

ICE Futures U.S.[®], Inc.

LICENSING RULES

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LICENSING APPENDIX

No.

1. Licensing Appendix—Schedule of License Fees

ICE FUTURES U.S.[®], INC.

LICENSING RULES

Rule 7.00. Scope of Chapter

The Rules of this Chapter govern the licensing of individuals and Firms engaged in the storage, grading and handling of cocoa, coffee, cotton, sugar and frozen concentrated orange juice (“FCOJ”) for deliveries pursuant to the Exchange’s Cocoa, Coffee “C”[®], Cotton No. 2[®], Sugar No. 16 and FCOJ Futures Contracts.

Adopted by the Board April 15, 2009; effective April 24, 2009.

Amended by the Board November 11, 2009; effective November 16, 2009.

Rule 7.01. Parties Subject to Licensing

Any individual or Firm engaged in handling or storing Commodities for deliveries pursuant to a Commodity Contract as a grader, master sampler, weighmaster, warehouse or tank facility operator shall be licensed by the Exchange; provided, however, that no Exchange license shall be required with respect to the handling of sugar under the Sugar No. 11[®] Futures Contract. Each such individual or Firm shall execute such agreements as the Exchange may prescribe from time to time with respect to the handling and storage of Commodities for delivery pursuant to the Rules. In order to be licensed as a warehouse or tank facility operator, such warehouse or tank facility operator must own or lease space which is licensed by the Exchange as suitable for the storage of Commodities in the applicable designated delivery points and have the capacity, equipment and ability to store, handle and deliver the Commodity for which the operator is licensed; provided, however, that no wharf warehouses located in the Port of New Orleans shall be Licensed for the storage of Exchange Coffee.

Amended by the Board April 15, 2009; effective April 24, 2009.

Amended by the Board June 21, 2023; effective July 31, 2023.

Rule 7.02. Individual Licensees

(a) To be eligible for an Exchange license as a classifier or grader, an applicant must be a natural Person at least 18 years of age, of good character and commercial standing and comply with any applicable local, state or federal requirements.

(b) An applicant for a license as a coffee grader must have a minimum of five (5) years experience in the coffee trade and at least five (5) years of actual grading experience.

(c) An applicant for a license as a cocoa grader must have a minimum of three (3) years of experience in the cocoa industry. Any independent licensed sampler or licensed cocoa warehouse personnel shall be eligible as a licensed cocoa grader.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶ (c)].

Amended by the Board May 20, 2010; effective May 25, 2010 [¶ (c)].

Amended by the Board September 25, 2013; effective October 31, 2013 [¶ (c)].

Rule 7.03. Firm Licensees

To be eligible for an Exchange license as a master sampler, warehouse, tank facility or weighmaster, an applicant must be a Firm of good commercial standing authorized to do business in any jurisdiction where the nature of its activities so requires and comply with any applicable laws, customs and other

requirements of each jurisdiction in which the Firm is located, operates Licensed Stores or otherwise conducts business.

Amended by the Board April 15, 2009; effective April 24, 2009.

Rule 7.04. License and eCOPS® Participant and EWR Provider Agreements

To be eligible for an Exchange license, an applicant must execute:

(a) an agreement, in the form prescribed by the Exchange, agreeing therein to be subject to:

(1) the Rules, including specifically, the applicability of the Arbitration Rules to the resolution of any controversy between a Licensee and a Member as the same are in effect from time to time; and

(2) the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the Licensee and the Exchange; and

(b) with respect to Exchange Cocoa, Coffee, Sugar No. 16 and FCOJ, the applicable eCOPS Participant Agreement; or

(c) with respect to Exchange Cotton, provider agreements with an electronic warehouse receipt (“EWR”) provider.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (b) and (c)].

Amended by the Board November 11, 2009; effective November 16, 2009 [¶(b)].

Rule 7.05. Graders

To be eligible for an Exchange license as a grader, an applicant must:

(a) pass such grading test ("original grading test") as may be authorized, from time to time, by the Exchange; provided, however, that the Exchange may, in its discretion, waive the testing requirement for good cause shown;

(b) provide proof acceptable to the Exchange of sufficient knowledge, training and experience in the field of grading; and

(c) in order to maintain the Exchange license as a grader, a coffee grader is required to:

(i) pass, every five (5) years, a maintenance grading test authorized by the Exchange and administered by a panel of three (3) or more individuals designated by the Board of Coffee Graders;

(ii) attend, every two (2) years, a seminar on latest developments in the coffee industry as authorized by the Exchange and conducted by one (1) or more individuals designated by the Board of Coffee Graders; and

(iii) grade coffee at least two times during the annual license term with a minimum of 60 days between any two gradings.

(d) in order to maintain the Exchange license as a grader, a cocoa grader is required to:

(i) grade cocoa a minimum of at least two times during the annual license term with a minimum of 60 days between any two gradings; and

(ii) attend, every two (2) years, a seminar on latest developments in the cocoa industry as authorized by the Exchange and conducted by one (1) or more individuals designated by the Board of Cocoa Graders.

(e)(i) The license of a coffee grader who fails to meet the requirements set forth in subparagraph (c)(i), (ii) and (iii) of this Rule shall be canceled by the Exchange as prescribed in Rule 7.17.

