-giver of the buying Clearing Member ;
- \* the quantity;
- \* the reference number of the corresponding storage certificate(s).

If needed, LCH SA also provides the silos with information forms for the relevant buying order-givers.

## 6 – Theoretical timetable for delivery

Pursuant to the Instruction III.4.4, for the corn future contracts, the selling Clearing Member and buying Clearing Member can opt between the two following delivery procedures:

- **A CCP delivery procedure** (also known as "MATIF guarantee") as referred to in article 3.4.1.11. of the Clearing Rule Book, whereby LCH SA guarantees Clearing Members of the final settlement of the Transactions registered in their name, namely the delivery of goods and payment of amount due.
- **An alternative delivery procedure**, whereby, in the case of amicable agreement on the delivery terms, the selling Clearing Member and the buying Clearing Member can depart from the CCP delivery procedure.

The following tables provide the relevant timetable applicable to each delivery procedure.

The Expiry (or D or, “the last Trading Day” or the “contract’s expiry day”) takes place on the 5<sup>th</sup> of the Expiry month, which is also the delivery month. If the market is closed this day, the Expiry takes place the next Trading Day, whereby:

- Delivery Period means the period commencing on and including the first Trading Day following the Expiry and up to and including the last working day of the delivery month ;
- delivery month means each month specified as such by Euronext Paris S.A;
- Trading Day means any day on which the relevant markets are open for trading.

Delivery takes place during the delivery month according to the theoretical calendar below:

<b>COMMON PROVISIONS TO CCP DELIVERY PROCEDURE AND THE ALTERNATIVE DELIVERY PROCEDURE</b>	
<b>Upon registration in the Position Account:</b>	<ul style="list-style-type: none"> <li>• Clearing Members must net/offset their Open Positions on a daily basis</li> </ul>
<b>From the 12th Trading Day before D (D-12) until the expiry (D):</b>	<ul style="list-style-type: none"> <li>• Period for Clearing Members to provide LCH SA with a detailed statement of the net positions of their order-givers.</li> </ul>
<b>On the 5<sup>th</sup> Trading Day before the expiry (D – 5) at 05.00 p.m. CET:</b>	<ul style="list-style-type: none"> <li>• Deadline to submit the storage certificates and corresponding attestation to deliver a conventional product related to selling Open Positions equal or greater than 100 lots (or 5000 tons)</li> </ul>
<b>On the Trading Day before the Expiry (D-1) at 03.00 p.m. CET:</b>	<ul style="list-style-type: none"> <li>• Deadline to identify any selling Open Positions lower than 10 lots</li> </ul>
<b>On the Trading Day before the expiry (D-1) at 05.00 p.m. CET:</b>	<ul style="list-style-type: none"> <li>• Deadline to submit the storage certificates and corresponding attestation to deliver a conventional product related to selling Open Positions lower than 100 lots (or 5000 tons).</li> </ul>
<b>D (Trading Day):</b>	<ul style="list-style-type: none"> <li>• Close of trading for the delivery month.</li> <li>• LCH SA integrates the Settlement Price received from the Market undertaking into its clearing system.</li> </ul>
<b>D + 1 Trading Day:</b>	
<b>Before 12:00 p.m. CET</b>	<ul style="list-style-type: none"> <li>• The selling Clearing Members submit to LCH SA the notification notices specifying the Clearing origin (house or client) and the place of delivery by the selling Clearing Members.</li> </ul>
<b>Before 3:00 p.m. CET</b>	<ul style="list-style-type: none"> <li>• LCH SA assigns origins and delivery places to buying Clearing Members and matches buying Clearing Members and selling Clearing Members</li> <li>• LCH SA informs buying Clearing Members and selling Clearing Members of temporary matches.</li> </ul>



<b>D+2 Trading Days</b> <b>Before 3:00 p.m.CET</b>	<ul style="list-style-type: none"><li>• Possible private agreements among buying Clearing Members to exchange contracts for delivery.</li><li>• Buying Clearing Members confirm exchanges to LCH SA.</li></ul>
<b>Before 5:30 p.m. CET</b>	<ul style="list-style-type: none"><li>• LCH SA communicates final matches of buying Clearing Members and selling Clearing Members.</li></ul>

<b>IN CASE OF ALTERNATIVE DELIVERY PROCEDURE</b>	
<b>D + 3 Trading Days:</b> <b>Before 12:00 p.m. CET</b>	<ul style="list-style-type: none"><li>• Selling Clearing Members forward to buying Clearing Members:<ul style="list-style-type: none"><li>- completed and signed delivery notices, and</li><li>- completed and signed notices of performance.</li></ul></li></ul>
<b>Before 3:00 p.m. CET</b>	<ul style="list-style-type: none"><li>• Buying Clearing Members to LCH SA :<ul style="list-style-type: none"><li>- completed and signed delivery notices, and</li><li>- completed and signed notices of performance.</li></ul></li></ul>
<b>Upon the reception of the notice of performance duly fulfilled and signed by the selling Clearing Member and the buying Clearing Member</b>	<ul style="list-style-type: none"><li>• LCH SA closes the Open Positions related to the matching number referenced in the notice of performance.</li></ul>

