



55 East 52nd Street
New York, New York 10055

BY ELECTRONIC TRANSMISSION

Submission No. 18-371
June 29, 2018

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Listing of Canola Futures and Options Contract - *Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2.*

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "CEA") and Commission Regulation 40.2 ICE Futures U.S., Inc. ("IFUS" or "Exchange") certifies the rules for the initial listing of the Canola futures and options contracts. The contracts will be cleared by ICE Clear U.S., a derivatives clearing organization which currently provides clearing services to the Exchange. The terms and conditions of the Canola futures and options contracts are set forth in new Chapter 12 of the Exchange's Rules annexed as Exhibit A, and in related amendments to existing Exchange Rules and notices, as specified further below and attached in Exhibits B and C, respectively.

1. Overview

Canola futures and options contracts currently trade on ICE Futures Canada, a foreign board of trade registered as such under the CEA and a sister company of the Exchange. All futures contracts executed on ICE Futures Canada are cleared by its subsidiary, ICE Clear Canada. The contract is the world benchmark for canola trading and prices physical delivery of canola seed free-on-board trucks or rail cars in the par delivery region in Central Saskatchewan. Trading in Canola futures is being transitioned to the Exchange and clearing transitioned to ICE Clear US pursuant to a novation of open positions that will occur over the weekend of July 27th. Trading in Canola will commence on IFUS on trade date July 30th. The Exchange will be licensing

the same elevators as currently licensed by ICE Futures Canada and authorizing merchants to issue delivery warrants for Canola pursuant to the same criteria currently utilized by ICE Futures Canada.

2. Description of the Futures Contract

The Canola futures contract being listed by the Exchange is identical to the contract traded in Canada and will have trading hours as specified in amendments to existing Exchange Rule 4.25. The contract is sized at 20 metric tonnes, is quoted in Canadian dollars and has a minimum price fluctuation of \$0.10/metric tonne (\$2.00/contract). It is available for trading in delivery months January, March, May, July and November. The first notice day is one trading day prior to the first delivery day, and the first delivery day is the first trading day of the month. The last trading day is the trading day preceding the 15th calendar day of the delivery month and the final notice day is the first trading day after the last trading day of the delivery contract. Daily price limits of \$30.00/tonne above or below the previous settlement price apply to the contract, along with expanded daily price limits as specified in more detail in Rule 12.02. Settlement prices and premiums are calculated pursuant to existing Rules 4.34 and 4.35 to which references to Canola have been added. The Exchange has set spot month position limits in Rule 6.27 at 3,000 contracts for any month for which delivery notices are or may be issued, and position accountability levels at 6000 Futures Contracts and Futures Equivalent Contracts in any single month or all months combined, based on the deliverable supply analysis set forth in Exhibit D. Contract deliverable grades are based on primary elevator grade standards as established by the Canadian Grain Commission (Rule 12.03) and delivery locations with related premiums and discounts are specified in Rule 12.06 and the Non-Par Price Differential Schedule to Chapter 12.

The options contract is American style and has the same contract series as the underlying Canola futures contract as well as serial months of February, April June August, September, October and December. The last trading/expiration day for all options months except January is the last Friday which precedes by at least two trading days the last trading day immediately preceding the options month; the January option expires the third Friday of December. Strike price increments are \$5.00/metric tonne. All options that are in-the-money are automatically exercised.

3. Description of the Cash Market and Deliverable Supply Analysis

An analysis of the deliverable supply of Canola, on which the position limits and accountability levels are based, is attached as Exhibit D.

4. Rules and Rule Amendments Setting Forth Contract Terms and Conditions

The Canola contract's terms and conditions are set forth in a new Chapter 12 annexed as Exhibit A, new Rule 6.27 (contained in Exhibit B) and in the following amendments of existing Rules and procedures which are contained in Exhibits B and C as indicated below:

Rule 4.25-Trading Hours (Exhibit B)

Rules 4.34 and 4.35-Settlement Prices and Settlement Premiums (Exhibit B)

No Cancellation Ranges and Reasonability Levels: These levels will be notified to market participants via updates to the existing notice setting forth the levels for other Exchange contracts (Exhibit C)

Interval Price Limits: Interval Price Limits established pursuant to existing Rule 4.28 will be notified to market participants via updates to the current notice setting forth the levels for other Exchange contract. (Exhibit C)

5. Certifications

The Exchange certifies that the rules and amendments related to the listing of the Canola futures and options contracts comply with the requirements of the CEA and the rules and regulations promulgated by the Commission thereunder. The Exchange has reviewed the designated contract market Core Principles and determined that the listing of the contracts impacts the following relevant Core Principles:

COMPLIANCE WITH RULES (Principle 2): The terms and conditions of the Canola contracts are set forth in new Chapter 12, Rule 6.27, amendments to Chapter 4 regarding trading hours and settlement procedures, along with updated market Notices, and will be enforced by the Exchange. In addition, trading of Canola contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION (Principle 3): The contracts should not be readily subject to manipulation as they are subject to position reporting and to position limits and accountability levels. Daily settlement prices are established on the basis of existing Exchange Rules and the contracts will be subject to market surveillance by the Exchange's Market Regulation staff on the same basis as other, existing Exchange contracts for physically delivered, agricultural commodities.

PREVENTION OF MARKET DISRUPTION, PROTECTION OF MARKETS AND MARKET PARTICIPANTS (Principles 4 and 12): All contracts listed for trading by the Exchange are subject to prohibitions against abusive and disruptive trading practices as set forth in Chapter 4 of the Rules. The Exchange's Market Regulation staff actively monitors all Exchange markets to detect and sanction abusive practices. In addition, the Canola contract has interval price limits which act to temper the rate of price moves during a trading session, as well as daily price limits, which include expanded limits where necessary.

POSITION LIMITS OR ACCOUNTABILITY (Principle 5): The Exchange has set the position limit at a level that takes into account the size of the underlying Canola spot market, the historic limits established by ICE Futures Canada and the diversity of Canola market participants, as described in the deliverable supply analysis that accompanies this submission.

AVAILABILITY OF GENERAL INFORMATION/ DAILY PUBLICATION OF TRADING

INFORMATION (Principle 7): Prior to the commencement of trading, the terms and conditions for the Canola contract will be available on the Exchange's website. In addition, the Exchange will publish on a daily basis the settlement prices, volume, open interest and the opening and closing ranges for the contract.

DAILY PUBLICATION OF TRADING INFORMATION (Principle 8): The Exchange will publish on its website and distribute through quote vendors trading volume, open interest levels, and daily price information for Canola contracts as it does for other Exchange futures contracts.

EXECUTION OF TRANSACTIONS (Principle 9): The new contract will be listed on the Exchange's electronic trading platform which provides a competitive, centralized market for transparent execution of transactions. In addition, the Exchange will permit certain noncompetitive transactions pursuant to existing Exchange Rules.

RECORDKEEPING AND TRADE INFORMATION (Principle 10): The Exchange has rules and procedures in place to provide for the recording and storage of the requisite trade information sufficient for the Market Regulation Department to detect and prosecute customer and market abuses.

FINANCIAL INTEGRITY OF CONTRACTS (Principle 11): The Canola contract will be cleared by ICE Clear U.S., a registered DCO subject to Commission regulation, and positions will be carried by registered futures commission merchants qualified to handle customer business.

PROTECTION OF MARKETS AND MARKET PARTICIPANTS (Principle 12):

Exchange Rules set forth numerous restrictions that preclude intermediaries from disadvantaging their customers. These are applicable to competitive trading in Canola contracts and are policed by the Market Regulation staff.

DISCIPLINARY PROCEDURES (Principle 13): Pursuant to Chapter 21 of the Rules which sets forth the Exchange's disciplinary procedures, and Rule 4.00 setting forth the Exchange's jurisdiction over all market participants, the Market Regulation Department and the Business Conduct Committee have the authority to sanction, suspend or expel members and market participants that violate Exchange rules.

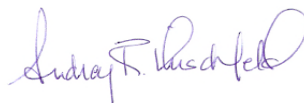
DISPUTE RESOLUTION (Principle 14): Market participants may arbitrate claims arising from trading of the Canola Futures Contract in accordance with Chapter 20 of the Rules. Such arbitration is mandatory on the part of a member against which a customer elects to use the Exchange's arbitration forum; member to member claims are subject to mandatory arbitration to the extent related to Exchange transactions.

The Exchange is not aware of any opposing views expressed regarding listing of the Canola contract and the adoption of related rules, and certifies that concurrent with this filing a copy of

this submission was posted on the Exchange's website, which may be accessed at: (<https://www.theice.com/futures-us/regulation#rule-filings>).

If you have any questions or need further information, please contact me at 212-748- 4083 or at Audrey.hirschfeld@theice.com.

Sincerely,

A handwritten signature in purple ink that reads "Audrey R. Hirschfeld". The signature is written in a cursive style with a large, looped initial "A".

Audrey R. Hirschfeld
Senior Vice President & General Counsel
ICE Futures U.S, Inc.

cc: Division of Market Oversight
New York Regional Office

Chapter 12 – CANOLA FUTURES AND OPTIONS

TABLE OF CONTENTS

Scope of Rules

12.00 Definitions

Part A – Futures Contracts

12.01 Contract Specifications
12.02 Trading Specifications
12.03 Contract Deliverable Grades
12.04 Currency
12.05 Par Pricing Basis
12.06 Delivery Regions and Non-Par Price Differentials
12.07 Contract Delivery Months
12.08 Last Trading Day
12.09 Contract Binding

Part B - Delivery and Shipment

12.10 Merchant Registration and Financial Requirements; Supervision
12.11 Delivery Process
12.12 Warrants
12.13 Warrants – Indemnification
12.14 Delivery Certificates
12.15 Obligations of the Warrant Issuer
12.16 Transaction Facilitation Fee
12.17 Shipment
12.18 Shipment by Truck
12.19 Shipment by Rail
12.20 Confirmation of Shipment
12.21 Accounting for Non-Par Premiums and Discounts
12.22 Official Samples of Shipment
12.23 Weights and Grades/Quality Assessments
12.24 Dispute on Grade/Quality Assessments
12.25 Over-Shipments and Under-Shipments
12.26 Extension to Shipping Time Without Penalty
12.27 Defaults
12.28 Canola Committee; Arbitration

Part C - Elevators, Warrants, Handling Agreements and Audits

12.29 Elevators to be Registered
12.30 Requirements for Elevator Registration
12.31 Continuity of Operations
12.32 Acceptance of Elevators for Registration
12.33 Change in Elevator Information

12.34	Registered Handling Agreements
12.35	Entities Eligible to Issue Warrants
12.36	Limitation on Warrants Issued/Handling Agreements Registered
12.37	Misrepresentations on Warrants - Penalties Attached
12.38	Warrant Obligations Remain the Responsibility of the Issuer of the Warrant
12.39	Elevator Operators to be Approved; Duty of Supervision
12.40	Audit of Registered Elevators and Stocks

Part D - Canola Options

12.41	Unit of Trading
12.42	Trading Months
12.43	Premium Quotations
12.44	Last Trading Day
12.45	Obligations of Option Purchasers
12.46	Obligations of Option Grantors
12.47	Effect of Clearance
12.48	Expiration of Canola Options
12.49	Strike Prices
12.50	Notice of Exercise

Part E Options On Canola Futures Spreads

12.51	Definitions
12.52	Trading Months
12.53	Premium Quotations
12.54	Last Trading Day
12.55	Obligations of RSSO Purchasers
12.56	Obligations of RSSO Grantors
12.57	Effect of Clearance
12.58	Expiration of RSSOs
12.59	Strike Prices
12.60	Notice of Exercise

Canola Non-Par Price Differential Schedule

- CANOLA

Scope of Rules

Except where specifically provided otherwise in this Chapter 12, the Rules of the Exchange and the Clearing Organization Rules shall be applicable to Transactions in Canola Futures Contracts and Canola Options. All times specified in this Chapter 12 refer to Eastern Standard Time or Daylight Savings Time as in effect on the relevant date and time in New York.

12.00 Definitions

As used in these Rules, the following words shall have the meanings set forth below. In the event of any inconsistency between the provisions of this Chapter 12 and any other Rule, the provisions of this Chapter shall apply.

“Additional Indemnification” means the monies required to be paid by a Warrant Issuer, subsequent to Delivery Day, and is an amount calculated by the Exchange based on marking-to-market the commodity, all as required under the Rules.

“buyer” - a Clearing Member who takes a long position in futures contracts whether for his own account or for a customer.

“CGC-Licensed Inland Facility” - an inland grain-handling facility, which is licensed by the Canadian Grain Commission, and is located in one of the following Canadian provinces: British Columbia (Peace River District only), Alberta, Saskatchewan, or Manitoba.

“constructively placed” – means when the conveyance (railcar or truck) is placed by the buyer in an accessible position for loading at a location pursuant to the contract Rule.

“Deferred Delivery Contract” - a written cash market purchase agreement of a contract deliverable grade as set out in the Exchange Rules, in which a Merchant Participant authorized to issue Warrants is the buyer and a third party is a seller and the terms of the agreement include a specified future delivery period within the contract deliverable region(s).

“Delivery Certificate” – an Exchange delivery instrument which evidences the right of the owner to call for shipment of canola, all in accordance with the Rules.