(ii) A coffee grader who fails to pass the maintenance grading test must pass the original grading test in order to be eligible for an Exchange license.

(iii) A coffee grader who fails to attend the seminar prescribed in subparagraph (c)(ii) of this Rule must attend such seminar to be eligible for an Exchange license.

(f) The license of a cocoa grader who fails to meet the requirement set forth in paragraph (d) of this Rule shall be canceled by the Exchange as prescribed in Rule 7.17.

Adopted by the Board April 15, 2009; effective April 20, 2009.

Amended by the Board May 23, 2012; effective July 9, 2012 [¶] (d)].

Amended by the Board September 29, 2016; effective October 18, 2016 [¶¶] (c)(ii) and (d)(i)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶] (a), (b), (c)(i) and (ii), (d)(ii), (e)(i) through (e)(iii) and (f).

Rule 7.06. Master Samplers

(a) To be eligible for an Exchange license as an Exchange Cocoa, Sugar or Coffee master sampler, an applicant must:

(i) have executed an eCOPS Participant Agreement and have access to and be able to use eCOPS; and

(ii) provide proof acceptable to the Exchange of sufficient knowledge, training and experience in the field of sampling. Applicants must also register with the Exchange the names of all those individuals it shall employ as samplers to perform Exchange sampling duties, provide any background information for such individuals and/or the applicant deemed necessary by the Exchange to address potential conflicts of interest in the performance of sampling duties and shall attest to each individual's knowledge, training and experience in the field of sampling. Master samplers shall be responsible for the acts of all such individuals and shall immediately notify the Exchange of any additions to or deletions from such required listing.

Adopted by the Board April 15, 2009; effective April 20, 2009.

Amended by the Board November 11, 2009; effective November 16, 2009 [¶] (a)].

Amended by the Board December 15, 2011; effective January 9, 2012 [¶] (a)(ii)].

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶] (a)(ii)].

Rule 7.07. Weighmasters/Weighers

(a) To be eligible for an Exchange license as an Exchange Cocoa, Sugar or Coffee weighmaster, an applicant must:

(i) have executed an eCOPS Participant Agreement and have access to and be able to use eCOPS; and

(ii) provide proof acceptable to the Exchange of sufficient knowledge, training and experience in the field of weighing. Applicants must also register with the Exchange the names of all those individuals it shall employ to perform Exchange weighing duties and shall attest to each such individual's knowledge, training and experience in the field of weighing the related commodity. Weighmasters shall be responsible for the acts of all such individuals and shall immediately notify the Exchange of any additions to or deletions from such required listing.

Adopted by the Board April 15, 2009; effective April 24, 2009.

Amended by the Board November 11, 2009; effective November 16, 2009 [¶] (a)].

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a)(ii)].

Rule 7.08. Warehouse and Tank Facility Operators

To be eligible for an Exchange license or renewal thereof, a warehouse operator must:

(a) be registered at all times with the U.S. Food and Drug Administration as a “Food Facility” or “Foreign Food Facility, as applicable, (except in the case of a cotton warehouse operator), and meet all applicable laws, customs and other requirements of each jurisdiction in which the Firm is located, operates any Exchange licensed warehouse or tank facility or otherwise conducts business and all applicable laws and requirements of any government agency governing the operations of such licensed warehouse or tank facility;

(i) if, at any time, any Exchange licensed warehouse or tank facility operator becomes aware that the laws of the jurisdiction, in which any Exchange licensed warehouse or tank facility is located, conflict, or are likely to conflict, with the requirements of the Rules, the warehouse or tank facility operator shall immediately notify the Exchange. In the event of a conflict, the Exchange shall determine whether, in its reasonable opinion, the conflict is reconcilable with the Rules and shall determine in its absolute discretion what action, if any, to take. If the Exchange determines in its sole discretion that the conflict will not immediately prejudice the warehouse or tank facility operator from complying with the Rules, the Exchange shall, without prejudice to its rights and powers under the Rules, consult with the warehouse or tank facility operator as to what, if any, remedial action to take.

(b) submit to the Exchange proof in a form acceptable to the Exchange of the following minimum insurance or bond coverage and maintain such coverage in effect at all times during the term of the license and/or as otherwise specified by the Exchange, as follows:

(i) for cocoa and coffee warehouse operators,

(A)(1) Outstanding performance bond coverage or an unconditional irrevocable letter of credit from a financial institution approved by the Exchange (an "Approved Financial Institution") in the amount of at least the following:

Amount	Exchange Licensed Storage Space
\$125,000	Up to 100,000 Sq. Ft.
\$200,000	100,001 through 250,000 Sq. Ft.
\$300,000	250,001 through 500,000 Sq. Ft.
\$500,000	500,001 through 750,000 Sq. Ft.
\$750,000	750,001 through 1,000,000 Sq. Ft
\$1,000,000	1,000,001 Sq. and above

(2) Any performance bond or irrevocable letter of credit submitted to satisfy the requirements of subparagraph (a)(i)(A)(1), above, must be issued or confirmed by an Approved Financial Institution, and be in such form as may be prescribed by the Exchange from time to time;

(B) Outstanding fidelity insurance coverage in the amount of at least one hundred thousand dollars (\$100,000); and

(C) Outstanding warehouse operator's legal liability insurance coverage which is in the amount of at least seven hundred fifty thousand dollars (\$750,000) for each location where one (1) or more buildings containing a Licensed Store are situated and which provides for coverage for each Licensed Store.