**In case the notice of performance is not received by LCH SA on D+3 before 03:00 p.m. CET, the CCP delivery process will apply. In case of CCP delivery procedure, LCH SA closely follows the delivery of goods all along the delivery process taking place during the Delivery Period.**

<b>IN CASE OF CCP DELIVERY PROCEDURE</b>	
<b>D + 3 Trading Days:</b> <b>Before 12:00 p.m. CET</b>  <b>Before 3:00 p.m. CET</b>  <b>After 3:00 p.m. CET</b>	<ul style="list-style-type: none"> <li>• Selling Clearing Members forward to buying Clearing Members: - completed and signed delivery notices</li> <li>• Buying Clearing Members submit to LCH SA: - completed and signed delivery notices</li> <li>• Buying Clearing Members have the option to request a GMO analysis.</li> </ul>
<b>D + 4 Trading Days:</b>	<ul style="list-style-type: none"> <li>• LCH SA sends the final matches to the silos</li> <li>• LCH SA appoints an authoriser company and a laboratory.</li> </ul>
<b>D+5 Trading Days:</b>	The last day for the authoriser company to send a sample to LCH SA.
<b>D + 6 Trading Days:</b>	<ul style="list-style-type: none"> <li>• Last day for LCH SA to forward samples to laboratories.</li> </ul>
<b>From the 16th of the delivery month or, in case this is not a Trading Day, from the following Trading Day, or beginning from the reception of the optional analysis results:</b> <b>Before 10:00 a.m. CET</b>  <b>After 5:00 p.m. CET</b>	<ul style="list-style-type: none"> <li>• The selling Clearing Members give the order to the silos to transfer the goods.</li> <li>• The silo performs the transfers of goods between accounts.</li> <li>• The silos confirm the transfers to the buying Clearing Members, the selling Clearing Members, and LCH SA by issuing the transfer vouchers</li> </ul>
<b>4 Trading Days after the date on which the transfer takes place, depending on the dissemination of the results of the optional analysis:</b>	<ul style="list-style-type: none"> <li>• Last date for the selling Clearing Member to send the invoices and the transfer vouchers to the buying Clearing Member.</li> <li>• Last day for laboratories to submit results of analyses to LCH SA.</li> </ul>
<b>D Last business day of the delivery month</b>	<ul style="list-style-type: none"> <li>• Last day for the buying Clearing Member to release the selling Clearing Member's storage capacity.</li> </ul>
<b>1st Trading Day of the month following the delivery month:</b> <b>Before 12:00 p.m. CET</b>  <b>Before 5:00 p.m. CET</b>	<ul style="list-style-type: none"> <li>• Last day for the buying Clearing Member to deliver to the selling Clearing Member the notice of performance</li> <li>• Last day for the selling Clearing Member to deliver the notice of performance to LCH SA.</li> </ul>

## 7 – Margins

### 7.1 – Chronological schedule for Margins calls

In what follows, D is the last Trading Day of the expiry of the contract.

<b>COMMON PROVISIONS APPLIED TO BOTH ALTERNATIVE DELIVERY PROCEDURE AND CCP DELIVERY PROCEDURE</b>	
<b>From the 12<sup>th</sup> Trading Day before D until the Trading Day preceding the expiry (D-12 to D-1):</b>	<ul style="list-style-type: none"> <li>Buying Clearing Member and selling Clearing Member submit the "Delivery Month Charge" (or spot month charge) to LCH SA</li> </ul>
<b>D (Trading Day) or contract's Expiry day:</b>	<ul style="list-style-type: none"> <li>LCH SA nets buying Clearing Members' and selling Clearing Members' Open Positions at the Settlement Price</li> <li>Margin calculation and call for Open Positions on the basis of the Settlement Price</li> <li>Buying Clearing Member and selling Clearing Member submit the "Close to Expiry" margin to LCH SA</li> </ul>
<b>D + 1 Trading Day:</b>	<ul style="list-style-type: none"> <li>Buying Clearing Member and selling Clearing Member submit the "Close to Expiry" margin to LCH SA</li> <li>Payment of Variation Margin on the basis of the Settlement Price</li> </ul>
<b>D + 2 Trading Day:</b>	<ul style="list-style-type: none"> <li>Buying Clearing Member and selling Clearing Member submit the "Close to Expiry" margin to LCH SA</li> </ul>
<b>D + 3 Trading Day: Before 3.00 p.m. CET</b>	<ul style="list-style-type: none"> <li>Buying Clearing Member and selling Clearing Member submit the "Close to Expiry" margin for each Open Position to LCH SA</li> </ul>

<b>IN CASE OF ALTERNATIVE DELIVERY PROCEDURE</b>	
<b>D + 3 Trading day: Before 3.00 p.m.</b>	<ul style="list-style-type: none"> <li>Receipt of the notice of performance duly fulfilled and signed by both buying Clearing Member and selling Clearing Member, which acknowledges the fulfilment of their reciprocal obligations, and therefore the end of LCH SA CCP guarantee of final settlement.</li> </ul>
<b>D + 4 Trading Days:</b>	<ul style="list-style-type: none"> <li>"Close to Expiry" Margin is returned by LCH SA</li> </ul>

**In case the notice of performance is not received by LCH SA on D+3 before 03:00 p.m. CET, the CCP delivery process will apply.**