“Delivery Day” means the Trading Day immediately following Tender Notice Day.

“Delivery Day Value” means the monies required to be paid by the long position holder(s) taking delivery which shall be the number of metric tonnes of canola multiplied by the previous day’s futures contract settlement price, or for deliveries made during the last two (2) Trading Days after the last Trading Day of the delivery month, the settlement price on the last Trading Day.

Elevator Operator – means any company or other organization approved by the Exchange entitled to register elevators for storage and/or shipment of Exchange canola contracts in fulfillment of Warrants issued by Warrant Issuers for delivery against Exchange canola contracts.

“F.O.B.” - Free on Board. Condition of Sale where the price of the commodity includes all charges until such commodity is placed aboard the conveyance in which the commodity is to be shipped.

“Group”, “Group Companies” or “Group of Companies” - means, with respect to any entity, a Firm which is a parent or a subsidiary of that entity or a subsidiary of any parent of that entity.

“Handling Agreement” – means a written agreement between Participants eligible to participate in the Handling Shipment Process.

“Handling Shipment Process” – means the Rules, requirements and procedures whereby a Warrant Issuer utilizes elevators registered by a Merchant Participant or an Elevator Operator to effect its storage and/or shipment requirements in fulfillment of its Warrant obligations.

“Initial Indemnification” means the monies required to be paid by the Warrant Issuer on the issuance of a new Warrant, in accordance with the Rules, which monies are payable on the Delivery Day;

“in-store” - grain actually in an elevator.

“In-Transit” – means any grain that has been loaded into a conveyance (whether railcar, truck, or vessel) and is in the process of being shipped from one owner (the seller) to another (the buyer).

“Load Out Capacity” – means, with respect to each elevator registered as “regular” for delivery, the lesser of the elevator’s ability to load railcars or to load trucks during a one day period during regular business hours, in accordance with the Rules.

“Merchant” - means a company which buys or sells canola either for its own account or as an agent charging commission.

“Merchant Participant” – means any company approved to list space for storage and delivery against the canola contract and/or issue Warrants in accordance with the Rules, provided that the approval has not been suspended or terminated.

“Official Sample” – a sample taken from a shipment by an Official Sampler.

”Official Sampler” – means an entity listed below, who is permitted to take Official Samples for the purposes of determining weights, grades, and quality assessments, as described elsewhere in these Rules. The list of approved Official Samplers is as follows and the President or his designate may vary this list as necessary, with notice to the market:

SGS Canada Inc.

SGS North America Inc.

Intertek Group plc;

Canadian Grain Commission (CGC)

Federal Grain Inspection Service (FGIS) of the US Department of Agriculture (USDA)

“railcar” – hopper car.

“Registered Handling Agreement” - means a Handling Agreement which has been submitted to the Exchange for approval by submission of the forms specified by the Exchange and which has received the written approval of the Exchange.

“seller” - a Clearing Member who takes a short position in futures contracts whether for his own account or for a customer.

“Tender Notice Day” - means the Trading Day on which a Tender Notice is issued.

“Tender Notice” - a notice of a Clearing Member's intention to make delivery pursuant to the By-laws and Rules of the Exchange and the Clearing Organization, in the form approved by the Clearing Organization.

“Trading Day” – the period or periods of time within a given twenty-four (24) hour period when the Canola contracts are available for trading.

“truck” – grain or similar product equipment with open top allowing unrestricted country elevator loading access and with hopper bottom or end dump unloading capability. This excludes pressurized and/or top hatch equipment.

“Warrant” – an Exchange delivery instrument which evidences the guarantee of the Warrant Issuer to provide the shipment of the canola when called for by the Exchange, all in accordance with the Rules.

“Warrant Issuer” – a Merchant Participant which has properly completed and filed with the Exchange, a Warrant in the form required by the Rules.

Part A - Futures Contracts

12.01 Contract Specifications

Each futures contract shall be for 20 metric tonnes of canola at par.

12.02 Trading Specifications

a. Trading Unit

Prices shall be quoted per metric tonne of canola

b. Price Increments

The minimum price fluctuation shall be ten cents (\$0.10) per metric tonne.

c. Daily Price Limits

(1) Regular Limits

- (i) Trading in canola futures contracts is prohibited during any Trading Day at prices which exceed the settlement price of the previous Trading Day by an amount higher or lower than Thirty dollars (\$30.00) per metric tonne.

- (ii) Provided that in the case of trading in a contract that is eligible for delivery in that month, there shall be no daily limit on price movement on the last Trading Day.
 - (iii) Provided further, that under certain market conditions, system-priced legs of spread or Trade at Settlement (“TAS”) trades may be priced outside the aforementioned Daily Limits.
- (2) Expanded Daily Limits
 - (i) If the settlement price of any two (2) contract months in the canola futures contract is at the regular daily limits, the limits shall be expanded on the following day to Forty-Five dollars (\$45.00) per metric tonne.
 - (ii) If, while the daily limits are expanded to Forty-Five dollars (\$45.00) per metric tonne, the settlement price of any two (2) contract months in the canola futures contract is at the expanded daily limit, the daily limits shall be further expanded on the following day to Sixty dollars (\$60.00) per metric tonne.
 - (iii) If the daily limits are expanded to either Forty-Five dollars (\$45.00) or Sixty dollars (\$60.00) and no contract month settles at the expanded daily limit that day, the daily limits shall move to the next-lowest daily limit level the following day.

12.03 Contract Deliverable Grades

- a. Contract deliverable grades shall be based on primary elevator grade standards as established by the Canadian Grain Commission:
 - (1) non-commercially clean Canadian canola with a maximum dockage of 8%, all other specifications to meet No. 1 Canada Canola at contract price; or
 - (2) commercially clean No. 1 Canada Canola at a premium of \$5.00 per net tonne; or
 - (3) commercially clean No. 2 Canada Canola at a discount of \$8.00 per net tonne; or
 - (4) non-commercially clean Canadian canola, with maximum dockage of 8%, all other specifications to meet No. 2 Canada Canola at a discount of \$13.00 per net tonne.
- b. Canadian canola that meets the contract deliverable grades and is of a variety that is derived from Genetically Modified Organisms (GMOs or “transgenic” canola) is also deliverable against the canola futures contract.
- c. Grade specifications of canola being delivered shall be clearly identified on the Warrants and Delivery Certificates in accordance with the Annexes hereto.
- d. Warrants and Delivery Certificates shall be generic as to commercially clean or non-commercially clean specifications.

12.04 Currency

Bids, offers and trades shall be in Canadian dollars.

12.05 Par Pricing Basis

Bids and offers shall be made at a price based on F.O.B. value in the par delivery region. The buyer shall arrange for and provide conveyance by truck and the seller will arrange for railcars, unless the buyer agrees to provide railcars. All charges for transport by railcar, relative to the shipment at issue, will be paid by the buyer.

12.06 Delivery Regions and Non-Par Price Differentials

- a. Prior to November 1, 2018: Par Delivery may be made at any "regular" elevator that is located within an approximate radius of 150 kilometers from the midpoint between North Saskatoon, Saskatchewan and Aberdeen, Saskatchewan (Par Region).

Effective November 1, 2018: Par Delivery may be made at any "regular" elevator that is located in the Province of Saskatchewan, east of Saskatoon and in the vicinity of Saskatoon (Par Region).

- b. Non-Par Delivery may be made at any registered elevator located:

- (1) Prior to November 1, 2018: in the Province of Saskatchewan outside of the par region east of Saskatchewan Highway #2 (Central East Region) at a non-par price differential in accordance with the Non-Par Price Differential Schedule attached to this Rule; or

Effective November 1, 2018: elevators in the current Central East Region will become part of the Par Region and there will no longer be a Central East Region; or

- (2) Prior to November 1, 2018: in the Province of Saskatchewan outside of the par region west of Saskatchewan Highway #2 (Central West Region) at a non-par price differential in accordance with the Non-Par Price Differential Schedule attached to this Rule; or

Effective November 1, 2018: in the Province of Saskatchewan, west of the Par Region (Central West Region), at a non-par price differential in accordance with the Non-Par price Differential Schedule attached to this chapter of the Rules; or

- (3) in the Province of Manitoba (Eastern Region) at a non-par price differential in accordance with the Non-Par Price Differential Schedule attached to this Rule; or
- (4) in the Province of Alberta (excluding the Peace River District of Alberta) (Western Region) at a non-par price differential in accordance with the Non-Par Price Differential Schedule attached to this Rule; or
- (5) In the Peace River Region at a non-par price differential in accordance with the Non-Par Price Differential Schedule attached to this Rule. This region encompasses

all areas in the Province of Alberta north of the 18th base line and the area in the Province of British Columbia known as the Peace River District.

- c. Non-par price differentials shall be reviewed at least once per year, in the second quarter of each year, and additional reviews may be performed at the Exchange's discretion when there is evidence of an issue related to non-par differentials. Reviews may consider any relevant information available including, but not limited to: tonnes nominated and/or rejected in each region, regional differences in cash bids, rail freight spreads, and/or any other relevant factors. Except, in exceptional circumstances, amendments to non-par price differentials shall be made effective starting with the first futures contract of the crop year (November). Amendments to non-par price differentials shall apply to all futures contracts with open interest and to all outstanding Warrants and Delivery Certificates, as at the effective date of such changes.

12.07 Contract Delivery Months

Trading in canola futures contracts may only be conducted for delivery during the following months in any year, commencing on such date as the Exchange may determine: January, March, May, July and November.

12.08 Last Trading Day

The Last Trading Day shall be the Trading Day preceding the fifteenth (15th) calendar day of the delivery month.

Any contracts remaining open after the Last Trading Day must be either:

- a. settled by delivery no later than the second Business Day following the Last Trading Day (tender on Business Day prior to delivery); or
- b. transferred in accordance with Rule 4.37.

12.09 Contracts Binding

- a. (1) All contracts for canola futures delivery shall be binding and of full force and effect until:
 - (i) the quantity and quality of the commodity specified in such contract shall have been delivered; and
 - (ii) the price specified in the said contract shall have been paid.
- (2) No futures contract shall be entered into with any stipulation or understanding at the time of making such futures contract that the terms of said contract as specified above are not to be fulfilled, or that the commodity is not to be delivered and received in accordance with the Rules.
- b. Subject to the prohibitions set out in subsection a. (2) above, subsequent to the time that the Warrant Issuer and the Delivery Certificate Holder are matched up for shipment and the Delivery Certificate Holder accepts the nominated points, they may enter into a mutually

acceptable written agreement to complete all, or part of the shipment under terms other than those stipulated in the Rules. Both the Warrant Issuer and the Delivery Certificate Holder shall notify the Exchange by e-mail sent to the Manager of Commodity Operations of their intention to enter into separate arrangements for the shipment at issue (or such part thereof). Upon receipt of the e-mail the Exchange and the Clearing Organization shall be relieved of any further involvement in, or liability with respect to, the said shipment (or such part thereof).

Part B - Delivery and Shipment

12.10 Merchant Participant Registration and Financial Requirements; Supervision

- (a) Registration and Financial Reporting: Merchant Participants shall register with the Exchange as such, provide financial information to the Exchange and maintain financial standing in conformity with the Rules and procedures of the Exchange. Specifically, each Merchant Participant shall file an application for registration and the following additional documents:
- (i) with their written Merchant Participant application, audited financial statements for the most recent year ended and unaudited financial statements for the most recent quarter ended.
 - (ii) after acceptance as a Merchant Participant, annual audited financial statements within one hundred and twenty (120) days from the end of the fiscal period to which they refer and unaudited financial statements on a quarterly basis, within forty-five (45) days of each quarter end, including the fourth quarter.
- An applicant or a registered Merchant Participant may apply, in writing, to the Exchange, seeking permission to file unaudited annual financial statements and must provide reasons for the failure to have its financial statements audited. The decision of the Exchange as to whether or not to accept unaudited financial statements, and for what period of time, will be final.
- (iii) The financial statements referred to herein shall be accompanied by a completed “Financial Questionnaire and Report Form” as specified by the Exchange, and an adjusted net capital calculation in the form prescribed by the Exchange.
- (b) Extension of Time: The Exchange may agree to extend the time for filing any required financial information if, in the opinion of the Exchange, it is appropriate to do so. Failure to file the required financial information, by the date prescribed without obtaining an extension, or failure to provide the notifications required under this Rule, may result in the imposition of a Summary Fine by the Exchange not to exceed ten thousand dollars (\$10,000) or referral for disciplinary action.
- (c) Subsidiaries: If a Merchant Participant is or becomes a subsidiary, then the Person exercising voting control (the “Controlling Entity”) over it may be required to file an agreement to indemnify the Exchange and all other participants for all acts and transactions of the subsidiary. In addition, the Controlling Entity may be required to file financial statements. Failure of the Controlling Entity to agree to file such financial statements will result in immediate suspension of the Merchant Participant.

