

GRAINSTOREKEEPER PROCEDURES IN RESPECT OF THE ICE FUTURES UK FEED WHEAT FUTURES CONTRACT

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SECTION 1: INTRODUCTION

1. Introduction

1.1 [Not used]

1.2 [Not used]

1.3 These Grainstorekeeper Procedures ("GSKs") form part of the Regulations and prescribe the procedures which must be followed in respect of ICE Futures UK Feed Wheat Futures Contracts and in respect of Wheat. These GSKs shall apply to and be contractually binding upon Grainstorekeepers, Nominated Members, Owners and Specified Third Parties.

1.4 [Not used]

1.5 These GSKs should be read in conjunction with the remainder of the Regulations, including the relevant Contract Rules and Administrative Procedures for the ICE Futures UK Feed Wheat Futures Contracts.

SECTION 2: INTERPRETATION

- 2.1 Terms defined elsewhere in the Regulations, including the Contract Rules, shall have the same meaning in these GSKs, except where otherwise specified or defined in GSK 2.2 below.
- 2.2 In these GSKs:
- “Clean E Warrant” means an E Warrant Tendered by a Seller for which the details on Guardian have been updated to reflect that the Rent has been paid up to and including the fourteenth calendar day after the Tender Day in accordance with these GSKs.
- “Client” of a Nominated Member means, in the context of these GSKs, an Owner or former Owner for whose E Warrants the Nominated Member has at any time accepted nomination in Guardian. For the avoidance of doubt, a Nominated Member may also be an Owner if it has accepted nomination within Guardian of its own E Warrants.
- “Contract Rules” means the Contract Rules of the ICE Futures UK Feed Wheat Futures Contract.
- “E Warrant” means the details recorded on Guardian relating to an undivided share of Wheat weighing 100 tonnes stored by a Grainstorekeeper together with the rights conferred by these GSKs upon the Owner referred to in such details.
- “Grainstorekeeper” means a grainstorekeeper which has been registered by the Exchange in its absolute discretion to store Wheat for delivery under a Contract and which appears on the list of Registered Grainstorekeepers published from time to time by notice posted on the Market.
- “Guardian” means the electronic system relating to the tender, delivery and E Warrant management services, or any successor thereto, which amongst other things, records details of Wheat stored by a Grainstorekeeper for delivery against the ICE Futures UK Feed Wheat Futures Contract.
- “Nominated Member” means a Clearing Member who has been nominated by a Grainstorekeeper or another Nominated Member on behalf of an Owner in respect of the registration on Guardian of an E Warrant.
- “Normal Working Hours” means any eight working hours between the hours of 8.00 and 18.00 (London time) on any Business Day.
- “Owner” means the person recorded as such on Guardian in relation to the Wheat. A person whose name is recorded on Guardian as the “Owner” in relation to the Wheat is the person entitled, as against each Participant, to possession of the Wheat.
- “Participant” means a Nominated Member or a Grainstorekeeper.
- “Specified Third Party” means, in relation to a Nominated Member, an associate, and any person who is or was a Client of the Nominated Member.
- “Store” means any storage accommodation registered by the Exchange for the storage and delivery of Wheat.
- 2.3 In these GSKs, a reference to a "GSK" is a reference to a term in these GSKs, as modified from time to time.

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SECTION 3: GRAINSTOREKEEPER PROCEDURES IN RESPECT OF THE ICE FUTURES UK FEED WHEAT FUTURES CONTRACT

3.1 Registered Stores list

3.1.1 The Exchange shall maintain and publish from time to time by notice posted on the Market a list of registered Stores and the respective Grainstorekeepers and registered capacities.

3.2 Registration of Stores

3.2.1 No store and grainstorekeeper shall be registered or continue to be registered unless the grainstorekeeper thereof:

- (a) satisfies and continues to satisfy the Exchange as to:
 - (i) the suitability of the storage, Wheat handling and weighing facilities at the store;
 - (ii) the ability to segregate all Wheat underlying E Warrants from Wheat not covered by an E Warrant from the time when the E Warrant is created until the underlying Wheat is delivered out against the E Warrant as required by GSK 3.6; and
 - (iii) his financial standing;
- (b) acknowledges in writing that he has notice of these GSKs and agrees to be bound by the same and any such other procedures as may be issued by the Exchange from time to time;
- (c) acknowledges in writing that he shall be a “person subject to the Regulations” under the Regulations in respect of his obligations as Grainstorekeeper;
- (d) satisfies the Exchange that the store is within the mainland of Great Britain;
- (e) satisfies the Exchange that it is a full member of either:
 - (i) the Trade Assurance Scheme for Combinable Crops (“TASCC”) for Storage and that the store being proposed has been TASCC verified; or
 - (ii) the GAFTA Trade Assurance Scheme (“GTAS”);
- (f) satisfies the Exchange that it has signed up to the ICE Grainstorekeeper Contract; and
- (g) satisfies the Exchange that it has the ability to enter on to and maintain within Guardian details of Wheat stored for Tender against the ICE Futures UK Feed Wheat Futures Contract.

3.2.2 Notwithstanding that a grainstorekeeper may satisfy the aforesaid stipulations, the Exchange may, having regard to the requirements and interest of the market for the time being, at its discretion decline to accept an application from a prospective Grainstorekeeper for the registration of his store.

3.3 Registration fee

3.3.1 In respect of each Store, the Grainstorekeeper shall by not later than 1 August or at such other time as may be determined by the Exchange, each year pay to the Exchange a registration fee, of an amount prescribed by the Exchange, in respect of the period from 1 September in that year to 31 August in the following year. Failure to pay such fee by the said 1 August or such other time as may be determined by the Exchange shall result in the automatic suspension of the Store from the list of registered Stores and such suspension shall continue until such date, if any, as the Exchange may in its discretion determine. A Store suspended under this GSK shall, during such suspension, be deemed not to be a Store.

3.4 Inspection of Stores

3.4.1 Stores shall be subject to inspection without prior notice by one or more authorised representatives or designated Exchange officials.

3.5 Change in Store ownership or control

3.5.1 Any change in the ownership or control of a Store shall be notified to the Exchange forthwith upon such change taking place. Where a Store is kept by a company, any transaction resulting in a change of control of the company shall be deemed a change in the control of the Store. The Exchange may at its discretion terminate the registration of a Store upon notice of any change in ownership. Any change of ownership or control of a Store shall require a new application for registration to be made.

3.6 Maintenance of Stores

3.6.1 Every Store shall be maintained in a clean and suitable condition for the storage of Wheat such that the Grainstorekeeper can comply with GSK 3.2. All Wheat to which an E Warrant relates is to be completely segregated from any Wheat not related to any E Warrant from the time when the E Warrant is created, until Wheat is delivered out in full against the E Warrant. The Wheat so segregated shall be marked with a clearly observable notice stating that:

“This Wheat is tenderable or has been tendered against the ICE Futures UK Feed Wheat Futures Contracts under one or more E Warrant(s) and is the property of the Owner as recorded on Guardian.”

3.6.2 Every Store shall also be maintained in accordance with the TASC Code of Practice for the Storage of Combinable Crops and Dry Animal Feed Materials or the GAFTA Trade Assurance Scheme in respect of Wheat segregated under GSK 3.6.1.

3.6.3 The Grainstorekeeper of every Store shall provide with each delivery out of Wheat a written declaration giving such information as may be known to the Grainstorekeeper whether post-harvest chemical treatment has been applied or has not been applied to the Wheat, or to any portion of the Wheat, and details of any product known to have been used.

3.7 Store capacity

3.7.1 A Grainstorekeeper may from time to time apply to the Exchange for an increase or a reduction in the registered capacity of his Store. Having regard to the requirements and interests of the market, the Exchange may at its discretion:

- (a) decline to accept, or defer its acceptance of an application, for an increase in the registered capacity of a Store;
- (b) defer its acceptance of an application for a reduction in the registered capacity of a Store; or
- (c) accept an application for an increase or a reduction in the registered capacity of a Store upon such conditions as the Exchange may think fit.

3.8 Insurance

3.8.1 The Grainstorekeeper shall have in place such insurance as shall be specified by the Exchange in its absolute discretion from time to time.

3.9 Guardian

3.9.1 A Grainstorekeeper shall, where information is to be made available to or by him via Guardian, comply with these and any other procedures, issued by the Exchange, relating to the operation and maintenance of Guardian.

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3.9.2 A Grainstorekeeper shall ensure that a sufficient number of members of his staff are competent in the operation of Guardian or that he has arrangements in place for the operation of Guardian via a third party.