<b>IN CASE OF CCP DELIVERY PROCEDURE</b>	
<b>D + 3 Trading Days:</b> <b>Before 3:00 p.m. CET</b>	<ul style="list-style-type: none"><li>Buying Clearing Members and selling Clearing Members <b>do not</b> submit the notice of performance to LCH SA.</li></ul>
<b>After 3:00 p.m. CET</b>	<ul style="list-style-type: none"><li>LCH SA calls for payment of the delivery management fee.</li><li>Buying Clearing Members and selling Clearing Members pay delivery Margins deposit to LCH SA</li></ul>
<b>D + 4 Trading Days:</b>	<ul style="list-style-type: none"><li>"Close to expiry" Margin is returned by LCH SA</li></ul>
<b>D + n Trading Days (and no later than the last business day of the month after the expiry month).</b>	<ul style="list-style-type: none"><li>Receipt of the notice of performance duly fulfilled and signed by both buying Clearing Member and selling Clearing Member, which acknowledges the fulfilment of their reciprocal obligations, and therefore the end of LCH SA CCP guarantee of final settlement.</li></ul>
<b>D + n+1 Trading Day</b>	<ul style="list-style-type: none"><li>Delivery Margin is returned by LCH SA</li></ul>

## 7.2 – Delivery month charge (also known as spot month charge)

Starting on the twelfth Trading Day preceding the expiry day (D-12) and until the Trading Day preceding the expiry (D-1), LCH SA calls for a delivery month charge.

## 7.3 - Close to expiry Margin

Starting on the Expiry Day (D) and until the Third Trading Day following the expiry included (D+3), LCH SA calls for "close-to-expiry" Margin, according to the conditions set out in the Instruction III.4.4 applicable to the delivery of future commodity contracts.

## 7.4 - Delivery Margin and supplementary delivery Margin

Delivery margin and any supplementary delivery margin are called according to the conditions set out in the Instruction III.4.4, dedicated to the delivery of all future commodities contracts.

As far as the corn future contract is concerned, once the transfer of goods is done by the silo, LCH SA still can retain the selling Clearing Member's delivery Margin if the silo requests so to LCH SA by email, in case the selling Clearing Member has not paid to the silo all the expenses linked to the delivery.

## 7.5 – Delivery management fee

In the absence of a notice of performance duly fulfilled and signed before 3.00 p.m. CET, on the third Trading Day following the expiry (D+3), LCH SA debits buying Clearing Member and selling Clearing Member on D+3 after 3.00 p.m. CET for a delivery management fee for each contract that gives rise to a matching.



## 8 – Delivery

The provisions of this chapter only apply to the Clearing Members opting for the CCP delivery procedure only.

Pursuant to the Instruction III.4.4, the CCP delivery procedure applies to buying Clearing Members and selling Clearing Members, irrespective of the delivery location and the local business practices.

Buying Clearing Members and selling Clearing Members are fully responsible for the delivery operations that relate to the contracts recorded in their accounts. They are responsible for the periods of notice, payment and for their obligations on the future market, whatever the transactions of their order-givers on the cash market upstream and downstream.

The delivery of corn takes place in one of the silos listed by LCH SA in a Notice.

### 8.1 – Principles applied to the transfer of corn

The transfer of goods takes place from the 16th of the delivery month at 5:00 p.m. CET or, if this not a Trading Day, from the following Trading Day. If the buying Clearing Member requests an optional analysis to determine the content in genetically modified organisms (GMOs), delivery can occur only after publication of the results by LCH SA, and no later than the last Trading Day of the month.

This transfer is done within the storage capacity of the selling Clearing Member's order-giver, which is put at the disposal of the buying Clearing Member's order-giver until no later than the last day of the delivery month. Transfer expenses are borne by the selling Clearing Member.

On the day of transfer, the selling Clearing Member, after having divided up the goods according to their Clearing origins (house or client), sends the transfer order to the silo, by email, before 10:00 a.m. CET. If not it is deemed to be in default.

After receiving the order, the silo transfers the goods from account to account in its internal management system.

For each executed transfer, the silo issues a transfer voucher describing the transaction and specifying the following items:

- \* the identity of the silo ;
- \* the identity of the order giver of the selling Clearing Member;
- \* the identity of the order-giver of the buying Clearing Member ;
- \* the number of the storage certificate involved ;
- \* the Expiry ;
- \* the quantity of goods transferred.

The silo must indicate the quality of the goods to be transferred as follows:

- European Union origin;

When the quality of the transferred goods corresponds, for each criterion, to the benchmark quality defined in chapter 2 of this Notice, the silo indicates "Matif benchmark quality" on the transfer voucher, with no other comment.

When the goods do not correspond to one or more of the benchmark quality criteria but do correspond to the deliverable quality as defined in chapter 3 of this Notice, the silo indicates "deliverable quality" on the transfer voucher and specifies values for the criterion or criteria not meeting the contract's benchmark quality as defined in chapter 3 of this Notice..

When, based on one or more criteria, the goods stored by the selling Clearing Member that are due to be transferred, do not correspond to the deliverable quality defined in chapter 3 of this Notice, the selling



Clearing Member is deemed to be in default. In such a case, the silo undertakes to not proceed with the transfer and to promptly inform LCH SA by email.