- (d) Merchant Participants shall have a financial position of at least CAD \$2,000,000 of adjusted net capital and a net worth that exceeds the total capacity of all its elevators registered with the Exchange multiplied by \$50.00 (in metric tonnes). Adjusted net capital shall be determined by aggregating the following:
- (A) The sum of the following at 100%;
 - (i) total equity identified on financial statements,
 - (ii) long term liabilities excluding loans from partners, officers or shareholders,
 - (iii) postponement of obligations,
 - (iv) committed unused long term facilities,
 - (v) market value of securities in excess of cost if not otherwise included in (i) above
 - (B) Less the sum of the following at 100%;
 - (i) property, plant and equipment
 - (ii) all other long term assets
 - (iii) the minimum guaranty fund deposit if the Merchant is also a Clearing Participant,
 - (C) Less the sum of the following:
 - (i) Cash deposits at 0% (zero percent);
 - (ii) Marketable Securities
 - A. Canadian or US Government Securities maturing within 1 year at 0% (zero percent) of market value,
 - B. all other marketable securities at 20% of quoted market value;
 - (iii) All inventories at 8% of the lower of cost or market value;
 - (iv) Accounts Receivable arising in the ordinary course of business, inclusive of a reasonable reserve for doubtful accounts, at 2.5%; and
 - (v) Other current assets at 100%.
- (e) A Merchant Participant must advise the Exchange, in writing, immediately upon becoming aware that there is an indication that it will fall below the required capital requirements. The Merchant Participant must provide detailed information as to how and why its financial situation has fallen, has or is expected to fall, below the minimum capital standards required for its status. The Merchant Participant shall provide the Exchange with such further information as the Exchange may require.
- (f) The Exchange will review all financial information and shall make such determination as to additional requirements to be met by the Merchant Participant as it shall, in its absolute discretion, deem reasonable. In the event that the Merchant Participant has Warrants outstanding, the Exchange will immediately call for such additional indemnification as it deems reasonable. If time and circumstances permit, the Exchange may consult with the Merchant Participant and work with it to determine the most appropriate next steps. Without in any way limiting the generality of the foregoing, the Exchange may determine;

- (i) that the Merchant Participant be permitted to retain its status on conditions that restrict certain privileges of the Merchant Participant status, such as not being permitted to issue Warrants or being permitted to issue Warrants in such amounts as the Exchange deems appropriate, and/or that any Warrants issued be subject to additional amounts of indemnification above those amounts defined in the Rules;
 - (ii) that the Merchant Participant provide additional cash in such amounts and on such terms and conditions, as the Exchange determines reasonable;
 - (iii) that the Merchant Participant provides a postponement agreement, which agreement postpones any claim or demand that a partner, officer, or shareholder may have against the assets of the Merchant Participant. Any postponement agreement shall be in such form as the Exchange shall stipulate;
 - (iv) that the Merchant Participant provides a written guarantee executed by a parent company or other entity. Any guarantee shall be in such form as the Exchange shall stipulate;
 - (v) that the Merchant Participant's status be suspended or terminated, effective on such date(s) as the Exchange determines; or
 - (vi) any combination of the foregoing.
- (g) The Exchange may deny an application for registration as a Merchant Participant if any of the requirements specified in this Rule have not been satisfied, and/or if the Exchange determines that, based on the information disclosed in the application, registration would not be in the best interests of the Exchange, *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 the Board to present evidence as to why the application should be granted. A request to be heard by the Board 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 Board shall be presented by written submission in accordance with procedures specified by the Board, and the decision rendered by the Board shall be final.
- (h) The right to pursue all claims against any entities on the executed guarantee and/or postponement agreements is strictly that of the Exchange. The President or his designate shall, in his or her sole discretion, make all determinations respecting all matters concerning claims against entities that are liable under guarantee and/or postponement agreements and such determinations shall be final. Without limiting the generality of the foregoing, the President or his designate will not be required to provide notice of any hearing considering any matter to any entity, nor shall it be required to give any entity an opportunity to be heard prior to making any determination.
- (i) In the event that the Exchange obtains any funds from any entity under the provisions of a guarantee or postponement agreement, the President or his designate shall distribute such proceedings as follows firstly to pay all fines, dues, assessments and charges due to the Exchange by the Merchant Participant who was the subject of the agreement, including full

payment of any or all legal fees, accountant's charges and any other expenses whatsoever incurred by the Exchange as the President or his designate in his or her absolute discretion may determine.

- (j) All Merchant Participants shall adopt written policies and procedures to be followed by their directors, officers, employees, representatives and agents who are involved in or engage in business activities related to the Exchange, that are adequate, taking into account the nature, scope and complexity of its business, to ensure compliance with the Rules and applicable law.

12.11 Delivery Process

Delivery against Canola Futures Contracts shall be conducted in accordance with the following:

- a. Delivery shall be initiated by the Clearing Member of a short futures position holder (seller) by presentation of a Tender Notice to the Clearing Organization by 4:00 pm on the Trading Day prior to Delivery Day. The presentation of a Tender Notice can be made from the Trading Day immediately preceding the first Trading Day of the delivery month, up to and including 4:00 pm on the first Trading Day after the last Trading Day of the delivery contract.
- b. Reserved.
- c. The short futures position holder (seller) shall present a Warrant, issued in accordance with the form prescribed by the Exchange, to the Exchange no later than 4:00 pm on the Trading Day prior to Delivery Day.
- d. The Exchange will review the Warrant and determine whether it will be accepted. If accepted, the Exchange will notify the Warrant Issuer of the required Initial Indemnification, (including the amount of the Delivery Day Value that will be applied as a credit toward the Initial Indemnification requirement in accordance with paragraph (f) of this Rule) by the close of business on the Trading Day prior to Delivery Day.
- e. The Warrant Issuer shall provide the Initial Indemnification (less the value of any anticipated credit) to the Exchange no later than 10:00 am on the Trading Day following the day of presentation of a Tender Notice to the Clearing Organization.
- f. Tender Notices shall not be processed through the Clearing Organization until the Exchange has received and accepted the Warrant and the Initial Indemnification (less the value of any anticipated credit) has been received by the Exchange.
- g. On Delivery Day:
 - (1) The Clearing Organization will issue a Daily Delivery Report to all Clearing Members by 10:30 am. This report identifies all matched deliveries, which are done on a FIFO basis and will constitute notice to the applicable Clearing Member for purposes of Clearing Organization Rule 602(c).
 - (2) The Clearing Organization will contact the Clearing Member to obtain the names of the long futures position holder(s).

- (3) By 11:30 a.m., or such other time as may be determined by the Clearing Organization, the Clearing Organization will notify the Clearing Member for the long futures position holder (buyer), of the Delivery Day Value and all other applicable charges.
 - (4) Delivery Day Value will be collected from the Clearing Member of the long futures position holder (buyer) and must be paid by the long futures position holder (buyer) to the Clearing Member upon request.
 - (5) Two (2) hours after notification by the Clearing Organization the Clearing Member for the long futures position holder (buyer) shall provide payment of the invoice. Payment must be made in cash, via bank wire, all in accordance with the Rules.
 - (6) The Delivery Day Value less applicable charges, will be deposited to the account of and held by the Exchange, which shall apply such amount as a credit towards the Initial Indemnification amount required to be deposited by the Warrant Issuer pursuant to Rule 12.13. In the case of a re-delivery, the Delivery Day Value less applicable charges will be provided to the Clearing Member of the short futures position-holder.
- h. If a long futures position holder (buyer) holds outstanding Warrants of the same grade of canola, those Warrants shall be offset by the amount of the delivery prior to the issuance of a Delivery Certificate, which shall be issued for the net tonnage after offsetting the Warrant. Assignment of deliveries for this purpose shall be made against the newest Warrants first, on a Last-In-First-Out basis.
 - i. If the short futures position holder (seller) holds outstanding Delivery Certificates of the same grade of canola, and presents a Tender Notice, it shall indicate on the Tender Notice that it is submitting a “re-delivery” and the tonnage of canola on the Tender Notice shall be offset against the tonnage of canola evidenced on the Delivery Certificates.

12.12 Warrants

- a. The originals of all Canola Warrants must be provided to the Exchange within three (3) Business Days of Tender Notice Day.
- b. Warrants shall only be issued by:
 - (1) Merchant Participants who have elevators registered as "regular for delivery" against the canola futures contract (in accordance with the Exchange Rules and procedures), except in the case of third party delivery Warrants where the Warrant shall be issued by both the Merchant Participant and the beneficial owner of the commodity; or
 - (2) Merchant Participants who have Registered Handling Agreements with a Merchant Participant or Elevator Operator with elevators registered as “regular” for delivery against the canola futures contract.
- c. Warrants shall be generic as to region, and:

- (1) With regard to “Issuer-Owned” Warrants, the canola represented by all Warrants issued, in the aggregate, must consist of:
 - (i) canola owned and controlled (where controlled means located in-store a CGC-Licensed Inland Facility of the Merchant Participant or located in-store a CGC-Licensed Inland Facility of a Merchant Participant or Elevator Operator with which the Merchant Participant issuing the Warrant has a Registered Handling Agreement) by the Merchant Participant; or
 - (ii) a combination of canola owned and controlled (where controlled means located in-store a CGC-Licensed Inland Facility of the Merchant Participant and/or located in-store a CGC-Licensed Facility of a Merchant Participant or Elevator Operator with which the Merchant Participant issuing the Warrant has a Registered Handling Agreement) by the Merchant Participant and up to 25% of the canola supported by the Merchant Participant’s net nearby cash position of canola which shall be calculated as the difference between a) Deferred Delivery Contracts callable within the next thirty (30) days plus In-Transit grain to be delivered into the Merchant Participant’s facilities in a region and b) any cash sales the Merchant Participant is obligated to make in that same thirty (30) day period without referencing any In-Transit grain that has been shipped out of the Merchant Participant’s facilities;

Provided that in the event that a Warrant Issuer has Warrants outstanding that represent canola that is in excess of the canola that it owns and controls, it is required to provide to the Exchange a report that includes details of all its Deferred Delivery Contracts for canola and details of all committed sales for canola in the form prescribed by the Exchange. The report shall be submitted on the date that it issues the Warrant(s) and on a weekly basis thereafter until the canola represented on the Warrant(s) is no longer in excess of the canola that is owned and controlled by the Warrant Issuer. This reporting requirement shall be in addition to any other reporting requirements of these Rules.

- (2) With regard to third party delivery, Warrants shall be issued by both the beneficial owner of the commodity and the Merchant Participant. Third party delivery Warrants shall represent canola controlled by the Merchant Participant, where “controlled” means located:
 - (i) in-store CGC-Licensed Inland Facilities of the Merchant Participant; and/or
 - (ii) in-store CGC-Licensed Inland Facilities of a Merchant Participant or Elevator Operator with which the Merchant Participant issuing the Warrant has a Registered Handling Agreement.

- d. Warrants shall be issued in whole multiples of twenty (20) metric tonnes.
- e. All Warrants, including third party delivery Warrants, shall be placed on deposit at the Exchange by the Merchant Participant.

- f. Merchant Participants who issue third party delivery Warrants shall be responsible for fulfillment of the contract through shipment and all dispute resolution, all in accordance with these Rules. All issues relating to the commodity being delivered under the third party delivery Warrant including, but not limited to the provision of Initial Indemnification and Additional Indemnification, grade standards, quality, quantity, ownership and title, all shipment processes, and all other ancillary matters are the sole responsibility of the Merchant Participant that co-issued the third party delivery Warrant. In the case of any dispute, problem or deficiency respecting the commodity represented by Warrants on deposit under the provisions of third party delivery process, the Exchange shall be entitled to recover any and all damages and costs from the security/indemnification provided to the Exchange by the Merchant Participant. Merchant Participants may require such contractual obligations and indemnification from the beneficial holder of the short futures position as the Merchant Participant deems appropriate for providing such service.

12.13 Warrants – Indemnification

- a. All Warrant Issuers must provide Initial Indemnification and Additional Indemnification as and when requested by the Exchange for all Issuer-Owned and third party Warrants issued and outstanding.
- b. Initial Indemnification is paid by the Warrant Issuer in an amount that is no less than the following:
- (1) for tonnage up to 25,000 metric tonnes – base indemnification plus 10% of base indemnification; and
 - (2) for tonnage more than 25,000 and less than 50,000 metric tonnes – base indemnification plus 15% of base indemnification; and
 - (3) for tonnage that is 50,000 metric tonnes or more – base indemnification plus 20% of base indemnification.

AND PROVIDED THAT the base indemnification for canola is the nearby settlement price, or a preliminary settlement price estimate to be determined by the Exchange in its sole discretion if the final settlement price is not available within 30 minutes of the close of trading, marked to market on a daily basis and adjusted for deliverable grade, and multiplied by the number of metric tonnes for which Warrants are issued and outstanding.

AND PROVIDED THAT under special circumstances, including but not limited to an inverse between the cash market for immediate delivery and the nearby futures prices, additional Initial Indemnification may be required by the Exchange.

- c. The Exchange will mark-to-market each Warrant each Trading Day and Warrant Issuers will be required to provide Additional Indemnification as market circumstances require. Where a Warrant Issuer is notified by the Exchange that it has to make payment of Additional Indemnification it shall satisfy the requirements no later than 10:00 am on the Trading Day following the notification. Initial Indemnification and Additional Indemnification must be provided by cash payment via bank wire.

- d. Cash provided for Initial and/or Additional Indemnification shall be maintained by the Exchange in a segregated account and shall not be commingled with Exchange funds.
- e. Failure to provide Initial or Additional Indemnification as required under these Rules is a violation of the Rules. The Exchange shall take whatever steps it deems appropriate in the circumstances.
- f. Requests for the return of excess indemnification must be received by the Exchange no later than 2:00 pm for processing that day. Requests received after this time will be processed the next Business Day.

