

Chapter 10G

DTN Northwestern Iowa Corn Basis Swaps (Clearing Only)

10G00. SCOPE OF CHAPTER

This chapter is limited in application to the clearing of DTN Northwestern Iowa Corn Basis Swaps, where the parties to the transaction are "Eligible Swap Participants" as defined in Commodity Futures Trading Commission Regulation 35.1(b)(2). Transactions in DTN Northwestern Iowa Corn Basis Swaps shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in DTN Northwestern Iowa Corn Basis Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook.

10G01. CONTRACT SPECIFICATIONS

10G01.A. Unit of Clearing

The unit of clearing shall be 5,000 bushels.

10G01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which DTN Northwestern Iowa Corn Basis Swaps may be submitted to the Clearing House.

Positions shall be initiated or closed out using off-exchange transactions.

10G01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of one quarter of one cent (\$0.0025) per bushel which shall equal \$12.50 per contract. Contracts shall not be made on any other price basis.

10G01.D. Months Cleared

Clearing of DTN Northwestern Iowa Corn Basis Swaps is regularly conducted in all twelve months, but shall be permitted in the current delivery month plus any succeeding months. The number of months in which clearing may occur at one time shall be at the discretion of the Exchange. The Corn futures contract corresponding to each DTN Northwestern Iowa Corn Basis Swap shall be the futures contract closest to the basis swap expiration.

10G01.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 13,500 contracts net long or net short in any single contract month.
2. 22,000 contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

10G01.F. Last Day of Clearing

The last day of clearing of DTN Northwestern Iowa Corn Basis Swaps deliverable in the current delivery month shall be two business days prior to the first calendar day of the delivery month.

10G01.G. Liquidation during the Delivery Month

After clearing of DTN Northwestern Iowa Corn Basis Swaps in the current delivery month has ceased, in accordance with Rule 10G01.F. of this chapter, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 10G02.

10G02. DELIVERY

Delivery against DTN Northwestern Iowa Corn Basis Swaps must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 10G05.) and shall be accomplished by cash settlement.

Clearing members holding open positions in DTN Northwestern Iowa Corn Basis Swaps at the time of termination of clearing shall make payment to and receive payment through the

Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 10G03.).

10G03. FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST FIVE DAYS OF CLEARING

The final settlement price shall be determined over the last five clearing days. Final settlement shall be the average of the daily DTN Northwestern Iowa corn cash price index minus the settlement price of the corresponding CBOT Corn futures contract over the last five clearing days.

For example, final settlement for a July DTN Northwestern Iowa Corn Basis Swap would be the average of daily DTN Northwestern Iowa corn cash price indexes minus the daily July Corn futures contract settlement prices over the final five days of clearing, including the last clearing day (as defined in Rule 10G01.F.).

Daily settlement during the last five days of clearing shall be the cumulative average of the difference between the DTN Northwestern Iowa corn cash price index minus the settlement value of the corresponding CBOT Corn futures contract over the last five clearing days.

The DTN Northwestern Iowa corn cash price index shall be constructed from elevator bids in the following counties: Buena Vista, Calhoun, Cherokee, Clay, Dickinson, Emmet, Humboldt, Ida, Kossuth, Lyon, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, Webster, Woodbury.

10G04. DAILY SETTLEMENT PRICE

Daily settlement other than settlement on the final settlement day (as described in Rule 10G05.) or during the last five days of clearing shall be the preliminary DTN Northwestern Iowa corn cash price index minus the settlement value of the corresponding CBOT Corn futures contract on that day. The Exchange reserves the right to model and/or collect additional cash market data to adjust settlements of longer dated basis swaps.

If the corn cash price index is not published on a particular clearing day, settlement on that day shall revert back to the settlement price on the first preceding business day.

10G05. FINAL SETTLEMENT DAY

The final settlement day shall be defined as the first business day following the last clearing day (as defined in Rule 10G01.F.).

10G06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.