If the results of the optional analysis reveal an adventitious contamination exceeding the quality criteria defined in chapter 2 of this Notice, LCH SA so informs the silo by email, and the silo makes no transfer.

On the day of transfer, before 5:00 p.m. CET, the silo issues four copies of the transfer voucher as follows:

- one original copy for the selling Clearing Member, and
- three copies: one copy for the buying Clearing member, one for LCH SA, and a third to be kept by the silo.

The silo mails the transfer vouchers (original or copy) to each of the parties on the day of transfer.

## **8.2 - Responsibilities of the selling Clearing Member**

The selling Clearing Member is responsible for ensuring that the goods are in the authorised silo on the transfer day and that their quantity and quality as well as the origin of the goods are as indicated in the attestation to deliver a conventional product, the storage certificate, and the notification notice.

The selling Clearing Member is deemed to be in default if:

- the goods stored in the authorised silo are not deliverable,
- the deliverable quantity and the delivery origin do not correspond to those appearing on the storage certificate and the notification notice, or
- the quality and the origin of the goods do not correspond to those appearing on the attestation to deliver a conventional product.

Beginning from the 16th of the delivery month or, if that day is not a Trading Day, from the following Trading Day, in order to execute the transfer, the selling Clearing Member must send the silo a transfer order by email before 10:00 a.m. CET. This document must conform to the standard provided by the delivery silo.

The following costs are charged to the selling Clearing Member:

- costs for storing the goods until their removal by the buying Clearing Member's order-giver, i.e. at the latest on the last business day of the delivery month;
- costs of issuing storage certificate(s);
- costs to transfer the goods.

When requested by the silo to LCH SA, the selling Clearing Member must pay these costs to the silo before the end of the delivery month, otherwise the Delivery Margins are not refunded upon receipt of the notice of performance.

## **8.3 - Responsibilities of the buying Clearing Member**

The buying Clearing Member must free the selling Clearing Member's storage capacity before the last working day of the delivery month. Whatever the agreed conditions, the cost of removal of the goods is charged to the buying Clearing Member in accordance with the specified standard financial terms defined by the authorised silos. If the buying Clearing Member does not fulfil these obligations, it will be deemed to be in default.

All order-givers of the buying Clearing Member in delivery in connection with the corn future contracts, pursuant to the corn futures contract in euros are deemed to have accepted the general terms of the silo in which they take delivery of the goods.

The authorising companies invoice their costs to LCH SA on the basis of annually negotiated fees.

## **8.4 - Responsibilities of the silos**



For each executed transfer, the silo is responsible for providing the buying Clearing Member with goods that conform in quantity and quality to the information given on the transfer voucher. If not, the silo is deemed to be in default vis-à-vis the buying Clearing Member.

## **8.5 – Optional analysis to detect Genetically Modified Organisms (GMOs) – role of third parties accredited by LCH SA during the delivery**

- *Appointment and mandate of authorisers*

The list of authoriser companies empowered to operate at each port of delivery and the conditions these companies must fulfil are set up in a dedicated Notice.

Those companies enter into an agreement with LCH SA by which they execute, at its request and under its authority, the accreditation of the delivery silos.

On the fourth Trading Day following the expiry (D+4), on the request of the buying Clearing Member, LCH SA appoints, by drawing from the list, one single authoriser for each delivery silo.

If an appointed authoriser is not available or cannot be contacted, LCH SA can proceed to a new drawing for the delivery silo concerned.

**Example:**

- a seller delivers 20 lots to two buyers at Bordeaux: a single authoriser is designated.
- a seller delivers 10 lots to a buyer at Bordeaux et 50 lots at Bayonne: 2 authorisers are designated.

On the same day, LCH SA mandates the authoriser for the silos in which they will operate, for the entire delivery for the expiry.

The general mandate sent to these companies specifies the sampling procedures they will have to carry out and includes the following details for each:

- selling Clearing Member's name;
- buying Clearing Member's name;
- delivery silo;
- notification number assigned by LCH SA;
- total quantity delivered.

On the same day, a copy of the mandate given by LCH SA is sent to the buying Clearing Member, the selling Clearing Member, and the silo.

LCH SA reserves the right to attend the operations.

- *Drawing of samples*

The authoriser constitutes, for each transfer cell, for each buying Clearing Member/selling Clearing Member pair, a primary sample from the cell's global sample using the method described in the ISO 950 standard.

When a buyer receives lots originating from several sellers in the same load, a global sample that is representative of the goods delivered is drawn for each seller.

- *Processing of samples*

The samples are packed in a completely filled 3.5kg package that is sealed, rigid, and airtight as approved by LCH SA, each package bearing the same drawing number.

This identification number is assigned by the authorising company and listed on the authorising report concerning the corresponding notification numbers.



If several global samples are drawn (transfer for several buyers or in different cells), they must be differentiated by specific chronological numbering, and the authoriser must indicate the loaded tonnage corresponding to each of the series of two samples.

The first final 3.5kgs sample is sent no later than the next Trading Day by the authoriser company to LCH SA, accompanied by a copy of the authorising report. The report must arrive within two (2) business days after the request made by LCH SA.

The second sample, kept by the authoriser who cannot make use of it, shall be:

- sent to LCH SA at its request, or
- destroyed at the request of LCH SA after receipt of the notice of performance.