12.14 Delivery Certificates

- a. The Delivery Certificate system is part of the Exchange delivery and shipment processes, ensuring the delivery of the underlying asset to the futures contracts.
- b. The Delivery Certificate system shall be an uncertificated, paperless system. All records on delivery and shipment, including the issuing of Delivery Certificates, shall be held by the Exchange. The Exchange's records shall constitute the final record for all purposes.
- c. Delivery Certificates shall be issued in the name of the Clearing Member of the buyer, except in the case where the Clearing Member agrees to permit the buyer to have the Delivery Certificates issued in its name, and in such case the buyer must be a Merchant Participant of the Exchange.
- d. In the event that the Clearing Member permits a Delivery Certificate(s) to be registered in the name of the buyer, it shall advise the Exchange. Both the Clearing Member and the buyer shall provide such written evidence of same as the Exchange may require. Once the Clearing Member permits the long futures position holder (buyer) to have the Delivery Certificate registered in its name, first contact with respect to all matters concerning the shipment shall be between the Exchange and buyer, with the Clearing Member receiving copies (the Clearing Member, or, where it agrees the Merchant, shall hereinafter be referred to as the "Delivery Certificate Holder").
- e. Delivery Certificates may be transferred by the Delivery Certificate Holder, to another Clearing Member or Merchant Participant, upon notice to the Exchange of same.
- f. Delivery Certificates shall be generic as to region, but not as to grade. Delivery Certificates shall be generic as to commercially clean or non-commercially clean.
- g. A fee, as established by the Exchange, shall be assessed upon the registration and reissuance of each Delivery Certificate.

12.15 Obligations of the Warrant Issuer

- a. Warrant Issuers have a number of obligations pursuant to the terms of the Warrant and the Rules, which include, inter alia:
 - (1) Ensuring the canola is maintained in CGC-Licensed Inland Facilities and meets the quality and quantity of the contract deliverable grade;

- (2) Having capacity, both financial and operational, to respond to and meet the requests by the Exchange to post Initial Indemnification and Additional Indemnification;
- (3) Posting Initial Indemnification and meeting ongoing Additional Indemnification obligations;
- (4) Having logistical and operational capacity to meet the Rule requirements relative to submission of all required forms under the Rules and ensuring that the canola is shipped out within the required time deadlines; and
- (5) Completion of all required documentation relative to the shipment processes.

12.16 Transaction Facilitation Fee

- a. Warrant Issuers will be entitled to a Transaction Facilitation Fee (“TFF”) for the performance of the obligations referenced in Rule 12.15. Delivery Certificate Holders will be responsible for the payment of the TFF on the canola held on all Delivery Certificates from the Trading Day on which Delivery Certificates are issued until the date shipment is completed. Delivery Certificate Holders shall be invoiced by the Exchange for the TFF and payment is due within five (5) Business Days of receipt of the invoice. Invoices shall be issued at least once per month.
- b. Warrant Issuers shall be invoiced by the Exchange for a TFF Administration Fee and payment is due within five (5) Business Days of receipt of the invoice. Invoices shall be issued at least once per month.

12.17 Shipment

- a. Delivery Certificate Holders shall initiate the shipment processes by presentation to the Exchange of a completed Call for Shipment - Canola, in the form specified by the Exchange, prior to 10:30 am on a Trading Day. Upon receipt of the form, the Exchange shall:
 - (1) determine the oldest outstanding Warrant(s) ;
 - (2) notify the Warrant Issuer(s) of such Warrants of its obligation to ship out the canola; and
 - (3) notify the Warrant Issuer(s) who the Delivery Certificate Holder is.
- b. Shipment shall only be made from elevators registered as “regular”.
- c. The Warrant Issuer shall notify the Delivery Certificate Holder and the Exchange within two (2) Business Days, (inclusive of the day of notice by the Exchange if such notice is given before noon) of the elevator(s) from which the canola will be shipped by completion of the Shipment Nomination and Acceptance Form, in the form specified by the Exchange. On this form, the Warrant Issuer shall also advise whether the canola will be commercially clean, non-commercially clean, or at the choice of the Delivery Certificate Holder.
- d. The quantity nominated shall not exceed two (2) full car spots at the nominated facility.
- e. When nominating shipping location points, the Warrant Issuer must be able to accommodate the ordering and placement of railcars, and the placement of trucks, at the nominated point,

in such a way as to facilitate the shipment within the times prescribed by this Rule and within any railway-imposed limitations, to the best of its knowledge unless the Delivery Certificate Holder has specified truck as the method of conveyance on the Call For Shipment form. The Warrant Issuer may only nominate locations for which there is a reasonable expectation of rail service that would accommodate the shipment tonnage, unless the Delivery Certificate Holder has specified truck as the method of conveyance on the Call For Shipment form.

- f. At the time the shipping locations are nominated, the Warrant Issuer will advise the Delivery Certificate Holder of the railway(s) providing services to the shipping locations, and of any known restrictions or limitations related to rail shipment from the shipping locations, unless the Delivery Certificate Holder has specified truck as the method of conveyance on the Call For Shipment form.
- g. A minimum of eighty (80) metric tonnes shall be nominated from any given point(s), with any odd lots of less than eighty (80) metric tonnes to come from a point already nominated. If the call for shipment is less than eighty (80) metric tonnes, the entire nomination must be from one location. All quantities nominated must be in twenty (20) tonne multiples.
- h. The Delivery Certificate Holder shall complete the required pages of the Shipment Nomination and Acceptance Form, and submit copies to both the Warrant Issuer and the Exchange within two (2) Business Days (inclusive of the day of notice if such notice is given before noon), of:
 - (1) the acceptance or rejection of the shipping locations, in whole or in part, in twenty (20) metric tonne multiples), including the selection of commercially clean or non-commercially clean, if the Warrant Issuer has provided that option; and/or
 - (2) the amount, in twenty (20) metric tonne multiples, if any, that will be shipped; and/or
 - (3) the amount, in twenty (20) metric tonne multiples, if any, that is to be converted back to Delivery Certificates.

Provided that, if either (1) or (2) is chosen, the Delivery Certificate Holder will also be responsible for advising whether the shipment will be by rail or by truck, and if the shipment is by rail, the Delivery Certificate Holder is to advise as to the destination. If the Delivery Certificate Holder specified truck or rail on the Call For Shipment form, they must ship the product by that method of conveyance.
- i. If a shipment is by rail, the Delivery Certificate Holder must have in place all arrangements necessary to complete the shipment, including, but not limited to, accounts and credit with the railway, arrangements with customs and/or with customs brokers, and terminal authorizations.
- j. The Delivery Certificate Holder will be assessed a Non-Shipment Fee for rejecting a shipment in whole or in part. A Delivery Certificate will be re-issued for the tonnage rejected.
- k. Failure by the Delivery Certificate Holder to submit a properly completed Shipment Nomination and Acceptance Form in the form specified by the Exchange to the Warrant Issuer and to the Exchange within the time required by these Rules shall be deemed

rejection, in whole, of the shipping locations for the amount of canola as represented by the Delivery Certificates.

- l. The date on which a shipment is rejected, in whole or in part, whether deemed or not, will be the date for determining the oldest outstanding Warrant(s) for the purposes of subsequent calls for shipment.

12.18 Shipment by Truck

These provisions pertain to shipments by truck:

- a. The Delivery Certificate Holder shall give no less than two (2) Business Days load notice (inclusive of the day of notice if such notice is given before noon) to the Warrant Issuer and the Delivery Certificate Holder shall arrange for trucking sufficient to handle the shipment.
- b. The minimum rate of load-out shall be the greater of five hundred (500) metric tonnes or five percent (5%) of the shipment accepted at that location, per day.
- c. The Warrant Issuer is required;
 - (1) to load out the Canola at not less than the minimum rate of load-out, commencing on the day the stated conveyance is constructively placed.
 - (2) when loading trucks that have been constructively placed by the Delivery Certificate Holder, not to load out any other grain trucks during normal work day hours (8:00 am through 5:00 pm local time) until the Delivery Certificate Holder's load-outs have been completed, up to the minimum load-out requirement.
- d. Shipment must be completed within Thirty-Two (32) Business Days from:
 - (1) The date of acceptance of the nominated points on the Shipment Nomination and Acceptance Form (in the form specified by the Exchange); or
 - (2) Where Rule 12.19 c. is invoked, the date notice to amend the mode of transport from rail to truck was provided by the Delivery Certificate Holder to the Warrant Issuer.

12.19 Shipment by Rail

These provisions pertain to shipment by rail:

- a. The Warrant Issuer is required:
 - (1) To promptly place orders with the applicable railway for sufficient empty railcars to accommodate the shipment of Canola to be delivered to the shipping location(s) at the earliest date(s) the railway ordering schedules and siding space at the accepted location(s) and destination(s) permit, provided that;
 - (i) If both the Warrant Issuer and Delivery Certificate Holder agree:

- A. Shipment may be scheduled for a future week that begins not more than four (4) weeks from the date that the properly completed Shipment Nomination and Acceptance Form (Annex 15.E) is received, and/or
 - B. Shipment may be made from a location or locations different than the location(s) originally accepted, subject to the provisions of payment of freight charges set out in sub-section d. of this Rule, provided that written notice is provided to the Exchange which sets out the new location(s) and evidences the mutual agreement of the Warrant Issuer and Delivery Certificate Holder, and/or
 - C. The Delivery Certificate Holder may supply its own railcars for part or all of the shipment, provided that the railcars are scheduled to arrive for a future week that begins not more than four (4) weeks from the date that the properly completed Shipment Nomination and Acceptance Form (in the form specified by the Exchange) is received.
 - (ii) The Warrant Issuer may include the shipment with a larger block of railcars destined to the same destination or corridor, provided that adding the shipment to a larger block of railcars does not delay the shipment or cause the Delivery Certificate Holder to incur additional rail freight charges.
- (2) To manage all communications with the railway regarding the shipment, until such time as the Delivery Certificate Holder assumes responsibility to the railway for the shipment;
 - (3) To promptly notify the Delivery Certificate Holder of any communications received from the railway regarding railcars ordered and/or shipped, and promptly notify the Delivery Certificate Holder and the Exchange of any delays as set out in sub-section c. of this Rule;
 - (4) To ensure submission of all information required by the railway to process the shipment;
 - (5) To ensure that information provided to the railway for the bill of lading or other purposes enables the Delivery Certificate Holder to arrange for customs clearance, if applicable;
 - (6) To load and release railcars according to the requirements and schedule of the railway;
 - (7) To load each railcar to its full “visible” capacity, except if the quantity remaining to be loaded is less than the railcar capacity;
 - (8) To properly attach seals to each railcar that the Delivery Certificate Holder has requested seals be attached to, and/or to each railcar that is to be moved to a destination outside Canada;

- (9) Upon request, to provide evidence to the Exchange that the railcars have been ordered, and copies of all communications with the railway regarding the shipment.
 - (10) If railcars have been received at the nominated location, and these railcars may be shipped into the same corridor as the Delivery Certificate Holder's shipment, the railcars must be loaded before any other loading is conducted for shipment into that same corridor.
 - (11) To request, from the railway, that the Warrant Issuer's railcar allocation be used for the shipment.
- b. The Delivery Certificate Holder is required;
- (1) Upon request, to provide, to the Warrant Issuer and/or to the Exchange, evidence that the shipment will be accepted and unloaded at the destination(s) it has specified for shipment;
 - (2) To ensure the destination facility(ies) receive(s) and unload(s) railcars according to the requirements of the railway(s);
 - (3) To make all arrangements necessary to complete the shipment, including, but not limited to, customs clearance; and
 - (4) To provide to the Warrant Issuer and/or the railway all information required to process the shipment.
- c. In the event that the Delivery Certificate Holder is advised that the railcars will not be supplied for the week ordered, or that the arrival of the railcars will be delayed to a future week, the Delivery Certificate Holder may:
- (1) amend the mode of transport from rail to truck, in which case the Delivery Certificate Holder shall provide notice to the Warrant Issuer and the Exchange in writing, by e-mail, within one (1) Business Day of receiving notice that the railcars will be delayed. Shipping instructions amended in this manner shall maintain their priority.
 - (2) amend the destination of the shipment, in which case the Warrant Issuer shall amend their order(s) with the railway to reflect the updated destination.
 - (3) reject the shipment, in which case all other provisions of nomination rejection set out elsewhere in the Rules shall apply. The Delivery Certificate Holder must notify the Exchange in writing, using a revised Shipment Nomination and Acceptance Form, within one (1) Business Day of receiving notice that the railcars will be delayed.
- If the Delivery Certificate Holder does not elect one of the above options, it will be deemed to have accepted the delayed railcar schedule.
- d. Payment of freight and other charges:
- (1) The Delivery Certificate Holder will pay freight charges to the railway, except that;

- (i) For shipments to destinations within Canada, it will be the Warrant Issuer's choice as to whether it will pay freight charges to the railway or whether the Delivery Certificate Holder will pay the freight charges to the railway; and
 - (ii) For shipments to destinations outside Canada, the Warrant Issuer may pay freight charges to the railway only if the Delivery Certificate Holder agrees.
- (2) When the Warrant Issuer pays freight charges to the railway, the Delivery Certificate Holder will pay to the Warrant Issuer all charges published in the applicable railway tariffs for the shipment of single railcars on the shipment route for which the Warrant Issuer paid freight charges to the railway. If the Warrant Issuer ships railcars for a total cost that is lower than the published tariff cost applicable to the shipment of single cars, the discount shall be retained by the Warrant Issuer.
- (3) When the Delivery Certificate Holder pays freight charges to the railway, the Delivery Certificate Holder will pay to the Warrant Issuer any discount or reduced rate or rebate received from the railway due to shipment of railcars in a multi-car block at a rate that is lower than the single car tariff rate, provided that if a shipment is made using any method of invoicing where charges relating to different parts of the shipment route are paid separately to different railways or freight carriers, including what is commonly referred to as "Rule 11" invoicing, the Delivery Certificate Holder will pay to the Warrant Issuer only the discount applicable on freight charges paid for the part of the shipment from the delivery location to the first invoicing junction point or gateway located outside of the provinces of Manitoba, Saskatchewan, and/or Alberta.
- (4) When the Delivery Certificate Holder supplies its own railcars and pays freight charges directly to the railway, the Delivery Certificate Holder will not make any payment to the Warrant Issuer for any discount or reduced rate or rebate received from the railway.
- (5) When the shipment is made from a location other than the location(s) originally accepted, then the Delivery Certificate Holder will pay the lesser of:
 - (i) The freight rate from the location(s) originally accepted, plus or minus the regional premium / discount for that location, or
 - (ii) The freight rate from the location actually shipped from, plus or minus the regional premium / discount for that location.