(ii) for cotton warehouse operators,

(A) a performance bond or letter of credit with satisfactory sureties in the amount of at least \$1 for each certified bale that the operator can store capped at one million dollars (\$1,000,000) and subject to such conditions as shall be acceptable to the Exchange and satisfactory evidence of the existence of such bond and of its continuance in force during the term of the license; *provided, however,* that a cotton warehouse operator located outside of the U.S. may deposit with the Exchange a cash bond in place of such performance bond or letter of credit with respect to cotton warehouses located outside of the U.S., subject to such conditions as shall be acceptable to the Exchange;

(B) All Risk-Policies which insure the value of certificated bales against the loss or damage by sprinkler malfunction, fire, lightning, windstorm, cyclone, tornado, hurricane, flood including influx or rising water (whether wind driven or not) or inherent explosion and other risk (whether an act of God or force majeure), and which automatically attach as soon as such cotton is placed in the warehouse operator's custody and remains in effect so long as the cotton remains in the warehouse operator's legal custody;

(1) for the purposes of subparagraph (b)(ii)(B) of this Rule, the term "value of the certificated cotton" shall mean no less than the value determined in accordance with Rule 10.22 with the value date being the date the damage to the certificated bales occurred; provided, however, that if such damage occurs on a weekend or holiday, the value date shall be the preceding Business Day; and

(2) in the event that the amount of any loss or damage sustained by the owner of the certificated bale(s) is not payable, or is not payable in full, by the insurer by reason of any deductible set forth in any such policy or otherwise, the warehouse operator will promptly pay such amount.

(C) outstanding fidelity insurance coverage in the amount of at least one hundred thousand dollars (\$100,000).

(iii) for FCOJ tank facility operators,

(A) Property Insurance

(1) All-Risk policies which insure the full value of the FCOJ stored at the tank facility for the benefit of the holder of an EWR issued by the tank facility operator against the perils covered in an All Risk Policy;

(2) said All Risk Policies shall be in effect at each licensed tank facility for which it is licensed and continue in full force and effect with respect to the interests of the holders of EWRs for the term of each such policy and shall be renewed or replaced for such period that any of said EWRs are outstanding, and that the Exchange is named in such policies as either an insured party or loss payee with regard to FCOJ for which EWRs have been issued;

(3) the amount of insurance coverage provided in each such All-Risk Policies will at all times be in an amount adequate to fully cover the interests of the holders of EWRs, either by maintaining overall limits adequate to cover all insured property at each licensed tank facility, or by providing a specific separate policy limit with respect to the interests of holders of EWRs which limit is sufficient to fully cover such interests;

(4) in the event that any loss or damage is paid in full or in part to the licensed facility by the insurer, such payment, in preference to any and all other claims, shall be assigned first to any and all claims for FCOJ for which an EWR has been issued;

(5) in the event that any loss or damage sustained by a holder of an EWR is not payable, or is not payable in full, by the insurer, by reason of any deductible set forth in any such policy, or otherwise, the facility operator will promptly pay such amount; and

(6) if requested by any holder of an EWR issued by the tank facility operator, furnish evidence of the All-Risk Policies in effect;

(B) legal liability insurance in the amount of seven hundred fifty thousand dollars (\$750,000) for each location and fidelity insurance in the amount of one hundred thousand (\$100,000) in such form and in such amount as shall be approved by the Exchange; and

(C) Performance Bond: Letter of Credit. Limitation of Issuance of EWRs

(1) a performance bond with a principal amount of one million dollars (\$1,000,000); or

(2) a letter of credit, in favor of the Exchange which is unconditional and irrevocable and available to be drawn upon by the Exchange by clean sight drafts, in the amount of one million dollars (\$1,000,000).

(3) any performance bond or irrevocable letter of credit submitted to satisfy the requirements of subparagraphs (a)(i)(C)(1) or (2), above, must be issued in such form as may be prescribed by the Exchange from time to time, and shall not expire until the thirty-first (31st) day of December occurring next following the effective date of the granting or renewal of the license.

(D) Alternate Compliance

(1) In the event that the Exchange licensed tank facility operator is not also the owner of the facility, the Licensee may notify the Exchange that in fulfilling its insurance and financial requirement standards under these Rules it is relying on an unlimited guarantee in a form satisfactory to the Exchange from the owner of the tank facility and/or insurance purchased by the owner of the tank facility; provided, however, that nothing in this alternative compliance arrangement shall be deemed to lessen the duties of a Licensee under the Rules.

(2) Any licensed tank facility in meeting Working Capital, net worth and letter of credit (but not performance bond) requirements may provide substituted compliance by an Affiliate of the licensed tank facility provided that such Affiliate executes and delivers an unconditional guarantee in such form and with such safeguards as are satisfactory to the Exchange.