3.10 Recording of Wheat on Guardian and creation of an E Warrant

3.10.1 Where a Grainstorekeeper has in segregated storage an amount of Wheat equal to 100 tonnes and which is intended for Tender against an ICE Futures UK Feed Wheat Futures Contract, the Grainstorekeeper shall enter on to Guardian the following details in respect of that Wheat:

- (a) the E Warrant number;
- (b) the Store in which it is stored;
- (c) the Owner; and
- (d) the date up to which the Rent has been paid.

3.10.2 The recording of the details listed under GSK 3.10.1 on Guardian shall constitute the creation by the Grainstorekeeper of an E Warrant in respect of the Wheat to which those details refer.

3.10.3 Following completion of the details required under GSK 3.10.1 the Grainstorekeeper shall nominate a Clearing Member to act as Nominated Member on Guardian in respect of the E Warrant.

3.10.4 Upon acceptance of nomination on Guardian, the Clearing Member will become the Nominated Member in respect of the E Warrant.

3.10.5 The Nominated Member shall ensure that any changes of Owner in respect of an E Warrant are entered promptly and accurately on to Guardian.

3.10.6 Where requested by the Owner, the Nominated Member shall nominate another Clearing Member on Guardian to act in his place as Nominated Member in respect of the E Warrant, and the Clearing Member shall become the Nominated Member in respect of the E Warrant upon acceptance of such nomination. Where for any reason the Nominated Member is no longer to act as such in relation to the E Warrant, the Nominated Member shall as soon as practicable abdicate responsibility for that E Warrant and assign responsibility back to the Grainstorekeeper using Guardian.

3.10.7 Where responsibility for the E Warrant has been assigned back to the Grainstorekeeper in accordance with GSK 3.10.6 the Grainstorekeeper shall ensure that any changes of Owner in respect of an E Warrant are entered promptly and accurately via Guardian.

3.10.8 An E Warrant in Guardian ceases to be valid pursuant to ICE Futures UK Feed Wheat Futures Contracts after the 31 July following its creation. The Owner and related parties may continue to use the record of the former E Warrant within Guardian as an off market record of ownership however any such use is entirely at the risk of the relevant Owner and its related parties and the Exchange gives no warranty or assurance as to the continuing accuracy of such record after 31 July and reserves the right to charge a reasonable administrative fee for corrections, updates or verifications of such records. Rights of the Owner and the Grainstorekeeper in respect of Wheat which was represented by an E Warrant which has become invalid are determined by the contract between the Owner and the Grainstorekeeper and not by these GSKs.

3.10.9 Where any Wheat, the details of which are recorded on Guardian under an E Warrant, remains in a Store 7 calendar days prior to the first Tender Day of the Delivery Month after 31 July, the Grainstorekeeper must cancel the E Warrant and, where requested by the Owner, may create a new E Warrant for the next ICE Futures UK Feed Wheat Futures season. Where Wheat remains in a Store 7 calendar days prior to the first Tender Day of the Delivery Month after 31 July and a new E Warrant has not been issued, the Grainstorekeeper must cancel the E Warrant and the Wheat must be removed from the Store.

3.11 Tender of Wheat on Guardian

3.11.1 On receiving instructions from the Owner to Tender an E Warrant against an ICE Futures UK Feed Wheat Futures Contract, the Nominated Member shall, using the appropriate Guardian functionality, enter the E Warrant on to a Seller's Delivery Notice by supplying amongst other things the following details:

- (a) Delivery Period;
- (b) Notice day; and
- (c) Sub Account.

3.11.2 Where, as the result of a Tender, an E Warrant is transferred to the Guardian inventory of a Clearing Member that Clearing Member shall become the Nominated Member in respect of that E Warrant and the Wheat which the E Warrant represents and as such shall assume all obligations under these GSKs.

3.11.3 An E Warrant is valid for Tender from the date it is created until the Last Trading Day of the July Delivery Month immediately following its creation.

3.12 Removal of Wheat from the Store

3.12.1 On instruction from the Owner that he wishes to remove the Wheat represented by an E Warrant from the Store, the Nominated Member shall:

- (a) request the withdrawal of the Wheat using the appropriate Guardian functionality; and
- (b) forward the authentication code issued by Guardian to the Owner.