And the amount noted above shall serve as the total amount owing for freight and any regional premium or discount.

- (6) The Delivery Certificate Holder will pay to the Warrant Issuer all charges related to the shipment that are incurred by the Warrant Issuer, including penalties, due to the unload of railcars at the destination.
- (7) The Warrant Issuer will invoice the Delivery Certificate Holder promptly upon completion of shipment, for all freight costs and charges as specified in the Rules.

- (8) The Delivery Certificate Holder will pay to the Warrant Issuer, within five (5) Business Days of receipt of the invoice, all freight costs and charges as specified in the Rules.
- (9) Upon request, the Warrant Issuer will provide the Exchange with documentation and full details on all of the shipping costs it has invoiced to the Delivery Certificate Holder.

12.20 Confirmation of Shipment

- a. Within three (3) days of the completion of shipment, whether by rail or by truck, the Warrant Issuer and the Delivery Certificate Holder shall submit a completed and signed Confirmation of Shipment form (in the form specified by the Exchange) to the Exchange, or shall advise the Exchange, in writing, that a dispute exists. For clarification, the 3 day requirement set out in this Rule begins upon the completion of unloading.
- b. A Shipment Fee, as established by the Exchange, shall be assessed to the Delivery Certificate Holder upon submission of the completed Confirmation of Shipment form to the Exchange.
- c. Evidence must be included with the Confirmation of Shipment which supports the alleged weights and grades, either through a Shipper's Affidavit or the report of an Official Sampler. The tonnage covered by a Warrant and a Delivery Certificate shall be reduced by the tonnage specified in the Confirmation of Shipment.

12.21 Accounting for Non-Par Premiums and Discounts

- a. In the event that shipment is from a non-par delivery point and/or a premium or discount is payable for the shipment as provided elsewhere in the Rules:
 - (1) the Delivery Certificate Holder, after completion of the shipment, shall invoice the Warrant Issuer for the appropriate discount(s);
- AND/OR -
 - (2) the Warrant Issuer shall, after completion of the shipment, invoice the Delivery Certificate Holder for the appropriate premium(s).
- b. All invoicing shall be done promptly upon completion of the Confirmation of Shipment form and shall be payable within five (5) Business Days of the date of the invoice.

12.22 Official Samples of Shipment

- a. Each of the Delivery Certificate Holder and the Warrant Issuer at its own expense, may have an Official Sample taken, provided that the Official Sample is taken before the Canola leaves the control and ownership of the Delivery Certificate Holder.
- b. The party which had an Official Sample taken shall provide a copy of the documentation identifying the results of the Official Sample to the other party to the shipment and to the Exchange within three (3) Business Days of the Official Sample being taken.

- c. Official Samples must be taken by an entity designated in this Chapter 12 as an Official Sampler.

|

12.23 Weights and Grades/Quality Assessments

All weights taken, and/or grade/quality assessment samples taken for testing pursuant to this Rule, must be weighed and/or taken before the canola leaves the control and ownership of the Delivery Certificate Holder.

a. Weights

Shipping weights shall apply in the following order of priority;

- (1) first weight taken by an Official Sampler ;
- (2) shippers' affidavit. The respective weight scale ticket(s) must be made available upon request.

b. Grades/Quality Assessments

Grades/quality assessments shall apply in the following order of priority;

- (1) first Official Sample taken by an Official Sampler prior to unload;
- (2) shippers' affidavit.

c. Evidence of Weighing or Inspection

Any party alleging a weight or grade under this Rule must provide written supporting evidence from the entity conducting the weighing or inspection.

12.24 Dispute on Grade/Quality Assessments

- a. In the event of a dispute on grade/quality assessment, an Official Sample shall be taken by an Official Sampler prior to unload.
- b. If an Official Sample has already been taken by either or both parties to the contract, the grade/quality assessment designated to the Official Sample first taken, in accordance with the priorities stated in the Rules, shall be final.
- c. The unsuccessful party to the dispute shall be responsible for the costs of sampling, storage, and/or demurrage which must be paid forthwith.
- d. If it is deemed that there is a deficiency on the grade/quality assessment, ownership of the canola shall revert to the Warrant Issuer. All reasonable costs incurred by the Delivery Certificate Holder, including, but not limited to, loading, transportation, disposal and replacement of the shipment shall be the responsibility of the Warrant Issuer and shall be paid forthwith.

12.25 Over-Shipments and Under-Shipments

- a. All over-shipments shall be considered as cash grain contracts and shall be settled through negotiation between the Delivery Certificate Holder and Warrant Issuer;

- b. All under-shipments of not more than ten percent of the quantity accepted, to a maximum of nine (9) tonnes, shall be considered as cash grain contracts and shall be settled through negotiation between the Delivery Certificate Holder and Warrant Issuer;
- c. By mutual agreement of the two parties, under-shipments greater than ten percent of the quantity accepted, or greater than nine (9) tonnes, may be cash settled.

12.26 Extension to Shipping Time Without Penalty

- a. Provided that all parties to the shipment agree, the shipping time may be extended and/or shipment may be made from a location different from the location(s) nominated and accepted without penalty or submission to arbitration when:
 - (1) a condition of Force Majeure exists;
 - (2) transportation is not clean and load ready;
 - (3) inspection services are not available (if applicable);
 - (4) inclement weather prevents loading; or
 - (5) railcar shipping is delayed through no fault of either the Warrant Issuer or the Delivery Certificate Holder;

These extensions to shipping time do not include any issues related to canola which does not meet grade requirements.

- b. It is the obligation of the parties to a shipment to advise the Exchange that one of the above conditions exist. In the event that not all of the parties to a shipment agree that one of the above noted conditions exists, the party alleging the condition shall, within one (1) Business Day, send a letter to the Chief Operating Officer of the Exchange advising of the shipment at issue, its position as to why the condition applies, and providing a full account as to its rationale for taking such position. The written notice may be served on the Chief Operating Officer by courier or hand delivered to Attention: Chief Operating Officer or by e-mail transmission to ICE-CanolaDeliveries@theice.com.
- c. The Chief Operating Officer, or his designate, shall review the letter and may seek such further and other particulars as he deems necessary to determine whether or not the condition applies. The Chief Operating Officer, or his designate shall, within one (1) Business Day of receipt of the initial letter provide, to all parties to the shipment, his written determination (the "Determination") as to whether or not the condition applies.
- d. In the event that a party to the shipment does not agree with the Determination, that party shall have two (2) Business Days following receipt of notice of the Determination to bring the matter to Arbitration before a panel of the Canola Committee in accordance with the Rules.
- e. The decision of the Canola Committee panel with regard to whether or not a condition exists shall be final.

12.27 Default Rules

a. Definitions

The following terms have the indicated meanings:

“Delivery Default” means

(1) in the case of a Clearing Member with a short position in a canola futures contract on the Last Trading Day, the failure to (a) submit a Tender Notice by the applicable deadline under the Rules, (b) present or cause to be presented a Warrant in respect thereof that is accepted by the Exchange, and/or (c) provide or cause to be provided Initial Indemnification to the Exchange (less the value of any anticipated credit), in each case as and when required under Rule 12.11; and

(ii) in the case of a Clearing Member with a long position in a canola futures contract that has been matched for delivery under Rule 12.11, failure to pay the Delivery Day Value as and when required under such Rule.

“**Exchange Default Costs**” means the costs and expenses incurred by the Exchange relating to a Delivery Default or Shipment Default, including all staff time, legal fees, arbitration costs and expenses.

“**Pre-Shipment Default**” means a Shipment Default that occurs with respect to a Warrant Issuer or Delivery Certificate Holder (i) after the issuance of a Warrant or Delivery Certificate (and making of payment therefor) under the Rules, as applicable, and (ii) prior to the time the Delivery Certificate Holder has notified the Exchange that it is calling for shipment and has been matched up with the Warrant Issuer under the Rules.

“**Post-Shipment Default**” means a Shipment Default that occurs after a Delivery Certificate Holder has notified the Exchange that it is calling for shipment and has been matched up by the Exchange with a Warrant Issuer pursuant to the Rules.

“**Shipment Default**” means

(1) in the case of a Delivery Certificate Holder:

(i) being insolvent, making an assignment for the benefit of creditors, filing or being the subject of a voluntary or involuntary petition in bankruptcy or seeking liquidation, reorganization, arrangement, readjustment of its debts or any other relief under any bankruptcy, insolvency or similar law of any jurisdiction, or applying for or consenting to the appointment of a receiver, custodian, liquidator, conservator, trustee or similar official for all or a substantial part of its property, or such an official being appointed for it, or any similar event;

(ii) giving evidence of an intention to cease doing business;

(iii) failing to comply with any of its obligations under the Rules or related procedures relating to receipt of canola other than those constituting a Delivery Default;

(iv) failing to comply with the ruling of an arbitration panel; or

(v) any other event that, in the judgment of the Exchange, materially impairs its ability to perform its obligations to the Exchange.

(2) in the case of a Warrant Issuer:

- (i) being insolvent, making an assignment for the benefit of creditors, filing or being the subject of a voluntary or involuntary petition in bankruptcy or seeking liquidation, reorganization, arrangement, readjustment of its debts or any other relief under any bankruptcy, insolvency or similar law of any jurisdiction, or applying for or consenting to the appointment of a receiver, custodian, liquidator, conservator, trustee or similar official for all or a substantial part of its property, or such an official being appointed for it, or any similar event;
- (ii) giving evidence of an intention to cease doing business;
- (iii) being unable or unwilling to renew its Merchant Participant status with the Exchange, as provided in the Rules;
- (iv) being unable or unwilling to continually meet the obligations of Merchant Participant status with the Exchange;
- (v) failing to maintain elevator registration(s) sufficient to support the Warrant obligations it has outstanding;
- (vi) failing to maintain stocks in store sufficient to meet its Warrant obligations;
- (vii) failing to post Additional Indemnification as required by the Rules;
- (viii) failing to comply with any of its obligations under the Rules or related procedures relating to shipment of canola other than those constituting a Delivery Default;
- (ix) failing to comply with the ruling of an arbitration panel; or
- (x) any other event that, in the judgment of the Exchange, materially impairs its ability to perform its obligations to the Exchange,

b. Delivery Default

In the event of a Delivery Default by a Clearing Member holding a short position, the Exchange shall match the defaulting Clearing Member against one or more Clearing Members holding open long positions at the time of the default for purposes of exercising remedies under this Rule.

In the event of a Delivery Default by a Clearing Member holding a long position, the defaulting Clearing Member shall be deemed matched for purposes of exercising remedies under this Rule with the Clearing Member with which it was matched for purposes of payment of the Delivery Day Value under Rule 12.11.

In each such event, the non-defaulting matched Clearing Member shall determine its losses (which shall include any cost of buy-in or sale of the commodity, as applicable, or, in the absence of such buy-in or sale, the fair market value of the commodity), together with its costs and expenses, and provide the Exchange and the defaulting Clearing Member to which it has been matched, an accounting thereof. Clearing Members shall use their best efforts to limit the amount of any additional losses sustained as a result of the Delivery Default.

In the event of any dispute, disagreement or question as to such accounting, the Exchange shall refer the matter to the Canola Committee for a proceeding to determine the amount of damages, costs and expenses, and the amount, if any, owed to the Clearing Member(s) in connection with the default. Such proceeding shall be conducted in accordance with Rule 12.28. The Exchange shall have no liability to any Clearing Member with respect to a Delivery Default.

The non-defaulting matched Clearing Member may pursue any claims against the defaulting Clearing Member for the amount owed to it (whether determined using the amounts in its accounting or the amounts determined by a Canola Committee panel) by arbitration before the Canola Committee in accordance with Rule 12.28.