(c) with respect to an application to store Cocoa, hold a valid Cocoa Merchants' Association of America, Inc. (CMA) Warehouse Compliance Certificate for each store to be licensed;

(d) with respect to an application to store Cotton,

(i) applicant shall be licensed as a Cotton warehouse operator by the USDA or the state in which the Licensed Store is located, and

(ii) have operational rail sidings or, in the absence of such, must agree at the option of a Receiver in a delivery to move cotton in a delivery to the nearest operational rail siding at the warehouse operator's expense;

(e) with respect to an application to store FCOJ,

(i) the tank facility must have the capacity and equipment for the storage and delivery of FCOJ in a manner and under the conditions acceptable to the USDA and the demonstrated ability to make daily

tank deliveries, as defined in FCOJ Resolution No. 1(I), equivalent to at least eight (8) FCOJ Futures Contracts;

(ii) be equipped to handle FCOJ under continuous inspection of the USDA, or Quality Assurance Program inspection of the USDA, or Florida Quality Systems Certification Program inspection and shall provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product in accordance with FCOJ Resolution No. 1(III);

(iii) have and shall continue to maintain:

(A) a working capital of two million dollars (\$2,000,000); or

(B) a letter of credit in the amount of one million dollars (\$1,000,000), which letter of credit shall meet the requirements of subparagraph (b)(iii)(C) of this Rule and shall be in addition to any letter of credit maintained pursuant to subparagraph (b)(iii)(C) of this Rule;

(C) for the purposes of this Rule, the term “Working Capital” means the excess of current assets over current liabilities.

(f) bear all expenses incurred by the Exchange for any inspection of a store or tank facility and any investigation of the suitability of a store for the proper handling and storage of the Commodity to be stored or already stored for which a license is requested or has been issued; and

(g) meet such other requirements as are prescribed in the Rules or as may be established from time to time by the Exchange.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (a) through (g)]

Amended by the Board June 10, 2009; effective August 1, 2009 [¶¶ (b)(ii) and (d)].

Amended by the Board September 17, 2009; effective September 21, 2009 [¶¶ (b), (b)(i)(A)(2) and (b)(iii)(C)(3)].

Amended by the Board September 8, 2010; effective September 14, 2010 [¶ (b)(i)(A)(1)].

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board March 24, 2016; effective April 12, 2016 [¶ (a)].

Amended by the Board January 27, 2017; effective February 13, 2017 [¶¶ (D)(2)].

Amended by the Board September 27, 2017; effective November 8, 2017 [¶¶ ((i)(A)(I), (i)(C), (ii)(A) through (ii)(C), (iii)(B), (iii)(d)(i) and (d)(ii)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (b) and (g)].

Amended by the Board February 15, 2022; effective March 7, 2022 [¶¶ (b) and (b)(i)(A)(2)].

Rule 7.09. Application

(a) All applicants for an Exchange license must file with the Exchange:

(i) an application for a license in the form supplied by the Exchange;

(ii) the applicant’s rates for storage, handling and other charges, which for Cotton No. 2 and FCOJ shall include, but is not limited to, authorized interest and insurance premiums, in effect at the time the applicant applies for a license;

(iii) such other documents as the Exchange may deem necessary or appropriate; and

(iv) a non-refundable application fee in the amount specified by the Exchange.

(b) Applications deemed incomplete by the Exchange shall be kept on file for two (2) months from the date the Exchange notifies an applicant of the defect; if the defect is not remedied within such time, the application shall be deemed withdrawn and an applicant must submit a new application for a license.

(c) The Exchange may direct an applicant to: (i) appear personally or by officer or general partner; or (ii) provide any supplemental information the Exchange deems necessary. Failure to appear or provide such information as directed by the Exchange shall be deemed to be a withdrawal of the application.

(d) The Exchange may investigate any information supplied by the applicant.

Amended by the Board April 16, 2009; effective April 24, 2009 [¶¶ (a) through (d)].

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶(a) through (a)(iii), (b) through (d)].

Rule 7.10. Granting of License; Denial; Licensed Stores

(a) The Exchange shall, when it deems an application to be complete, consider each application and make a determination to approve or deny such application.

(b) The Exchange may, in its sole and absolute discretion, deny an application as provided in Rule 7.11 below; *provided, however*, that prior to denying the application, the Exchange shall provide the applicant with (i) written notice setting forth its intention to deny the application and the grounds for denial and (ii) an opportunity to be heard by a Special Committee appointed pursuant to Rule 7.25, to present evidence as to why the application should be granted. A request to be heard shall be furnished in writing to the Exchange General Counsel within two (2) Business Days following issuance of the notice of intention to deny the application. The evidence to be considered by the Special Committee shall be presented by written submission in accordance with procedures specified by the Special Committee, and the decision rendered shall be final.

(c) The Exchange may from time to time, license additional stores and/or capacity which meet the current suitability standards or revoke the license of stores which have been formerly licensed but which no longer meet such standards.

Amended by the Board April 16, 2009; effective April 24, 2009 [¶¶ (a) and (c)].

Amended by the Board September 27, 2017; effective October 24, 2017 [¶¶ (c)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a) through (c)].