3.12.2 On receipt of a request from an Owner to withdraw the Wheat from the Store the Grainstorekeeper, before allowing the loading of the Wheat on to the Owner's transport, shall:

- (a) where the Owner of the E Warrant is represented by a Nominated Member on Guardian,
 - (i) establish that the authentication code issued by Guardian in respect of the withdrawal request made by the Nominated Member is the same as that held by the Owner; and
 - (ii) make diligent enquiry to establish that the identity of the person claiming to be the Owner is the same as the person listed as the Owner on Guardian; or
- (b) where the Owner of the E Warrant is not represented by a Nominated Member on Guardian, make diligent enquiry to establish that the identity of the person claiming to be the Owner is the same as the person listed as the Owner on Guardian.

3.12.3 The Grainstorekeeper shall ensure that the details of the relevant E Warrant are removed from Guardian as soon as practical after the Wheat represented by the E Warrant, or any part thereof, is removed from the Store. For the avoidance of doubt, where the Wheat has been removed from the Store during Normal Working Hours, removal of such details should be on the same Business Day, or where the Wheat has been removed outside of Normal Working Hours, removal of such details should be as soon as possible on the next Business Day.

3.12.4 Delivery of Wheat subject to an E Warrant will be made free of charge to the Owner's lorry in bulk.

3.12.5 Where there is a difference between the amount of Wheat actually delivered and the amount specified in the E Warrant to which the delivery relates:

- (a) in the case of a partial delivery, the Grainstorekeeper is liable to the Owner for a shortfall;
- (b) in the case of an over-delivery, the Owner is liable to the Grainstorekeeper for the value of the excess; and

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- (c) unless otherwise agreed, the obligations of Owner or Grainstorekeeper shall be settled by payment of the amount of the difference multiplied by the Exchange settlement price on the date of delivery.

3.13 Force Majeure

- 3.13.1 A Grainstorekeeper shall not be liable for any delay in delivery out of a Store occasioned by any act of God, strike, lockout, riot or civil commotion, combination of workmen, breakdown of machinery, fire or any cause normally comprehended in the term “Force Majeure” provided that, if required, the Grainstorekeeper shall forthwith provide proof to the Owner to justify such delay.

3.14 Rent

- 3.14.1 The maximum rate of Rent per tonne shall be determined from time to time by the Exchange. Rent shall be paid regularly and promptly on receipt of an invoice by the Owner from the Grainstorekeeper.
- 3.14.2 Pursuant to a request from an Owner, a Grainstorekeeper shall prepare and dispatch an invoice in respect of Rent payable to him by such Owner within seven calendar days of the date of receipt of such request.
- 3.14.3 On payment of Rent by an Owner to a Grainstorekeeper, the Grainstorekeeper shall without delay enter on to Guardian against the relevant E Warrant details, the date up to which the Rent has been paid.
- 3.14.4 An E Warrant for which the details on Guardian show that the Rent has been paid up to and including the fourteenth calendar day after the Tender Day shall be a “Clean E Warrant” in respect of a Tender under an ICE Futures UK Feed Wheat Futures Contract.
- 3.14.5 In respect of any Subsequent Tender of an E Warrant by a Seller the Exchange shall, in accordance with the contract terms, collect any Unpaid Rent on behalf of the Seller, at the maximum rate of Rent determined by the Exchange from time to time, by instructing the Clearing House to deduct the amount of such Unpaid Rent from the invoicing amount payable by the Clearing House to the Seller.
- 3.14.6 Where Unpaid Rent has been collected by the Exchange under GSK 3.14.5, Guardian will update the details of the relevant E Warrant to reflect the date up to which the Rent has been collected by the Exchange in accordance with the ICE Futures Europe Grainstorekeeper Contract.
- 3.14.7 In accordance with the ICE Futures Europe Grainstorekeeper Contract the Exchange will forward to the Grainstorekeeper the amount of Rent collected from the Seller.
- 3.14.8 A Grainstorekeeper shall be entitled to exercise a lien over Wheat in respect of Rent unpaid, in an amount not exceeding in value the Rent unpaid which is due and payable to him by the Owner.
- 3.14.9 The Grainstorekeeper shall not be entitled to exercise his lien under GSK 3.14.8 (or any other right of retention) for the period up to the date recorded on Guardian to which the Rent has been paid.
- 3.14.10 If the Owner (“the transferring Owner”) transfers the E Warrant to another Owner, the Grainstorekeeper shall have no right to seek payment from a subsequent Owner of the amount of Rent unpaid by the transferring Owner and shall have no right to exercise any lien under GSK 3.14.8 as against another Owner in respect of such unpaid Rent.