- *Processing of samples by LCH SA*

Once it has received a sample, LCH SA:

- Ensures that no trace of origin or distinctive sign is present on the packaging;
- Assigns a serial number to each sample;
- Sends the sample to the laboratory designated by LCH SA.

- *Invoicing*

The authorisers bill their services to LCH SA on the basis of the annual rates negotiated with it.

- *Appointment of analysis laboratories*

The list of approved analysis laboratories and the conditions they must fulfil are set up in a Notice.

Those laboratories enter into an agreement with LCH SA by which they execute, at its request and under its authority, the analysis of the quality of corn samples supplied by LCH SA.

For each maturity, on the fourth Trading Day following the Expiry (D+4), after receiving notifications, LCH SA selects three laboratories by random sampling from the list of authorised companies in the event of a request by a buying Clearing Member for a GMO detection analysis.

LCH SA sends the samples in the chronological order in which they were received, in rotation, to the companies selected.

The names and election of the laboratories remain confidential and cannot be communicated to a third party by LCH SA or by the laboratories concerned

- *Responsibilities of the analysis laboratories*

Analysis of the quality of the grains

Whatever the analysis laboratory appointed and the work to be done, measurement of the quality is conducted according to a blind testing with no identifiable origin.

At the request of the buying Clearing Member, expressed to LCH SA with the delivery notice, the approved laboratories might need to perform additional optional analyses on certain samples pursuant to the methods described in the specified standards:

Content in genetically modified organisms: Standards XP V03-020 1 and XP V03-020 2

Additional analyses are billed to LCH SA on the basis of annual negotiated fees. LCH SA then fully invoices these fees to the buying Clearing Member.

- *Results of analyses*

The results of analyses must reach LCH SA within 5 working days after the empowered laboratory has received the samples, or, if it is not a Trading Day, on the next Trading Day thereafter.



The laboratories are bound by professional confidentiality obligations in connection with their activities for the account of LCH SA.

No information relating to the assignment with which they are entrusted, to the analysis requested or to the results obtained may be communicated to a third party except after the approval or following a request by LCH SA.

- *Invoicing*

Additional analyses are billed to LCH SA on the basis of annual fees.

## **8.6. Terms applicable to the transfer of ownership and transfer of risks during delivery**

The transfer of risks and the transfer of ownership are governed according to the terms and conditions defined in the Incograin contract formula n°23 and according to the EXW Incoterm.

## **9. Cash payment**

The provisions of this chapter only apply to the Clearing Members opting for the CCP delivery procedure only.

Pursuant to Instruction III.4.4, the amount corresponding to the value of the goods is paid between the buying Clearing Member and the selling Clearing Member according to the one-step invoicing process.

The amount due by the buying Clearing Member to the selling Clearing Member is calculated on the basis of the Settlement Price, and, if the need arises, adjusted when applicable for rebates as defined in the technical addendum n°V issued by the "Syndicat de Paris du commerce et des industries de grains, produits du sol et dérivés".

### **9.1 - Payment for goods**

When it receives the original of the transfer voucher, the selling Clearing Member draws up an invoice in an amount corresponding to the delivered quantity valued at the Settlement Price established by LCH SA, adjusted where applicable for rebates as defined in Technical Addendum no. V.

The selling Clearing Member must send its invoice to the buying Clearing Member before the fourth Trading Day following the day of transfer.

To be accepted by the buying Clearing Member, the invoice must be accompanied by the original transfer voucher.

Payment is made in return for documents pursuant to the terms of Incograin Form no. 23.

Payment is made on a net cash basis, without discount and upon the first presentation of an invoice accompanied by the only original transfer voucher.

Payment may be made between the buying Clearing Member and selling Clearing Member or, failing that, between the order-givers directly.

### **9.2 - Delivery of the notice of performance**

Upon payment of the invoice and release by the buying Clearing Member of the selling Clearing Member's storage capacity, the selling Clearing Member sends the buying Clearing Member the notice



of performance duly completed and signed. The notice of performance must reach the buying Clearing Member before 12:00 p.m. CET on the first Trading Day of the month following the delivery month, at the latest.

When the buying Clearing Member receives the notice of performance, it countersigns it and sends it to LCH SA, on the first Trading Day of the month following the delivery month, at 5:00 pm CET at the latest.

The receipt of the notice of performance bearing the signature and seal of the buying Clearing Member and selling Clearing Member guarantees the proper performance of the contract and terminates the LCH SA's role as central counterparty.

The notice of performance must relate to only one matching number assigned by LCH SA;

## 10. Failure to deliver

The provisions of the Instruction III.4.4, related to the procedure in case of delivery failure of Clearing Member, are fully applicable to the delivery of corn future contract.

Complementary to Instruction III.4.4, the present Chapter aims to define the specific provisions applicable in case of failure to deliver on a corn future contract.

### **10.1 – Failure of the selling Clearing Member during the delivery period (i.e. after the contract's Expiry D)**

The conditions according to which a selling Clearing Member is deemed to have failed to perform its obligations and is therefore deemed to be in default are described hereafter.