Rule 7.11. Conditions for Denial

An application for an Exchange license may be denied to any applicant who:

(a) does not meet any of the applicable qualifications for a license, or does not follow the procedures for application set forth in these Rules;

(b) fails to provide, in the application and supporting documents, evidence of sufficient knowledge, training or experience;

(c) has been convicted, found guilty, confessed to being guilty, entered a plea of guilty or *nolo contendere* to any felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act;

(d) has ever been denied a license of any type by any exchange; withdrawn any application for a license from any exchange; had a license which was suspended or canceled or which was subject to any bar, fine, or censure; been subject to the issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related clearing organization, registered futures association, any

self-regulatory organization or other business or professional association, the CFTC or the Securities and Exchange Commission or equivalent authority of any state, territory, the District of Columbia or foreign country, any federal court, state court, or regulatory agency not mentioned above or quasi-governmental body;

(e) is subject to any material unsatisfied liens or judgments;

(f) has made any false statement in or in connection with any application filed with the Exchange;

(g) is barred by any agency of the United States from contracting with the United States; or

(h) fails to meet such other qualifications as the Exchange may from time to time determine are in the best interests of the Exchange.

Amended by the Board April 22, 2019; effective May 31, 2019 [(a) and (h)].

Rule 7.12. Fees

All license fees shall be set and invoiced by the Exchange to the Person applying for the license or renewal at such time when the application is deemed complete. The invoiced Licensee shall pay the license fee to the Exchange promptly upon receipt of the invoice. Failure to pay the fee for any license within thirty (30) days of receipt of the invoice may result in termination of such license pursuant to Rule 7.17.

Amended by the Board April 16, 2009; effective April 24, 2009.

Amended by the Board April 22, 2019; effective May 31, 2019.

Rule 7.13. Term of License; Renewals

(a) Unless otherwise provided by the Exchange, each license granted or renewed, including without limitation the license of any Licensed Stores, shall be valid:

(i) for cocoa and coffee graders, master samplers, weighmasters and warehouse operators and sugar master samplers and weighmasters, until the thirty-first day of May of each year following the effective date of the granting or renewal of the license;

(ii) for Cotton No. 2 warehouse operators, until the thirty-first (31st) day of July of each year following the effective date of the granting or renewal of the license; and

(iii) for FCOJ tank facility operators, until the thirty-first (31st) day of December of each year following the effective date of the granting or renewal of the license.

(b) At least sixty (60) days before the expiration of the license term, all Licensees must submit to the Exchange written notification of intent to renew, accompanied by the appropriate license fee; provided, however, that:

(i) coffee graders must also include in their renewal submission a statement that:

(1) during the course of the past five (5) years, they have passed either the original grading test or the maintenance grading test as authorized by the Exchange; and

(2) during the course of the past two (2) years, they have attended a seminar on latest developments in the coffee industry as authorized by the Exchange; and

(3) during the license term being renewed, they have graded coffee a minimum of two (2) times with a minimum of 60 days between any two gradings; provided, however, that the Chairman of the Board of Coffee Graders may waive such requirement if the failure to comply is due to the grader being affiliated with an entity making deliveries during the relevant period or for other good cause.

(ii) cocoa graders must also include in their renewal submission a statement that:

(1) during the course of the past year, they have graded cocoa a minimum of two (2) times with a minimum of 60 days between any two gradings; provided, however, that the Chairman of the Board of Cocoa Graders may waive such requirement if the failure to comply is due to the grader being affiliated with an entity making deliveries during the relevant period or for other good cause; and

(2) during the course of the past two (2) years, they have attended a seminar on latest developments in the cocoa industry as authorized by the Exchange.

(c) As a prerequisite to license renewal, the Exchange may, in its sole and absolute discretion, require licensed graders, master samplers and weighmasters to satisfy any additional requirements it deems necessary to ensure such licensees possess sufficient knowledge, training and experience in their respective fields.

(d) The Exchange may, in its sole and absolute discretion, upon receipt by the Exchange of the Licensee's written notification of intent to renew, extend the license term of such Licensee.

(e) The Exchange may, in its sole and absolute discretion, extend for the ensuing fiscal year, or any part thereof, any license for which a notice of intention to renew has not been submitted.

(f) To obtain renewal of a warehouse or tank facility operator license for one (1) or more stores, the warehouse operator of such store(s) must submit to the Exchange, in addition to written notification of its intent to renew, proof in a form acceptable to the Exchange of extension of the minimum coverage required by Rule 7.08 and, with respect to a renewal of a warehouse license to store Exchange Cocoa, a valid CMA Warehouse Compliance Certificate.

Amended by the Board May 22, 2007; effective May 23, 2007 [¶ (b)(ii)(1)].

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (a)(i) through (b)(i)(2), (c) and (e)].

Amended by the Board November 11, 2009; effective November 16, 2009 [¶ (a)(i)].

Amended by the Board March 1, 2012; effective March 27, 2012 [¶¶ (c) through (f)].

Amended by the Board May 23, 2012; effective July 9, 2012 [¶¶ (b)(i)(1) and (2)].

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board September 29, 2016; effective October 18, 2016 [¶¶ (b)(i)(3) and (b)(ii)(1)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a) and (a)(i), (b)(i)(1) and (2), (b)(ii)(2), (c) through (f)].

Amended by the Board February 16, 2021; effective May 1, 2021 [¶¶ (a)(i)].

Rule 7.14. Responsibility for Employees

All Licensees shall be responsible for the acts and omissions of their officers, employees and agents.

Amended by the Board February 27, 2014; effective March 17, 2014.