The occurrence of a Delivery Default shall be a violation of the Rules (in addition to constituting a default under the Clearing Organization Rules).

c. Pre-Shipment Default

In the event of a Pre-Shipment Default by a Warrant Issuer or Delivery Certificate Holder, the Exchange shall match the defaulter against one or more corresponding Delivery Certificate Holders or Warrant Issuers, respectively, on a FIFO basis (based on the oldest outstanding Delivery Certificate or Warrant, as applicable). Following such matching, the provisions of subparagraph d or e, as applicable, shall apply as though a Post Shipment Default had occurred.

d. Post-Shipment Default by Warrant Issuer

In the event of a Post-Shipment Default by the Warrant Issuer, the matched Delivery Certificate Holder shall determine its losses (which shall include any cost of buy-in of the commodity not delivered or, in the absence of buy-in, the fair market value of the commodity not delivered) together with its costs and expenses, and provide the Exchange and the Warrant Issuer an accounting thereof. The Delivery Certificate Holder shall use its best efforts to limit the amount of any additional losses sustained as a result of the Shipment Default.

In the event of any dispute, disagreement or question as to such accounting, the Exchange shall refer the matter to the Canola Committee for a proceeding to determine the amount of damages, costs and expenses, and the amount, if any, owed to each of the Delivery Certificate Holder and the Warrant Issuer in connection with the default. Such proceeding shall be conducted in accordance with Rule 12.28.

The Exchange will determine the available funds it holds from indemnification paid by the defaulting Warrant Issuer (including the amount of any Delivery Day Value credited pursuant to Rule 12.11) pertaining to the Warrants at issue (the “**Warrant Issuer Default Funds**”). The Exchange shall apply the Warrant Issuer Default Funds to the loss amount owed to the Delivery Certificate Holder determined using the amounts in its accounting (if there is no dispute with respect thereto) or, in the event the matter has been referred to the Canola Committee, the amounts determined by the panel appointed under Rule 12.28. In the event the Exchange does not have sufficient Warrant Issuer Default Funds to cover the amounts owed to the Delivery Certificate Holder, the Delivery Certificate Holder may independently pursue a claim for the balance from the Warrant Issuer in such manner as it may elect. The Exchange shall have no further liability to the Delivery Certificate Holder in respect of the default.

The Exchange may apply any remaining Warrant Issuer Default Funds to Exchange Default Costs. In the event Warrant Issuer Default Funds do not cover the Exchange Default Costs, the Exchange may pursue a claim for the balance from the Warrant Issuer in such manner as it may elect.

Provided there are any remaining Warrant Issuer Default Funds after payment of all amounts owed to the Delivery Certificate Holder and the Exchange, the balance will be provided to the defaulting Warrant Issuer, provided it executes a form of release as required by the Exchange.

e. **Post-Shipment Default by Delivery Certificate Holder**

In the event of a Post-Shipment Default by the Delivery Certificate Holder, the matched Warrant Issuer may elect to sell out the canola covered by the relevant Warrants or determine the fair market value thereof, and in either case shall determine its costs and expenses in connection with the default. The Warrant Issuer shall use its best efforts to limit the amount of any additional losses sustained as a result of the Shipment Default.

The Warrant Issuer shall be entitled to the Delivery Day Value with respect to the defaulted shipment (including the amount thereof credited to indemnification under Rule 12.11), together with its costs and expenses in connection with the default (the **“Warrant Issuer Entitlement”**), to be retained or paid as set forth in this subsection.

The Warrant Issuer shall provide the Exchange and the Delivery Certificate Holder an accounting of the Warrant Issuer Entitlement and the proceeds of sale or fair market value, as determined above.

In the event of any dispute, disagreement or question with respect to such accounting, the Exchange shall refer the matter to the Canola Committee for a proceeding to determine the amount of damages, costs and expenses, and the amount, if any, owed to each of the Delivery Certificate Holder and the Warrant Issuer in connection with the default. Such proceeding shall be conducted in accordance with Rule 12.28.

Payments in settlement of the obligations of the defaulting Delivery Certificate Holder and the Warrant Issuer will be made pursuant to (1) or (2) below (based on the amounts in the Warrant Issuer’s accounting (if there is no dispute with respect thereto) or, in the event the matter has been referred to arbitration, the amounts determined by the panel appointed under Rule 12.28.

(1) If the Warrant Issuer has sold the canola, it shall retain from the proceeds thereof an amount equal to the Warrant Issuer Entitlement, and pay the remainder of such proceeds (**“Excess Sale Proceeds”**) to the Exchange. If the sale proceeds are not sufficient to pay the Warrant Issuer Entitlement, the Exchange will pay the Warrant Issuer the difference from the amount of the Delivery Day Value then credited to indemnification for the defaulted shipment (but not to exceed the amount of such indemnification). In the event such indemnification is not sufficient to cover the amounts owed to the Warrant Issuer, the Warrant Issuer may independently pursue a claim for the balance from the Delivery Certificate Holder in such manner as it may elect. The Exchange shall have no further liability to the Warrant Issuer as a result of the default.

The Exchange may apply any Excess Sale Proceeds, together with any Delivery Day Value in respect of the defaulted shipment not applied pursuant to the preceding paragraph (**“Available Proceeds”**), to Exchange Default Costs. In the event such amounts do not cover the Exchange Default Costs, the Exchange may pursue a claim for the balance from the Delivery Certificate Holder in such manner as it may elect.

Provided there are any remaining Available Proceeds after payment of all amounts owed to the Warrant Issuer and the Exchange, the balance will be provided to the defaulting Delivery Certificate Holder, provided it executes a form of release as required by the Exchange.

(2) If the Warrant Issuer has not sold the canola but has determined the market value thereof, the Exchange shall determine an amount equal to (i) the market value of the canola minus (ii) the Warrant Issuer Entitlement. If such amount is positive, the Warrant Issuer shall pay such amount to the Exchange (“**Excess FMV**”). If such amount is negative, the Exchange will pay the absolute value of such amount to the Warrant Issuer from the amount of the Delivery Day Value then credited to indemnification for the defaulted shipment (but not to exceed the amount of such indemnification). In the event such indemnification is not sufficient to cover the amounts owed to the Warrant Issuer, the Warrant Issuer may independently pursue a claim for the balance from the Delivery Certificate Holder in such manner as it may elect. The Exchange shall have no further liability to the Warrant Issuer as a result of the default.

The Exchange may apply any Excess FMV, together with any Delivery Day Value in respect of the defaulted shipment not applied pursuant to the preceding paragraph (“**Available Proceeds**”), to Exchange Default Costs. In the event such amounts do not cover the Exchange Default Costs, the Exchange may pursue a claim for the balance from the Delivery Certificate Holder in such manner as it may elect.

Provided there are any remaining Available Proceeds after payment of all amounts owed to the Warrant Issuer and the Exchange, the balance will be provided to the defaulting Delivery Certificate Holder, provided it executes a form of release as required by the Exchange.

12.28 Canola Committee; Arbitration.

(a) The Canola Committee shall be an Exchange Committee and shall consist of at least seven (7) and not more than twenty-one (21) individuals who are actively engaged, or employed by a firm that is actively engaged, in trading canola. The Board shall endeavor to appoint representatives from diverse interests within the canola community, such as industry representatives, FCMs, asset managers and traders. The Chairman of the Board shall be an *ex officio* member without a right to vote. Each member of the Canola Committee shall serve for a one-year term, or until their successor has been appointed.

(b) The Committee shall have and may exercise the power or authority of recommending to the Board any modifications to the contractual terms and conditions and advising the Board with respect to Canola Futures and Options Contracts.

(c) (i) Any dispute or other matter relating to a Shipment Default or a Delivery Default arising under a canola contract shall be settled by arbitration before a panel of three (3) disinterested members of the Canola Committee (the “Panel”) who shall be appointed by the Chairman of the committee. A written notice setting forth the basis of the dispute shall be delivered to the Warrant Issuer and the Exchange’s General Counsel within ten (10) Business Days of the relevant party becoming aware of the dispute or matte.

(ii) A Panel shall be appointed by the Chairman of the Canola Committee as soon as practicable after receipt of the written notice. The Panel shall establish the date, time and place for a hearing; the procedures to be followed in any hearing shall be those specified in Chapter 20 of the Rules regarding arbitrations generally except that (i) the dispute may be decided on the papers, supporting documents,

affidavits and other materials submitted to the Exchange in accordance with the procedures set forth in Rule 20.03(a)(ix), if all of the parties agree to such procedure, and *provided further*, that notwithstanding such agreement, the Chairman of the Canola Committee or his designee, in his sole discretion, may require that a hearing be held.

(iii) The Panel shall render its award in writing adjudging which, if any, party is in default, declaring the applicable settlement price or fair market value, awarding the amount of money, if any, to be paid by the party in default, and granting any further remedy or relief which it deems just and equitable, which may include the award of money in an amount which exceeds the amounts to be paid pursuant to other provisions of the Rules. The award of the Panel shall be final and binding upon each of the parties to the arbitration, and judgment upon such award may be entered by any court having jurisdiction. In addition, any award, if not complied with within the time specified in the award, shall be enforceable by disciplinary proceedings pursuant to the Rules.

(v) The parties to the arbitration shall pay each individual appointed to the Panel at the rate of \$500 per day. In each such matter, the Exchange shall determine the amount of time for which the Panel is compensated and the Panel shall determine the proportion in which such compensation shall be paid by each of the parties.

PART C – ELEVATORS, WARRANTS, HANDLING AGREEMENTS, AUDITS AND ELEVATOR OPERATORS

12.29 Elevators to be Registered

- (a) Only elevators registered as “regular for delivery” are eligible for the purposes of making delivery, including issuing Warrants, and/or shipping against any Canola Futures Contract.

In order to apply to register an elevator as "regular" the elevator owner, operator or lessee shall:

- (1) be a Merchant Participant or be an Elevator Operator licensed by the Exchange; and
- (2) in the case of a lessee of an elevator, provide a properly executed statutory declaration in such form as may be determined from time to time by the Exchange.

- (b) To be registered as "regular", an elevator must be located in one of the designated delivery regions and:

- (i) be connected by railroad tracks with one or more railway lines, rated to carry not less than 263,000 lbs. (car and contents), appropriate to its location and purpose;
- (ii) be equipped with facilities for receiving commodities by truck and for shipping commodities by truck and by rail;
- (iii) shall have the capability for spotting a minimum of ten (10) hopper cars (full car spot) if registering elevators against the canola futures contract;
- (iv) be furnished with suitable improvements and appliances for convenient and expeditious receiving, handling and shipping of commodities in bulk; and

- (v) be licensed by the Canadian Grain Commission, as a terminal, transfer, primary or process elevator; and
- (vi) be registered as a Food Facility with the United States Food and Drug Administration.

12.30 Requirements for Elevator Registration

- (a) In order to register elevators and maintain such registrations, a Merchant Participant and an Elevator Operator, as applicable, shall comply with the requirements specified in this Rule. Failure to comply with the requirements of this Rule and the provisions set out in the elevator application may result in deregistration. The effective date for registration of any elevator shall be the Business Day following the date of approval of the application by the Exchange, *provided, however*, that if either the date of approval or the following Business Day are within a delivery month, then the effective date shall be the first Business Day of the month following the approval. Registration shall be applicable for delivery against Canola Futures Contracts with open interest. Registration requires that the Merchant Participant or Elevator Operator, as applicable:
 - (1) complete the form of Elevator Application specified by the Exchange and have same accepted by the Exchange;
 - (2) provide such information as the Exchange may require concerning the state of the facility, its operation, management of the business or any other information requested;
 - (3) if a Merchant Participant, provide and maintain indemnification to the Exchange in such form and amount as may be required from time to time;
 - (4) where applicable, provide and have on file with the Exchange Registered Handling Agreements;
 - (5) provide to the Exchange a report at such times and in such form as may be required by the Exchange on:
 - (i) all outstanding elevator receipts and commodity receipts provided under the Canada Grain Act, by deliverable commodity and grade and location;
 - (ii) all shipments provided under the Canada Grain Act by deliverable commodity and grade and location;
 - (iii) all stocks in store by deliverable commodity and grade and location;
 - (iv) shipments made pursuant to Exchange contracts;
 - (v) cash bid and offer information; and
 - (vi) any operational information requested by the Exchange;
 - (6) make the elevators available immediately upon request by the Exchange, or an agent of the Exchange, for an inspection or review which may include an audit of the elevators;
 - (7) keep all required insurance in good standing; and

- (8) provide any other information to the Exchange which may be requested from time to time.
- (b) The Exchange shall, in its sole discretion, determine acceptance of an application for registration of an elevator. The fact that a company is a Merchant Participant or licensed as an Elevator Operator does not result in automatic registration of any or all of its elevators.
- (c) Merchant Participants and Elevator Operators with registered elevators shall furnish complete and accurate reports to the Exchange regarding:
 - (1) stock information, as required, as filed with, and on the date submitted to the Canadian Grain Commission;
 - (2) daily cash bids, as requested by the Exchange, by noon the following day; and
 - (3) interim stock information if requested by the Exchange.
- (d) Extracts or consolidations from information required pursuant to this Rule may be published by the Exchange. Merchant Participants eligible to issue Warrants shall provide the Exchange with a properly executed Corporate Authorizing Resolution (in the form specified by the Exchange) listing all persons authorized to sign Warrants.