- If, after the close of the expiry, the Position of a selling order-giver is not covered or is only partially covered by storage certificates, its selling Clearing Member is in default for the quantity not covered by a storage certificate.
- If, on the day of transfer, the selling order-giver does not send the silo the order to transfer the goods in the standard forms specified in this Notice, the selling Clearing Member is in default.
- If the results of optional Genetically Modified Organisms (GMO) analysis reveal the presence of GMOs (in accordance with EU regulations), the selling Clearing Member is in default.
- The notification notice delivered by the selling Clearing Member to LCH SA must relate to a minimum quantity of 500 tons net per origin of goods and per delivered silo, otherwise the selling Clearing Member is deemed in default.
- On the day of transfer, the selling Clearing Member, after having split the goods according to their clearing origins (house or client), sends the transfer order to the silo, by email, before 10:00 a.m. CET. If not, the selling Clearing Member is deemed in default.
- When, based on one or more criteria, the goods stored by the selling Clearing Member, which are supposed to be transferred, do not correspond with the deliverable quality as defined in chapter 4 of this Notice, the selling Clearing Member is in default. In such a case, the silo agrees not to proceed with the transfer and to immediately inform LCH SA by email.
- The selling Clearing Member is deemed to be in default if:
  - the goods stored in the authorised silo are not deliverable,
  - the deliverable quantity and the delivery origin do not correspond to those appearing on the storage certificate and the notification notice, or
  - the quality and the origin of the goods do not correspond to those appearing on the attestation to deliver a conventional product.



In addition, complementary to article 3.3.2.10. of the Instruction III.4-4, the operations to buy the corn on the physical market must be carried out within seven (7) working days following the authorisation granted by LCH SA to the buying Clearing Member.

## **10.2 – Failure of the buying Clearing Member during the delivery period**

The conditions according to which a buying Clearing Member is deemed to have failed to perform its obligations and is therefore deemed to be in default are described hereafter.

- If, at the end of the last day of the delivery month, the buying order-giver has not released the storage capacity of the seller, the buying Clearing Member is in default. LCH SA then imposes a penalty amounting to 10% of the value of the goods at the Settlement Price. This penalty is paid to LCH SA which, after substantiation by the selling order-giver, can transfer all or part of the penalty via its Clearing Member to compensate the seller for damages incurred.
- If the buying Clearing Member or its order giver has not paid the goods once the documents pursuant to the terms of Incograin Formula n°23 are received, the buying Clearing Member is in default.

In addition, complementary to article 3.3.2.6 of the Instruction III.4-4, the operations to sell the corn on the physical market must be carried out within seven (7) working days following the authorisation granted by LCH SA to the selling Clearing Member.

## **10.3 – Failure of the silo during the delivery period**

Pursuant to the Instruction III.4.4, applicable to the delivery of future commodity contracts, when, for a completed transfer, the silo is unable to provide the buying order-giver with goods conforming in quantity and quality to the information mentioned on the transfer voucher, the silo is deemed to have failed to perform its obligations vis-à-vis the buying order-giver. In this case, the silo is liable, on the one hand, for refunds to the buying order-giver for the difference between the transfer voucher and the goods actually delivered and, on the other hand, for a possible penalty the amount of which depends on the amicable agreement arrived at by the parties or, failing that, the decisions of the competent arbitrator responsible for settling the dispute.

If you have any questions and/or remarks,  
**Please contact:** [Legal.SA@lseg.com](mailto:Legal.SA@lseg.com)



## APPENDICES

### APPENDIX 1

Method to assign delivery points to buying Clearing Members and to match buying Clearing Members and selling Clearing Members

### APPENDIX 2

Model documents

- |   |            |
|---|------------|
| - Attestation to deliver a conventional product | Document A |
| - “European Union Origin” Storage certificate   | Document B |
| - Notification Notice                           | Document C |
| - Delivery Notice                               | Document D |
| - Notice of Performance                         | Document E |

### APPENDIX 3

Information form to be completed by the buying order-givers



## APPENDIX 1

### Method to assign delivery points to buying Clearing Members and method to match buying Clearing Members and selling Clearing Members

#### A - Assignment of delivery locations to buying Clearing Members

##### Principle

The assignment of delivery locations to buying Clearing Members is carried out on “a pro rata basis” with the remaining contracts allocated, after calculation, to the buying Clearing Member with the largest remaining portion of contracts; the distribution of notification notices carried out in accordance with the Clearing Member’s total share of Open Positions to be delivered.

When several delivery points have been notified by selling Clearing Members, assignment is done point by point starting with delivery points that have been assigned the most lots by selling Clearing Members. If the points have the same capacity, the choice is random. Likewise, in cases where remaining capacity is equal, assignment is done on a random basis.

##### Example: assignment of 200 lots

- *distribution to three delivery points:*

- 85 lots to point 1;
- 70 lots to point 2;
- 45 lots to point 3.

- *four buyers (B1, B2, B3 and B4) having 100, 50, 30 and 20 lots to be delivered, respectively.*

Buyers	Point 1: 85 lots			Point 2: 70 lots			Point 3: 45 lots
	Lots for Purchase	Result after calculation	Final result	Lots for Purchase	Result after calculation	Final result	Final result
B1	100	42,5	42	58	35,304	35	23
B2	50	21,25	21	29	17,652	17+1=18	11
B3	30	12,75	12+1=13	17	10,347	10	7
B4	20	8,5	8+1=9	11	6,695	6+1=7	4



## Rules for calculations

### Point 1:

B1 is buying a total of 100 lots, i.e. 50% of the total to be delivered (100/200). Consequently, 50% of the lots delivered at delivery point 1 will be assigned to him:

$$100 / (100+50+30+20) * 85 = 42,5$$

Next, the full amount of the result obtained for each buying Clearing Member is retained (42+21+12+8=83) and the last two lots are assigned with one portion going to B3 (the largest portion going to the buyer taking delivery of the greatest number of contracts) and the other portion assigned randomly to B1 or B4.