3.15 Quantity tendered

- 3.15.1 It shall be the responsibility of the Grainstorekeeper to ensure that E Warrants shall not be created in respect of any Store under his control, where such E Warrants:
- (a) are for a quantity of Wheat which exceeds in total the quantity of Wheat for the time being held in segregation in the Store; or
 - (b) exceed the registered capacity of the Store.

3.16 Standard at delivery

3.16.1 In respect of each E Warrant, the Grainstorekeeper shall undertake that Wheat of the Contract standard and weight as specified in the ICE Futures UK Feed Wheat Futures Contract, as the case may be, will be made available for weighing out from the segregated Wheat at the Store when required, subject to reasonable prior notice having been given.

3.17 Business days

3.17.1 Stores shall be open on Business Days to deliver Wheat against E Warrants during Normal Working Hours.

3.18 Dispute

3.18.1 Any dispute arising between a Grainstorekeeper and the Owner shall be referred to arbitration/dispute resolution in accordance with Section H or other relevant part of the Regulations.

3.19 Insolvency

3.19.1 The Exchange must be informed immediately, in writing, either directly by the Grainstorekeeper or via the appointed liquidator or receiver, as the case may be:

- (a) where the Grainstorekeeper is a company, if the Grainstorekeeper passes a resolution for its winding up or a court of competent jurisdiction makes an order for the Grainstorekeeper's winding up or dissolution;
- (b) where the Grainstorekeeper is a partnership, if the Grainstorekeeper is dissolved;
- (c) if the Grainstorekeeper fails to pay any sum due and payable or suspends any payment;
- (d) of the making of an administration order in relation to the Grainstorekeeper or the appointment of a receiver over, or an encumbrancer taking possession of or selling, an asset of the Grainstorekeeper;
- (e) if the Grainstorekeeper makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally;
- (f) of the making of a bankruptcy order against the Grainstorekeeper;
- (g) if the Grainstorekeeper is subject to any other insolvency or bankruptcy procedure under the Insolvency Act 1986 or Insolvent Partnerships Order 1994; or
- (h) if the Grainstorekeeper takes or suffers any similar or analogous action under any applicable law.

3.19.2 Upon receiving a notification under GSK 3.19.1 the Exchange will immediately suspend the Grainstorekeeper and his Store(s) from the list of registered Stores and their respective Grainstorekeepers and shall publish such information by notice posted on the Market. The suspended Grainstorekeeper will continue to be bound by the Exchange's requirements and, subject to GSK 3.19.3, the Exchange may give directions as to the status and disposal of E Warrants created by the suspended Grainstorekeeper which relate to Wheat stored for potential delivery against ICE Futures UK Feed Wheat Futures Contracts.

3.19.3 A Tender against a position held in the ICE Futures UK Feed Wheat Futures Contract of an E Warrant created by a Grainstorekeeper which is made prior to the suspension of that Grainstorekeeper shall not be invalidated, but no further Tenders of E Warrants issued by the suspended Grainstorekeeper may be made after his suspension.

3.19.4 Following any suspension under GSK 3.19.2, the registration of a Grainstorekeeper and his Store(s) may be terminated in accordance with GSK 3.20.

3.20 Termination of registration

- 3.20.1 A Grainstorekeeper may by one month's notice in writing to the Exchange require his Store to be removed from the list of registered Stores provided that no Wheat covered by an E Warrant is in the Store at the date of such notice.
- 3.20.2 Where Wheat covered by an E Warrant is held in a registered Store, the Grainstorekeeper may, by notice in writing given to the Exchange by not later than 31 May in any year, require his registered Store to be removed from the list of Stores for the next ICE Futures UK Feed Wheat Futures Contract season, provided that notice is at the same time given by that Grainstorekeeper to all Owners listed on Guardian in relation to Wheat held in the Store.
- 3.20.3 The registration of a Store or a Grainstorekeeper may at any time be terminated by reasonable notice by the Exchange to the Grainstorekeeper. The Exchange may from time to time declare what is to be taken as reasonable notice for the purposes of this GSK 3.20, and different periods may be so declared for different cases.
- 3.20.4 The Exchange may from time to time give directions as to the status and disposal of outstanding E Warrants where the registration of a Store is terminated, whether pursuant to this GSK or to GSK 3.21.