Amended by the Board March 24, 2016; effective April 12, 2016.

Rule 7.15. Record Keeping

(a) Each Licensee of the Exchange shall make and file reports with the Exchange, and maintain such records for such length of time, in such manner and form, as the Rules or the Exchange may prescribe. All

Licensees shall allow the Exchange staff to inspect such reports and records and permit such visitation of its Licensed Stores and offices as the Rules or the Exchange may require.

(b) A warehouse or tank facility operator shall be required to make such reports, keep such records and permit such visitations of its Licensed Stores and offices as the CFTC and, if applicable, the USDA may require. Unless otherwise specified in the Rules, such books and records shall be required to be kept for a period of five (5) years, or for a longer period if the CFTC shall so direct, and such books, records and Licensed Stores and offices shall be open at all times to inspection by any representative of the CFTC, USDA or the United States Department of Justice.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (a) and (b)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶ (a)].

Rule 7.16. Duty to Notify

All Licensees shall immediately notify the Exchange in writing by facsimile or electronic transmission of the occurrence of any of the following events:

- (a) acquisition of a license issued by any other commodity exchange;
- (b) any material and adverse change in financial condition or of an emergency event or a financial emergency (as those terms are defined in Chapter 21 of the Rules);
- (c) if a Licensee is a Firm, any change in the ownership of or controlling interest in the Firm if it is a corporation, limited liability company or sole proprietorship and, if a Licensee is a partnership, any change in the identity of the general partners;
- (d) any conviction, finding of guilt, confession of guilt, plea of guilty, or plea of *nolo contendere* to a felony or misdemeanor charging misrepresentation, fraud, deceit, theft, embezzlement, gambling, conversion, abuse of a fiduciary relationship or other such act on the part of the Licensee;
- (e) any refusal to be granted a license of any type by any commodity exchange; withdrawal of any application for a license from any commodity exchange; suspension, or cancellation of a license or the issuance of any bar, fine, or censure against such Licensee by any commodity exchange; issuance of a cease and desist order, temporary or permanent injunction, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by any commodity exchange, related clearing organization, registered futures association, self-regulatory organization or other business or professional association, the CFTC or, the Securities and Exchange Commission or equivalent authority of any state, territory, the District of Columbia or foreign country, any federal court, state court, regulatory agency not mentioned above or quasi-governmental body;
- (f) becoming subject to any material unsatisfied liens or judgments;
- (g) the discovery of any false statement made in or in connection with any application filed with the Exchange;
- (h) the issuance of a bar by any agency of the United States from contracting with the United States;
- (i) failure or inability to meet continuously the criteria for eligibility for a license, including without limitation the eligibility of any Licensed Store operated by a licensed warehouse operator, or such other qualifications as the Exchange may from time to time determine are in the best interests of the Exchange;
- (j) any irregularity or fraud, or neglect or infraction of the Rules by any Member, or any Licensee, that may come to its knowledge;
- (k) any damage suffered by any Exchange Cocoa, Coffee, Cotton or FCOJ;
- (l) failure to meet the requirements prescribed in the Rules or specified by the Exchange from time to time; and

(m) the inability to function as a Licensee, or the inability of a Licensed Store to be used as such, due to damage to or destruction of business facilities, strike or other labor dispute, or other similar events.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (j) through (m)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a), (i), (l) and (m)].

Rule 7.17. Suspensions, Cancellations and other Restrictions

(a)(i) The Exchange may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any license issued pursuant to the Rules.

(ii) The effective date of any suspension or cancellation shall be set by the Exchange.

(iii) The Exchange shall promptly notify the Licensee after suspending or canceling any license pursuant to paragraph (a)(i) of this Rule. Such notice shall state the reasons for the suspension or cancellation and the effective date for such action, and shall advise the Licensee of the opportunity to appeal the Exchange's action to a Special Committee appointed in accordance with Rule 7.25; provided that the Exchange receives a written request from the Licensee for such appeal within two (2) Business Days after receipt of such notice by the Licensee.

(iv) Any appeal of a suspension or termination of an Exchange license shall be heard before a Special Committee appointed in accordance with Rule 7.25. In every appeal, the Licensee will be given the opportunity to present evidence as to why the license should not be suspended or terminated. Such evidence will be presented either through written submission or by personal appearance as determined by the Special Committee, at its sole and absolute discretion. The decision of the Special Committee shall be final.

(b)(i) The Board may, in its sole and absolute discretion, declare a moratorium on the receipt or delivery of certificated cocoa, coffee, cotton or FCOJ by or from any Licensed Stores if it has reason to believe that such Licensed Stores are not in compliance with the Rules. Any moratorium declared hereunder shall continue as directed by the Board.

(ii) During the pendency of such moratorium, the warehouse or tank facility operator shall take such measures as are necessary to bring the Licensed Store(s) into compliance with the Rules.

(iii) In the event that a moratorium is declared hereunder, the certification of any Commodity held in any Licensed Stores as to which such moratorium is declared, shall be prohibited until such moratorium is terminated. Nothing contained herein shall be deemed to prohibit the owner of any Commodity stored in a Licensed Store as to which a moratorium has been declared, from moving the Commodity, at the owner's sole expense, to another location.