### Point 2:

For buyer B1 the number of lots to take into account is  $100 - 42 = 58$ .

### Point 3:

Assignment of the balance remaining.

## **B - Method of reconciliation of buying Clearing Members with selling Clearing Members**

### Principle

Once delivery locations have been assigned for delivery of long Open Positions, buying Clearing Members and selling Clearing Members are matched by delivery point and by a given number of lots.

For a given point, matches are calculated by number of lots in decreasing order from the largest buying Clearing Member to the largest selling Clearing Member (the concept of buying Clearing Member/selling Clearing Member should be understood here to be by Clearing Member / each clearing subdivision class). Finally, buying Clearing Members and selling Clearing Members are matched until their lots are exhausted before moving on to the next buying Clearing Member or selling Clearing Member. In the case where two Clearing Members have the same number of lots to match for the same point, priority is given to the first one located in the database.

### **Example:**

If we consider point 1 of the previous example, designated by three selling Clearing Members (S1, S2 and S3) for the following quantities:

Selling Clearing Members	Distribution of lots to be delivered (85 lots in total)
S1	40
S2	30
S3	15



The assignment of delivery locations to buying Clearing Members results in the following:

Buying Members	Clearing	Distribution of lots to be delivered (85 lots in total)
B1		42
B2		21
B3		13
B4		9

The largest buyer (B1) is matched with the largest seller (S1) for 40 lots and with the second largest seller (S2) for the balance (2 lots). Then, 21 of S2's remaining 28 lots are matched with the second largest buyer's total number of remaining lots (21 lots) and the balance with B3 (7 lots). Finally, S3 is matched with B3 (6 lots) and with B4 (9 lots).

Consequently, provisional matches for point 1 are as follows:

Buying Member	Clearing	Selling Clearing Member	Number of lots
B1		S1	40
B1		S2	2
B2		S2	21
B3		S2	7
B3		S3	6
B4		S3	9



**APPENDIX 2**

A – Attestation to deliver a conventional product

B – “European Union Origin” storage certificate

C – Notification Notice

D – Delivery Notice

E – Notice of Performance



LCH SA

**CORN FUTURES CONTRACT IN EUROS  
"EUROPEAN UNION" ORIGIN**

**ATTESTATION TO DELIVER A CONVENTIONAL PRODUCT**

Reference Number: \_\_\_\_\_  
(assigned by silo)

Issuance date: \_\_\_\_\_

Selling Clearing Member order-giver : \_\_\_\_\_

Selling Clearing Member \_\_\_\_\_

Expiry: \_\_\_\_\_

Number of lots: \_\_\_\_\_

Delivery silo: \_\_\_\_\_

We certify that the corn delivered is deemed to be a conventional product, i.e. a product containing no genetically modified organisms, or containing genetically modified organisms whose presence is adventitious or technically unavoidable, in accordance with European regulations<sup>2</sup>.

This attestation is issued by the selling order-giver under the responsibility of the selling Clearing Member in connection with the delivery procedure for the corn futures contract in euros. It will be required by the silo upon receipt of the goods and upon the request for issuance of the storage certificate, to which it must be appended. If this attestation is missing, the storage certificate will be invalid.

This attestation cannot be traded, assigned, or transferred.

**Name of issuer :**

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<sup>2</sup> Regulation (EC) 1829/2003 of the European Parliament and the Council of 22 September 2003 on genetically modified food and feed (OJEU 18-10-2003).

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THIS TEMPLATE OF STORAGE CERTIFICATE MAY ONLY BE USED IN THE EVENT OF UNAVAILABILITY OF THE "REQUIRED SYSTEM" MENTIONED IN A NOTICE.

**LCH SA**

**CORN FUTURES CONTRACT IN EUROS  
"EUROPEAN UNION" ORIGIN**

**STORAGE CERTIFICATE**

Reference number: \_\_\_\_\_  
(assigned by the silo)  
Issuance date: \_\_\_\_\_

Expiry: \_\_\_\_\_

Delivered by the silo: \_\_\_\_\_

To the company  
(Beneficiary): \_\_\_\_\_

Address/contact details: \_\_\_\_\_

With Clearing Member\*(company name): \_\_\_\_\_

Clearing Member's Address\*: \_\_\_\_\_

The attestation to deliver a product deemed to be conventional: \_\_\_\_\_

We certify that you are holding, on our premises, the goods described below:

**PRODUCT:** Corn of "**European Union**" origin whose quality conforms with contract's specifications of Corn futures contract issued by Euronext Paris SA

**QUANTITY:** \_\_\_\_\_ tons,  
i.e., the equivalent of \_\_\_\_\_ 50 metric ton contracts

This certificate is issued exclusively in connection with the delivery procedure for the corn futures contract in euros and must be accompanied by the attestation issued by the selling order-giver under the responsibility of the selling Clearing Member, to deliver a product deemed to be conventional. It may not be traded, assigned, or transferred.