12.31 Continuity of Operations

All Merchant Participants and Elevator Operators with registered elevators must provide the Exchange with written notice no less than sixty (60) days prior to cessation of registration of an elevator and/or change in ownership of an elevator. A request to cease elevator registration(s) sooner than sixty (60) days, may be submitted to the Exchange in writing and shall be determined by the Exchange in its sole discretion.

12.32 Acceptance of Elevators for Registration

No elevator shall be eligible to be registered as "regular" if its location, accessibility, tariffs or other qualifications depart from the uniformity to the extent that its documents tendered in satisfaction of futures contracts: (1) will unduly affect the value of futures contracts, or (2) impair futures trading on the Exchange.

12.33 Change in Elevator Information

Any change to the information required in the registration information provided to the Exchange shall promptly be reported to the Exchange, including, but not limited to, the following information: the station number, the lease expiry date (if applicable), the category of elevator (primary, process, terminal), rail line information, track capacity (weight), storage capacity, car spots (full car, day car).

12.34 Registered Handling Agreements

- (a) Merchant Participants may enter into Handling Agreements with other Merchant Participants and/or Elevator Operators which have elevators registered as regular for

delivery. The Handling Agreement may not contravene any provision of the Exchange Rules or By-laws. Both parties to such a Handling Agreement shall jointly file a “Request to Register Handling Agreement” in the form specified by the Exchange. Warrants cannot be issued until such time as the Exchange has provided notice in writing to both parties that the Handling Agreement has been registered.

- (b) A Handling Agreement may be terminated upon both parties providing ninety (90) days written notice to the Exchange, unless the proposed termination date falls on a date between the First Notice Day through the end of a delivery month, in which case the date of termination of the Handling Agreement will be the first Business Day after the said delivery month.
- (c) Parties to Handling Agreements may enter into any ancillary agreements they deem necessary to give effect to their requirements provided that such ancillary agreements may not contradict or deviate in any way whatsoever from the provisions of the Rules.

12.35 Entities Eligible to Issue Warrants

Warrants may be issued for all Canola Futures Contracts by Merchant Participants that have elevators registered under the provisions of these Rules and/or that have Registered Handling Agreements on file at the Exchange.

12.36 Limitation on Warrants Issued/Handling Agreements Registered

- (a) No Merchant Participant shall issue Warrants in amounts that, in aggregate with all Warrants it has issued, exceeds:
 - (1) ten (10) times the Load Out Capacity for each of its elevators registered as “regular” for delivery; plus
 - (2) ten (10) times the Load Out Capacity for that portion of the elevator or elevators in respect of which it has Registered Handling Agreements.
- (b) No Elevator Operator shall enter into Handling Agreements which, in total, exceed ten (10) times its Load Out Capacity for all of its elevators registered as “regular” for delivery.

12.37 Misrepresentations on Warrants – Penalties Attached

A misrepresentation on a Warrant affects the integrity of the delivery processes of the Exchange. Any misrepresentation is subject to a penalty to be imposed by the Business Conduct Committee of up to ten percent (10%) of the value of such Warrants issued, based on current market value of the underlying commodity, with the minimum penalty being \$100,000.

12.38 Warrant Obligations Remain the Responsibility of the Issuer of the Warrant

Notwithstanding anything else in these Rules, all responsibilities and obligations relating to a Warrant are and remains that of the Warrant Issuer. For the avoidance of doubt, the fact that a Merchant Participant has a Registered Handling Agreement with another Person on file at the Exchange, has stored product with another Person, has nominated shipping points out of the elevators of another Person and/or has commenced shipping out of the elevators of another Person,

does not in any way affect that the ultimate responsibility for fulfilment of all Warrant obligations is and remains that of the Merchant Participant that issued the Warrant(s).

12.39 Elevator Operators to Be Approved; Duty of Supervision

- (a) Elevator Operators shall apply for registration with the Exchange, and provide such information as the Exchange may request, in accordance with the Exchange's application forms and procedures. The Exchange may deny an application for registration if any of the requirements specified in the preceding sentence have not been satisfied, and/or if the Exchange determines that, based on the information disclosed in the application, registration would not be in the best interests of the Exchange, *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 the Board to present evidence as to why the application should be granted. A request to be heard by the Board 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 Board shall be presented by written submission in accordance with procedures specified by the Board, and the decision rendered by the Board shall be final.

- (b) All Elevator Operators shall adopt written policies and procedures to be followed by their directors, officers, employees, representatives and agents who are involved in or engage in business activities related to the Exchange, that are adequate, taking into account the nature, scope and complexity of their business, to ensure compliance with the Rules and applicable law.

12.40 Audit of Registered Elevators and Stocks

Merchant Participants and Elevator Operators with elevators registered as "regular" for delivery must cooperate fully and permit all their registered facilities to be audited by the Exchange or its agent. A representative from the Firm may be present during the audit. The Firm and all employees will cooperate fully with the Exchange and/or its agent in the conduct of the audit.

Failure to comply with an audit in accordance with these Rules endangers the integrity of the delivery process. Such failure is a violation which is subject to a hearing before the Business Conduct Committee. If there is any dispute on grade and the audited Firm is not satisfied with the grade determinations of the audit, the Firm can, at its cost, have the Canadian Grain Commission conduct a grade inspection. The inspection done by the Canadian Grain Commission shall be in writing and shall be determinative.

At the conclusion of a hearing into the findings of an audit, the panel of the Business Conduct Committee hearing the matter may address the issue of the auditor's costs and may require that the audited Firm pay part or all of the costs of the audit.

PART D - CANOLA OPTIONS

Rule 12.41. Unit of Trading

The unit of trading shall be the Option to buy, in the case of a Call, or the Option to sell, in the case of a Put, one (1) Canola Futures Contract.

Rule 12.42. Trading Months

Trading in Canola Options shall be conducted in contract months as shown below:

(a) - Regular Options:

An Option based on the January future that will expire in the previous December;

An Option based on the March future that will expire in the previous February;

An Option based on the May future that will expire in the previous April;

An Option based on the July future that will expire in the previous June;

An Option based on the November future that will expire in the previous October.

(b) - Serial Options:

An Option based on the March future that will expire in the previous January;

An Option based on the May future that will expire in the previous March;

An Option based on the July future that will expire in the previous May;

An Option based on the November future that will expire in the previous July;

An Option based on the November future that will expire in the previous August;

An Option based on the November future that will expire in the previous September;

An option based on the January future that will expire in the previous November.

A new Regular Option Contract month shall be listed for trading on the Business Day following the first (1st) trading day of the Underlying Futures Contract. The number of Serial Options Contract months listed at any time shall be as determined by the Exchange.

Rule 12.43. Premium Quotations

Premiums shall be quoted in cents and hundredths of a Canadian cent per ton. The minimum fluctuation in Premiums shall be \$0.10 per ton. Trading in Canola Options shall not be subject to price limits.

Rule 12.44. Last Trading Day

(a) For all Options contracts other than the Option on the January future that expires in the previous December, the Last Trading Day shall be the last Friday which precedes the last Business Day of the calendar month preceding the named Option Month by at least two Business Days. In the event that such Friday is not a Business Day, the Last Trading Day shall be the Business Day preceding such Friday.

(b) For the Option on the January future that expires in the previous December the Last Trading Day shall be the third Friday of December. In the event that such Friday is not a Business Day, the Last Trading Day shall be the Business Day preceding such Friday.

Rule 12.45 Obligations of Option Purchasers

(a) The Purchaser which purchases a Canola Option shall cause such Option to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Rules of the Clearing Organization.

(b) The Purchaser which clears a Canola Option shall pay in full the Premium to the Clearing Organization in accordance with the Rules of the Clearing Organization.

(c) The Purchaser of a Canola Option shall, upon exercising such Option in accordance with the Rules, enter into an Underlying Futures Contract to buy (in the case of a Call) or to sell (in the case of a Put) Canola for delivery in the regular or serial Option Month's Underlying Futures Contract, at the Strike Price specified in such Option; provided, however, that any such contract entered into upon exercise shall be entered into for the account of the Person having purchased the Canola Option.

Rule 12.46. Obligations of Option Grantors

(a) The Grantor which grants a Canola Option shall cause such Option to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Rules of the Clearing Organization.

(b) The Grantor which clears a Canola Option shall make such Margin deposits as the Clearing Organization may require.

(c) The Grantor of a Canola Option shall, upon being assigned an Exercise Notice in accordance with the Rules of the Clearing Organization, enter into an Underlying Futures Contract to sell (in the case of a Call) or to buy (in the case of a Put) Canola for delivery in the regular or serial Option Month's Underlying Futures Contract, at the Strike Price specified in such Option; provided, however, that any such contract entered into upon assignment of an Exercise Notice shall be entered into for the account of the Person having granted the Canola Option.

Rule 12.47. Effect of Clearance

Upon acceptance of a Canola Option by the Clearing Organization, the Clearing Organization shall be substituted as, and assume the position of, the Purchaser to the Clearing Member which is the Grantor and the position of the Grantor to the Clearing Member which is the Purchaser; and thereupon the Clearing Organization shall have all the rights and obligations with respect to such Option as the parties for which it is substituted.

Rule 12.48. Expiration of Canola Options

A Canola Option shall expire at 5:00 p.m. on the Last Trading Day; provided, however, that any such Option which is one (1) point or more in-the-money and remains unexercised after that time shall be automatically exercised by the Clearing Organization, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member gives the Clearing Organization written instructions that any such Option is to expire unexercised.

Rule 12.49. Strike Prices

(a) Options on Canola Futures Contracts shall trade with Strike Prices in five Canadian dollars (\$5.00) per ton intervals.

(b) The number of Strike Prices listed for trading at any time shall be as determined by the Exchange.

Rule 12.50 Notice of Exercise

(a) An Option may be exercised by the buyer on any Business Day that such Option is traded.

(b) An Exercise Notice of any Option shall be in the form prescribed by the Clearing Organization and in accordance with Clearing Organization Rules for Puts and Calls. The Clearing Member who is representing the buyer shall present an Exercise Notice to the Clearing Organization by 5:00 p.m. on the day of exercise.

(c) The Clearing Organization, based on Exercise Notices received from Clearing Members, shall allocate such exercised Options among Clearing Members having short Positions in such Options on a pro rata basis, make necessary entries on its books to convert the exercised Option into the Underlying Futures Contract and so notify the affected Clearing Member.

PART E OPTIONS ON CANOLA FUTURES SPREADS

Rule 12.51. Definitions

(a) A Transaction involving Options to enter into Canola calendar Spread Futures Contracts on the Exchange shall be referred to as either a “Canola Spread Option” or “RSSO”.

(b) A Canola Put Spread Option represents an Option to assume a short Position in the first (1st) expiring Canola Futures Contract in the spread and a long Position in the second (2nd) expiring Canola Futures Contract in the spread traded on the Exchange. A Canola Call Spread Option represents an Option to assume a long Position in the first (1st) expiring Canola Futures Contract in the spread and a short Position in the second (2nd) expiring Canola Futures Contract in the spread traded on the Exchange.

(c) For the purposes of this Chapter, unless otherwise noted herein, the following terms shall have the following meanings:

(i) the term “Spread Price” shall mean the mathematical result of subtracting the price of the second (2nd) delivery month of the Underlying Futures Contract in the RSSO from the price of the first (1st) delivery month of the Underlying Futures Contract in the RSSO; and

(ii) the term “Settlement Spread Price” shall mean the mathematical result of subtracting the Settlement Price of the second (2nd) delivery month of the Underlying Futures Contract in the RSSO from the Settlement Price of the first (1st) delivery month of the Underlying Futures Contract in the RSSO.

Rule 12.52. Trading Months

(a) Except as the Board may otherwise prescribe, expiration months of the Underlying Futures Contract which are eligible for listing with respect to Canola Spread Options shall be: January, March, May, July and November.

(b) Except as the Board may otherwise prescribe, Canola Spread Options shall be listed for trading as follows:

(i) **1 month series:** Each of the first six expiration months paired with its next successive expiration month.

Rule 12.53. Premium Quotations

Premiums shall be quoted in cents and hundredths of a Canadian cent per ton. The minimum fluctuation in Premiums shall be \$0.10 per ton, Trading in Canola Options shall not be subject to price limits.

Rule 12.54. Last Trading Day

The Last Trading Day for any RSSO series pair shall be the day as provided for in Canola Options Rule 12.44, as that day would apply to the first expiring delivery month in the pair.

Rule 12.55. Obligations of RSSO Purchasers

- (a) The Purchaser which purchases a RSSO shall cause such RSSO to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Clearing Organization Rules.
- (b) The Purchaser which clears a RSSO shall pay in full the Premium to the Clearing Organization in accordance with the Clearing Organization Rules.
- (c) The Purchaser of a RSSO shall, upon exercising such RSSO in accordance with the Rules, enter into Underlying Futures Contracts to buy the first (1st) delivery month in the RSSO and sell the second (2nd) delivery month in the RSSO (in the case of a Call) or to enter into Underlying Futures Contracts to sell the first (1st) delivery month in the RSSO and buy the second (2nd) delivery month of the RSSO (in the case of a Put), at a Spread Price equal to the Strike Price specified in such RSSO; *provided, however*, that any such contracts entered into upon exercise shall be entered into the account of the Person having purchased the RSSO.