(c) The Exchange may flag in eCOPS as undeliverable under a Coffee "C" or cocoa futures contract, any coffee or cocoa which the Exchange has reason to believe may have sustained damage or which is stored in a Licensed Store as to which a report of damage or non-compliance with Exchange standards has been received. The Exchange may lift the flag from any Lot as to which action has been taken in accordance with the preceding sentence, upon the earlier to occur of (1) the affected Lot having been examined and declared sound by the warehouse operator or (2) such time as the Exchange, in its discretion, shall determine.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (a) through (c)].

Amended by the Board May 23, 2012; effective July 9, 2012 [¶(a)(v)].

Amended by the Board February 28, 2013; effective March 25, 2013 [¶¶ (a)(iii) through (D)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a) through (c)]

Rule 7.18. Voluntary Cancellation

(a) Any license issued under the Rules may be canceled by the party holding the license at any time.

(b) Cancellation shall be effected by a notice, in writing, stating the intention to cancel and the proposed effective date of cancellation; provided that the effective date of cancellation for any Licensed Store shall be set by the Exchange and shall provide a reasonable period of time for the owner(s) of certified stock held in such Licensed Store to move the Commodity to another location.

(c) On the effective date of any such cancellation, all certified Coffee and/or Cocoa in such Licensed Store, that has not been moved in accordance with Rule 8.10 for Coffee or Rule 9.23 for Cocoa, will automatically lose its certification.

(d) Notwithstanding the foregoing, voluntary cancellation of a Cotton warehouse operator's license, is contingent upon the following:

(i) If the warehouse does not have a certificated stock, the cancellation shall be complete and become effective on the effective date; or

(ii) If the warehouse has certificated cotton on hand:

(A) the cancellation of the license shall apply to the receiving of any new cotton for certification; with respect to the certificated cotton on storage, and until it is shipped out or decertificated, the license shall be limited to the provisions which apply to the storage and handling of such cotton and the warehouseman shall continue to abide by those provisions;

(B) the cancellation shall be complete and become effective once all the certificated cotton is shipped out or decertificated; provided, however, that the warehouse operator shall bear the expense of transferring the certificated cotton to another Licensed Store at the point of delivery.

(e) In the event of a voluntary cancellation of a tank facility operator's license, the tank facility operator shall arrange to transfer the FCOJ represented by EWRs to another licensed tank facility which shall issue its own EWRs and the tank facility operator transferring the FCOJ shall pay all charges which may be incurred in said transfer.

Amended by the Board April 15, 2009; effective April 24, 2009 [¶¶ (b) through (f)].

Amended by the Board September 27, 2017; effective October 24, 2017 [¶¶ (b) through (e)].

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (b) and (d)].

Rule 7.19. Effect of Expiration, Suspension, or Cancellation of the License of a Licensed Store or Tank Facility

(a) In the event a warehouse or tank facility operator's license terminates, expires, is suspended, or canceled, the license of the stores operated by such warehouse or tank facility operator shall also terminate, expire, be suspended or canceled, as the case may be.

(b) Unless the Exchange otherwise determines, if the license of a Licensed Store expires or is suspended or canceled for any reason, any certified Coffee and/or Cocoa stored in such Licensed Store shall continue to be certified, provided such Coffee and/or Cocoa is moved to a Licensed Store in accordance with Rule 8.10 for Coffee or Rule 9.23 for Cocoa within sixty (60) days of such expiration, suspension or cancellation.

(c) Unless the Exchange otherwise determines, if a tank facility license expires or is suspended or canceled for any reason, the tank facility operator shall arrange to transfer the FCOJ represented by its EWRs to another licensed tank facility which shall issue its own EWRs and the tank facility operator transferring the FCOJ shall pay all charges which may be incurred in said transfer.

(d) The Exchange may impose such other and further restrictions in connection with any such expiration, suspension, or cancellation as it may deem necessary and appropriate.

Adopted by the Board April 15, 2009; effective April 24, 2009.

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (b) through (d)].

Rule 7.20. Compliance with Rules

(a) Each Licensee shall be obligated to act at all times in accordance with the Rules, adopted by the Board, from time to time, governing procedures for the storage, sampling, grading, classifying, weighing, and testing of Commodities.

(b) The Exchange may issue a warning letter or impose a fine upon a Licensee for any violation of the Rules. The Exchange shall promptly notify the Licensee of the issuance of any such fine, which shall become final and payment shall become effective fifteen (15) calendar days after receipt of such notice by the Licensee. The notice shall state the reason for the fine and identify the Rule(s) violated, and, for any fine greater than \$1,000, shall also advise the Licensee of the opportunity to appeal the Exchange's action to a Special Committee appointed in accordance with Rule 7.25; provided that the Exchange receives a written request from the Licensee for such appeal within fifteen (15) Business Days after receipt of such notice by the Licensee.

(c) A Licensee subject to any fine issued pursuant to paragraph (b) of this Rule, which is greater than \$1,000, may request an appeal before a Special Committee appointed in accordance with Rule 7.25. In every appeal, the Licensee will be given the opportunity to present evidence as to why the fine should be lowered or rescinded. Such evidence will be presented either through written submission or by personal appearance, as determined by the Special Committee, in its sole and absolute discretion. The Special Committee's decision to cancel, modify or affirm the fine shall be final.