3.21 Disciplinary proceedings

- 3.21.1 Any breach of these GSKs by a Grainstorekeeper, or failure on his part to observe the terms or facilitate the performance of an ICE Futures UK Feed Wheat Futures Contract made under the Contract Rules, may be investigated under Section E of the Regulations, and disciplinary proceedings may be commenced against him thereunder.

3.22 Exclusion of liability

- 3.22.1 No claim shall lie against the Directors, the Exchange, the Clearing House or any committee or employee thereof (which expression shall include people employed under a contract for services or of service) in respect of the suspension or removal of a Store from the list of registered Stores or on deciding not to register a new applicant.
- 3.22.2 None of the Directors, the Exchange, the Clearing House or any committee or employee thereof shall have any liability whatsoever for the performance by a Grainstorekeeper of his responsibilities under the Regulations or Clearing House Rules or of any responsibilities he may assume towards members or other parties pursuant to any receipt, E Warrant or Contract nor for the condition of a Store or its suitability for the storage of Wheat. Nothing in this provision shall operate to exclude or restrict the liability of the Directors, the Exchange or the Clearing House for fraud, wilful default or death or personal injury due to negligence. Parties placing Wheat into a Store or taking delivery of Wheat in or from the same shall accordingly have no claim against either the Directors, the Exchange (or any committee or employee thereof), or the Clearing House (or any employee thereof) for any loss or damage thereby incurred however such loss or damage may be caused, which is excluded in this GSK 3.22.

3.23 Bulk Storage of Wheat

- 3.23.1 A Grainstorekeeper is responsible for ensuring that there is at any time no shortfall in the aggregate amount of Wheat stored in bulk as compared with the aggregate amount of Wheat represented by the E Warrants subsisting at that time. A Grainstorekeeper which is unable to deliver the full amount of Wheat to which an E Warrant relates is liable to the Owner to make good the shortfall from its own stock or by purchase.
- 3.23.2 A Grainstorekeeper acts as agent for each person who is an owner in common of the bulk of goods of which the Wheat subject to an E Warrant constitutes a part, for the purposes of any dealing with or removal, delivery or disposal of the goods in the bulk. In the event of a shortfall contrary to GSK 3.23.1, and notwithstanding section 20A(4) of the Sale of Goods Act 1979, upon delivery to an Owner (a "Collecting Owner") under GSK 3.12 of any Wheat out of bulk storage, each other Owner of Wheat comprising the bulk consents to the transfer of Wheat to the Collecting Owner in proportion to its share of the bulk, so that the property in the Wheat delivered to the Collecting Owner is free from any claim of such other Owners.

SECTION 4: LEGAL RULES CONCERNING E WARRANTS

4.1 Introduction

- 4.1.1 These rules as described in this Section 4 (the “rules”) set out the rights and obligations of Owners, Nominated Members and Grainstorekeepers in respect of E Warrants which have been recorded on Guardian in accordance with GSK 3.10.
- 4.1.2 These rules create rights and obligations legally enforceable by any Participant against any other Participant.

4.2 Status of Owners

- 4.2.1 A person whose name is recorded on Guardian as “Owner” in relation to an E Warrant is the person entitled, as against each Participant, to possession of an E Warrant in respect of the Wheat to which the E Warrant relates. The Person recorded as the Owner of the E Warrant on Guardian is authorised to:
- (i) take delivery; and
 - (ii) transfer the right to require delivery of the Wheat to which the E Warrant refers.
- 4.2.2 If a Nominated Member becomes subject to an event of default under Section D of the Regulations or the Clearing House Rules, the Clearing House may direct the Exchange to instruct another Clearing Member to act as Nominated Member in respect of some or all of the E Warrants for which the relevant Nominated Member has been nominated on Guardian.

4.3 E Warrants

Effect of E Warrants

- 4.3.1 An E Warrant has the same effect as if the relevant Owner had possession in England of a physical warrant duly issued in respect of the Wheat to which the E Warrant relates.
- 4.3.2 The Grainstorekeeper holds possession of the Wheat to which an E Warrant relates for the benefit of the relevant Owner recorded in Guardian. An E Warrant constitutes a right of the relevant Owner to demand the Wheat to which it relates from the Grainstorekeeper.
- 4.3.2A The E Warrant identifies the Wheat which is transferred or to be Tendered under an ICE Futures UK Feed Wheat Futures Contract.