This certificate can be cancelled by us at any time via the "Required System", or, in the case this system would not be available, via the "Back-up System", as listed in a Notice.

Name, signature and seal of the issuing Silo:

\* As provided to the silo by the selling Clearing Member's order giver, Beneficiary of the storage certificate



**LCH SA  
CORN FUTURES CONTRACT IN EUROS**

**NOTIFICATION NOTICE**

Selling Clearing Member: \_\_\_\_\_

Type of Clearing origin \_\_\_\_\_  
(house or client)

Expiry: \_\_\_\_\_

Number of lots: \_\_\_\_\_

Delivery silo: \_\_\_\_\_

Reference Number of the storage certificate: \_\_\_\_\_

Please note that, pursuant to our abovementioned future contract(s), we deliver \_\_\_\_\_ will deliver to you \_\_\_\_\_ metric tons of corn, at the price of EUR \_\_\_\_\_ per metric ton net.

This notice includes our commitment to strictly conform to all provisions of LCH SA Clearing Rules.

Signed in : \_\_\_\_\_ (location)

on: \_\_\_\_\_ (date)

Signature and seal of the selling Clearing Member

**To be submitted to LCH SA before 12 p.m. CET on the first Trading Day following the Expiry.**



**LCH SA  
CORN FUTURES CONTRACT IN EUROS**

**DELIVERY NOTICE**

Matching number: \_\_\_\_\_  
(assigned by LCH SA)

From the selling Clearing Member: \_\_\_\_\_

Selling Clearing Member order-giver: \_\_\_\_\_

From the buying Clearing Member: \_\_\_\_\_

Buying Clearing Member order-giver: \_\_\_\_\_

Expiry: \_\_\_\_\_

Number of lots: \_\_\_\_\_

Delivered silo: \_\_\_\_\_

Reference number of the storage certificate: \_\_\_\_\_

Please note that, following LCH SA's enforcement of our notification notice, we will deliver to you \_\_\_\_\_ metric tons of corn, at the price of EUR \_\_\_\_\_ per metric ton net.

We hereby commit to conform with all provisions of LCH SA Clearing Rules.

Selling order-givers	Quantity	Buying order-givers	Quantity
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature and seal of the  
selling Clearing Member

Signature and seal of the buying  
Clearing Member

**Original to be returned to LCH SA by the buying Clearing Member on the third Trading Day following the Expiry, before 3:00 p.m. CET bearing its acceptance.**





**LCH SA  
CORN FUTURES CONTRACT IN EUROS**

**NOTICE OF PERFORMANCE**

Matching number: \_\_\_\_\_  
(assigned by LCH SA)

From the selling Clearing Member: \_\_\_\_\_

Selling Clearing Member order-giver: \_\_\_\_\_

From the buying Clearing Member: \_\_\_\_\_

Buying Clearing Member order-giver: \_\_\_\_\_

Expiry: \_\_\_\_\_

Delivery silo: \_\_\_\_\_

Number of lots: \_\_\_\_\_

The delivery notice of the Expiry month of \_\_\_\_\_, referenced above, involving \_\_\_\_\_  
metric tons of corn at the price of EUR \_\_\_\_\_ per metric ton net.

The contract was:

- was duly performed, or
- was partially performed for \_\_\_\_\_ tons,
  
- in accordance with LCH SA's delivery procedure, or
- in accordance with a commercial contract, also known as Alternative Delivery Procedure

This notice will entail the return of the various Margins for the buying Clearing Members and selling Clearing Members making and accepting delivery. It discharged LCH SA from organising this delivery and extinguishes the LCH SA guarantee of final settlement.

Identity of the order-givers (to be mentioned in case of partially performance):

Selling order-givers	Quantity	Buying order-givers	Quantity
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

Date: \_\_\_\_\_  
Signature and seal of the selling Clearing Member  
Clearing Member

Date: \_\_\_\_\_  
Signature and seal of the selling  
buying Clearing Member

**Original to be returned to LCH SA, with the signatures and seals of the buying Clearing Member and selling Clearing Member:**

- in case of CCP delivery procedure; after the full payment of the goods and at the latest on the first Trading Day following the Delivery Period at 5:00 pm CET.

## APPENDIX 3

### INFORMATION FORM TO BE COMPLETED BY THE BUYING ORDER-GIVERS

Name or Trade Name		Abbreviated name	
Legal structure		Capital	
NAF / APE code	SIREN	Commercial registry of	

<b>COMPANY HEADQUARTERS</b>			
Street			
City			
Postal code			
Country			
Email	Telex	E-mail	

<b>BILLING ADDRESS</b>			
Street			
City			
Postal code			
Country			
Email	Telex	E-mail	

Manager		Direct ph.		E-mail	
Operations contact		Direct ph.		E-mail	
Billing contact		Direct ph.		E-mail	

<b>BANK INFORMATION</b>				<b>Customer type</b>	
Method of payment	Bank / branch				
Wire				Cooperative	
Cheque				Business	
L/C	Bank coordinates			Industrial	
Branch code	Account number	Ck digit		Other (specify)	