(d) The Exchange's authority to issue a warning letter or to fine a Licensee for a violation of the Rules does not limit the Exchange's authority to suspend or cancel an Exchange license pursuant to Rule 7.17(a).

Amended by the Board April 22, 2019; effective May 31, 2019 [¶¶ (a) through (d)].

Rule 7.21. Power to Compel Testimony

The Exchange and any Special Committee appointed pursuant to Rule 7.25 shall have the power to summon any Licensee and any of their employees to give testimony under oath by appearance before it, by telephone communication or by affidavit by a partner, officer, or responsible employee fully acquainted with the relevant facts, and to produce any documents, books, or records. If any Licensee or any of their employees fail to obey any such summons or to give any such testimony or to produce any such documents, books, or records, such failure shall constitute a violation by such Licensee of his or its duties under the Rules.

Amended by the Board April 15, 2009; effective April 24, 2009,

Amended by the Board April 22, 2019; effective May 31, 2019.

Rule 7.22. Expenses of Lawsuits Brought Against the Exchange by Licensees

Any Licensee who institutes a lawsuit or other similar proceeding against the Exchange, or any of its officers, committee members, agents or employees in any court of law or otherwise and who fails to prevail in such lawsuit or proceeding shall pay to the Exchange any and all reasonable expenses and disbursements, including reasonable attorney's fees and any statutory costs, incurred by the Exchange in the defense of such lawsuit or proceeding.

Rule 7.23. Arbitration

(a) At the election of either party, any controversy between a Member and an Exchange licensed warehouse or tank facility operator or tank facility owner shall be submitted to arbitration under the Rules.

(b)(i) For the purposes of this Rule, a controversy shall include any Claim, grievance or dispute relating to the warehousing of Exchange Cocoa, Coffee and Cotton, provided, however, that the Claim is made within two (2) years from the time the alleged Claim, grievance or dispute arose.

(ii) For the purposes of this Rule, a controversy shall include any Claim, grievance or dispute relating to the storage, handling, quality or delivery of Exchange FCOJ, provided, however, that the Claim is made within one (1) year from the time the alleged Claim, grievance or dispute arose.

(c) Notwithstanding the provisions of this Rule, all Claims relating to the delivery of Exchange FCOJ against a tank facility operator or tank facility owner must be made no later than thirty (30) days after load-out.

Adopted by the Board April 15, 2009; effective April 24, 2009.

Rule 7.24. Confidentiality of Information

Every Person that has been granted an Exchange License (a "Licensee") shall treat as confidential all information relating to the storage, grading and handling of cocoa, coffee, cotton, sugar and frozen concentrated orange juice which has been obtained as a result of the performance of his or its duties as an Exchange Licensee and which has not been disseminated in a manner which makes the information generally available to the trading public (hereafter "Non-Public Information"). A Licensee may not use Non-Public Information for any purpose other than the performance of his or its official duties as a Licensee. A Licensee shall establish procedures to prevent the unauthorized disclosure of Non-Public Information. A Licensee shall not disclose Non-Public Information to any Person except for those of its officials, agents and employees who need to know such information in furtherance of carrying out the Licensee's obligations under the Rules, provided, that the Persons to whom such disclosure is made are advised of, and agree to adhere to, the provisions of this Rule. A Licensee may disclose Non-Public Information as and to the extent that the licensee is required to do so by law or legal process. A Licensee shall promptly notify the President upon discovering that such Licensee or any other Person may have committed a breach of this Rule.

Adopted by the Board February 27, 2014; effective March 17, 2014.

Rule 7.25. Special Committees

The President shall appoint a Special Committee to perform such duties as are specified in the Rules. Each Special Committee shall consist of at least three (3) disinterested individuals who are licensees, employees of licensees, employees of futures commission merchants or who otherwise have commercial expertise in delivering, warehousing, storage, grading or sampling Commodities, as deemed appropriate by the President.

Adopted by the Board April 22, 2019; effective May 31, 2019.

APPENDIX

No. 1. Licensing Appendix —Schedule of License Fees

Pursuant to Rule 7.12, the-Exchange is authorized to establish annual license fees. The following is a list of the current annual fees:

TYPE OF LICENSE	COFFEE	SUGAR	COCOA	COTTON	FCOJ
Licensed Stores					
First Store or Warehouse code	\$400	N/A	\$400	\$400	\$400
Any Subsequent Store or Warehouse code	\$300	N/A	\$300	\$300	\$300
Renewal store or Warehouse code	\$300	N/A	\$300	\$300	\$300
Master Sampler	\$300	\$300	\$300	\$300	N/A
Renewal	\$200	\$200	\$200	N/A	N/A
Weighmaster	\$300	\$300	\$300	\$300	N/A
Renewal	\$200	\$200	\$200	N/A	N/A
Grader	\$300	N/A	\$300	N/A	N/A
Renewal	\$200	N/A	\$200	N/A	N/A

Amended by the Board September 11, 2007; effective January 1, 2008.

Amended by the Board November 11, 2009; effective November 16, 2009.

Amended by the Board October 25, 2012; effective January 2, 2013.

Amended by the Board September 14, 2015; effective November 2, 2015 commencing with the May 2016 Contract.

Amended by the Board April 22, 2019; effective May 31, 2019.