Obligations of Participants

- 4.3.3 No Participant may assert any right or interest, or take any action, against any other person (including in particular any Owner) which is inconsistent with rules 4.4.1 and 4.4.2, except insofar as that Participant has a better right to ownership of the relevant Wheat, and that right is consistent with the content and intention of these rules.
- 4.3.4 Each Nominated Member shall procure that no Specified Third Party will assert any right or interest, or take any action, against any other person which is inconsistent with these rules and shall include a provision to this effect in its terms of business with clients who are or may become Clients.
- 4.3.5 It is not permitted for any Participant or any Owner to purport to transfer ownership of Wheat which is the subject of an E Warrant by any means other than a change of Owner in Guardian.
- 4.3.6 A Grainstorekeeper may not issue, or permit to subsist, a physical warrant at any time in respect of Wheat for which the details are recorded on Guardian.
- 4.4.6A A Grainstorekeeper may not issue, or permit to subsist, an E Warrant at any time for which the Wheat to which the E Warrant relates is not at that time in its possession in accordance with these GSKs.

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Protection of rights of Owners

- 4.3.7 Each Grainstorekeeper acknowledges that it holds Wheat only as property belonging to another person and, in the case of an E Warrant, with the obligation to deliver it up to the Owner, subject only to the Grainstorekeeper's terms and conditions (insofar as consistent with these GSKs) and these rules.

4.4 Transfers

- 4.4.1 A change of Owner on Guardian amounts to a transfer of entitlement of the relevant Wheat. Where the Owner is changed in respect of an E Warrant, the registration of the name of the new Owner on Guardian constitutes and shall have the same effect, in respect of the relevant Wheat, as an assignment to the new Owner of all rights (including in particular a claim to delivery up of the relevant Wheat) against the Grainstorekeeper, and an attornment in favour of the new Owner by the Grainstorekeeper.
- 4.4.2 In the event of a default during the settlement of a ICE Futures UK Feed Wheat Futures Contract, the Exchange may take any step to ensure that the Guardian record reflects that the Owner in respect of an E Warrant is the Clearing House, where delivery ought to have been made to the Clearing House and no onward delivery ought to be made to another person.

4.5 General legal rights

- 4.5.1 Each Participant agrees to indemnify and hold harmless each other Participant in respect of any costs, claims, or loss occasioned by breach of these rules by the first Participant. The liability of a Participant under this rule shall be limited to the value, at the time of the breach, of the relevant Wheat.
- 4.5.2 Nothing in these rules affects the covenants for title incorporated expressly or by operation of law into a contract for the sale of goods.
- 4.5.3 Pursuant to the Contracts (Rights of Third Parties) Act 1999, these rules confer rights enforceable by an Owner against its relevant Nominated Member and the relevant Grainstorekeeper, and rights enforceable by a Participant against another Participant pursuant to GSK 4.5.1. These rules may, however, be amended in any way without the consent of any Owner. Subject to the above provisions of this GSK, no person who is not a Participant, the Exchange or the Clearing House has rights under the Contracts (Rights of Third Parties) Act 1999 under these rules.
- 4.5.4 These rules shall prevail in the event of inconsistency between these rules and any terms and conditions: (a) applicable between a Nominated Member and its Client; or (b) applicable between a Grainstorekeeper and any Owner, Nominated Member or customer of the Grainstorekeeper by virtue of custom and usage, operation of law, or inclusion in or on an E Warrant.
- 4.5.5 Neither the Exchange nor any Participant gives any undertaking, covenant or warranty to any person as to the effect of these rules as regards title to any E Warrant or Wheat. The use of the word "Owner" does not constitute a guarantee by the Exchange that any E Warrant or Wheat exists or that the person recorded as such on Guardian has any property interest in any E Warrant or Wheat.
- 4.5.6 Without prejudice to any limitation of liability applicable by virtue of the Regulations, including these GSKs, any other agreement between the Exchange and any Participant or the Clearing House Rules, none of the Exchange, the Clearing House, their directors or agents shall be liable to any Participant or other person for any loss, damages, costs, expenses or other liability of whatever nature (each a "Loss") relating to the operation of these rules or the performance or non-performance of any person under these rules, including where such Loss arises from negligence. The Exchange has no obligation to any person to ensure the accuracy or availability of any information recorded on Guardian; or to safeguard rights of any person entitled to a E Warrant or claiming as Owner; or as to the legal consequences of these rules in any jurisdiction. However, nothing in these rules excludes liability for fraud, wilful default, or for personal injury or death caused by negligence.