(d) Futures contracts entered into by the Purchaser of a RSSO, as provided for in paragraph (c) herein, shall have prices assigned to those futures contracts in the following manner:

- (i) The first (1st) delivery month futures contract shall be assigned the price equal to the Settlement Price for that month on the day of exercise, and
- (ii) The second (2nd) delivery month futures contract shall be assigned the price that is the mathematical result of the first (1st) delivery month futures contract Settlement Price, as provided for in subparagraph (d)(i) herein, minus the Spread Price specified in such RSSO.

Rule 12.56. Obligations of RSSO Grantors

- (a) The Grantor which grants a RSSO shall cause such RSSO to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Clearing Organization Rules.
- (b) The Grantor of a RSSO shall make such Margin deposits as the Clearing Organization may require.
- (c) The Grantor of a RSSO shall, upon being assigned an Exercise Notice in accordance with the Clearing Organization Rules, enter into Underlying Futures Contracts to sell the first (1st) delivery month of the RSSO and buy the second (2nd) delivery month of a RSSO (in the case of a Call) or to enter into

Underlying Futures Contracts to buy the first (1st) delivery month of the RSSO and sell the second (2nd) delivery month in the RSSO (in the case of a Put), at a Spread Price equal to the Strike Price specified in such RSSO; *provided, however*, that any such contracts entered into upon assignment of an Exercise Notice shall be entered into for the account of the Person having granted the RSSO.

(d) Futures contracts entered into by the Grantor of a RSSO, as provided for in paragraph (c) herein, shall have prices assigned to those futures contracts in the following manner:

(i) The first (1st) delivery month futures contract shall be assigned the price equal to the Settlement Price for that month on the day of exercise; and

(ii) The second (2nd) delivery month futures contract shall be assigned the price that is the mathematical result of the first (1st) delivery month futures contract Settlement Price, as provided for in subparagraph (d)(i) herein, minus the Spread Price specified in such RSSO.

Rule 12.57. Effect of Clearance

Upon acceptance of a RSSO by the Clearing Organization, the Clearing Organization shall be substituted as, and assume the position of the Purchaser to the Clearing Member which is the Grantor and the position of the Grantor to the Clearing Member which is the Purchaser; and thereupon the Clearing Organization shall have all the rights and obligations with respect to such RSSO as the parties for which it is substituted.

Rule 12.58. Expiration of RSSOs

A RSSO shall expire at 5:00 pm on the Last Trading Day; provided, however, that any such RSSO which is one (1) point or more In-The-Money and remains unexercised after that time shall be automatically exercised by the Clearing Organization, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member gives the Clearing Organization written instructions that any such Option is to expire unexercised.

Rule 12.59. Strike Prices

(a) Options on Canola Futures Contracts shall trade with Strike Prices in five Canadian dollars (\$5.00) per ton intervals.

(b) The number of Strike Prices listed for trading at any time shall be as determined by the Exchange.

Rule 12.60. Notice of Exercise

(a) An RSSO may be exercised by the buyer on any Business Day that such RSSO is traded.

(b) An Exercise Notice of any RSSO shall be in the form prescribed by the Clearing Organization and in accordance with Clearing Organization Rules for Puts and Calls. The Clearing Member who is representing the buyer shall present an Exercise Notice to the Clearing Organization by 5:00 p.m. on the day of exercise.

(c) The Clearing Organization, based on Exercise Notices received from Clearing Members, shall allocate such exercised RSSOs among Clearing Members having short Positions in such RSSOs on a pro

rata basis, make necessary entries on its books to convert the exercised RSSO into the Underlying Futures Contract and so notify the affected Clearing Member.

CANOLA NON-PAR PRICE DIFFERENTIAL SCHEDULE

Non-Par Regions					
Time Period	Central East	Central West	Eastern	Western (excl. Peace River District of Alta.)	Peace River
Until October 31/18	\$0.00/t	\$2.00/t Premium	\$2.00/t Discount	\$6.00/t Premium	\$2.00/t Premium
Effective November 1/18	NA	\$2.00/t Premium	\$2.00/t Discount	\$6.00/t Premium	\$2.00/t Premium

EXHIBIT B

Rule 4.25. Trading Hours

(a) The ETS trading hours shall be as specified by the Exchange from time to time. All times specified in this Rule for Energy Contracts shall refer to the prevailing time in New York City on the relevant day and shall be referred to as Eastern Prevailing Time or “EPT”.

(b) The time period during which daily Settlement Prices shall be determined is:

(i) for Cocoa Futures and Options Contracts, 11:48 AM – 11:50 AM;

(ii) for Coffee “C” Futures and Options Contracts, 1:23 PM – 1:25 PM;

(iii) for Cotton No. 2 ~~and World Cotton~~ Futures and Options Contracts, 2:14 PM – 2:15 PM;

(iv) for FCOJ Futures and Options Contracts, 1:29 PM – 1:30 PM;

(v) for Sugar No. 11 Futures and Options Contracts, 12:53 PM – 12:55 PM;

(vi) for Sugar No. 16 Futures Contracts, 12:59 PM – 1:00 PM;

(vii) for Canola Futures Contracts, 2:14 PM - 2:15 PM;

(viii) for Financial Futures and Options Contracts, 2:59 PM – 3:00 PM, other than the Brazilian Real/US Dollar contract for which the period shall be 3:59-4:00 pm Sao Paolo, Brazil time;

~~(viii)~~(ix) for Commodity Price Index Futures and Options Contracts, 2:44 PM – 2:45 PM;

~~(ix) for Russell Stock Index Futures and Options Contracts, 4:14 PM—4:15 PM, except that on the last Business Day of each month it shall be 3:59 to 4:00 PM;~~

~~(x) for Cash Settled Agricultural Futures and Options Contracts, 2:14 PM—2:15 PM;~~

~~(xi)~~ for Oil Contracts and Energy Futures and Options Contracts involving Power and Natural Gas, 2:28 PM-2:30 PM and for Environment products, 3:45-4:00 PM; and

~~(xii)~~ for Eris CDX IG and Eris CDX HY Credit Futures Contracts, 4:30-4:35 PM.

~~(xiii)~~ for 100oz Gold Futures, 33.2 oz. mini Gold Futures, Options on 100oz Gold Futures and Options on 33.2 oz. mini Gold Futures, between 1.29 and 1.30 p.m., and for Gold Daily Futures, between 3:00 and 3:05 pm London Time.

~~(xiv)~~(xiii) for Silver Daily Futures, 5000 oz Silver Futures, 1000oz Silver Futures, Options on 5000 oz Silver Futures and Options on 1000 oz Silver Futures, 1:24pm – 1:25 pm;

~~(xv)~~ for the NYSE Arca Gold Miners Index Futures Contracts, 3:59pm and 4pm NY Time;

(xvi) for all mini MSCI Index Futures and Options Contracts except for mini MSCI USA Index Futures, mini MSCI USA Growth Index Futures and mini MSCI USA Value Futures between 3:59pm and 4pm NY Time;

(xvii) for mini MSCI USA Index Futures, mini MSCI USA Growth Index Futures and mini MSCI USA Value Futures 4:15pm NY time;

(xviii) for the NYSE Index Futures Contracts, 3:59 PM and 4:00 PM.

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

(i) for Sugar No. 16 Futures, at 12:45 PM;

(ii) for Cotton No. 2 ~~Futures and World Cotton~~ at 2:20 PM;

(iii) for Coffee “C” ~~Futures~~ at 1:25 PM;

(iv) for Cocoa ~~Futures~~, at 11:50 AM;

(v) for Sugar No. 11 Futures at 12:55 PM;

(vi) for FCO Futures, at noon;

~~(vii) for Canola Futures, at 2:20 PM;~~

(viii) for the USDX ~~Futures~~, ICE Futures EURO Index and Currency Futures, at 10:16 AM;

~~(ix) for Cash Settled Currency Futures Contracts, as specified for each contract in Rule 26.03;~~

~~(x) for NYSE Index and Russell Complex Futures, at 9:30 AM;~~

~~(xi) for Cash Settled Agricultural Futures Contracts, at 2:30 PM;~~

(xii) for Oil Futures Contracts and Energy Futures Contracts, at the same time as the regular Trading Session; and

(xiii) for Credit Index Futures Contracts, 4:30 EPT.

~~(xiv) for Gold Daily Futures Contracts and Silver Daily Futures Contracts, noon London time;~~
and

(xv) for all other Exchange ~~Futures~~ Contracts, at the time specified in the chapter of the Rules setting forth the terms and conditions of such contract.

(d) On the Last Trading Day for each Exchange Options Contracts, the Trading Session will end at the following times:

(i) for Cocoa ~~Options~~ and Coffee “C” ~~Options~~ at 1:30 PM;

(ii) for Sugar No. 11 ~~Options~~ at 1:00 PM;

(iii) for Cotton No. 2 ~~Options~~ at 2:20 PM;

(iv) for USDX Options at 3:00 PM;
~~(iv)(v) for Canola Options at 2:20 PM;~~
~~(v) for Russell 100 Index Mini and the Russell 2000 Index Mini Futures Contracts which (i) for the quarterly cycle, will cease trading at 9:30 AM, and for the non-quarterly expiration months, will cease trading at 4:15 PM;~~
~~(vi) for Options on Cash Settled Agricultural Futures contracts will cease trading at 2:30 PM; and~~
(vi) for Oil Options and Energy Options Contracts, will cease trading at the times specified for each such Option in subchapter E of Chapter 18.

(vii) for all other Exchange Contracts, at the time specified in the chapter of the Rules setting forth the terms and conditions of such contract.

Rule 4.34. Settlement Prices

(a) Settlement Prices for all Exchange Futures Contracts except ~~for Cash Settled US Agricultural Futures Contracts described in Chapter 14 and~~ as otherwise specified in the terms of an Oil Contract described in Chapter 19 of the Rules, shall be determined in the manner specified in this Rule. All prices, bids and offers during the applicable closing period as defined in Rule 4.25(b) (the “close”) shall be used to determine the Settlement Price of a delivery or expiration month unless otherwise specified herein.

* * *

(c) On the Last Trading Day the Settlement Price shall be determined as follows:

(i) in the expiring Cocoa delivery month, the Settlement Price shall be determined by the differential between the value of the expiring delivery month and the value of the next delivery month for the last minute of trading.

(ii) in the expiring USDX contract month, the Settlement Price shall be determined as specified in Rule 15.06.

~~(iii) in any expiring Russell Complex Futures Contract, the Settlement Price shall be determined as specified in Rule 17.04, and~~

(iv) in any expiring cash settled Currency Futures Contract, the Settlement Price shall be determined as specified in Rule 26.04.

Rule 4.35. Settlement Premiums

(a) Promptly after the close of trading in each Exchange Option Contract, ~~except for Options on Cash Settled US Agricultural Futures Contracts described in Chapter 14 of the Rules,~~ the Exchange shall establish the Settlement Premium for each Striking Price of each Option Month of each Option listed for trading that has open interest. A Settlement Premium may be established for any Strike Price that has no open interest.

[Remainder of Rule Unchanged]

Rule 6.27. ~~Reserved.~~ Position Limits and Accountability Levels for Canola

(a) A Person holding or controlling six thousand (6,000) or more Exchange Futures Contracts and Futures Equivalent Contracts, net long or net short in any single Canola month or in all Canola months combined:

(i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion; and

(ii) shall provide, in a timely manner, information on the nature of that Person's related cash, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under Rules 6.11, 6.12 and 6.13 or to request and collect any information regarding that Person's related cash and Exchange Futures and Options Contracts positions.

(b) Subject to the exceptions contained in this Chapter, the maximum net long or net short position which any one (1) Person may hold or control in the Canola Contract is three thousand (3,000) Exchange Futures Contracts for any month for which delivery notices have or may be issued.

EXHIBIT C



**ICE Futures U.S., Inc. Reasonability Limits and No Cancellation Ranges -
As of [JUNE] JULY 2018**

The ICE Futures U.S. Error Policy includes Reasonability Limit (“RL”), No Cancellation Range (“NCR”) and Calendar Spread Stop Limit Order (“CSLOR”) levels for futures and options contracts. The levels shown below are subject to change without prior notification.

ICE Futures U.S. – Energy Division No Cancellation Ranges

* * * *

ICE Futures U.S. Agricultural, Metal, Index and Currency Contracts NCR, RL and CSLOR Levels

AG AND METAL FUTURES	RL	NCR	CSLOR
Cocoa (CC)	\$50.00 per ton	\$25.00 per ton	\$10.00 per ton
Coffee “C” [*] (KC)	\$.0375 per lb.	\$.0080 per lb.	\$.0040 per lb.
Cotton No. 2 [*] (CT)	\$.0200 per lb.	\$.0075 per lb.	\$.0030 per lb.
FCOJ (OJ)	\$.0225 per lb.	\$.0100 per lb.	\$.0075 per lb.
Sugar No. 11 [*] (SB)	\$.0050 per lb.	\$.0020 per lb.	\$.0010 per lb.
Sugar No. 16 (SF)	\$.0300 per lb.	\$.0050 per lb.	\$.0050 per lb.
Canola	\$.08.00 per ton	\$.06.00 per ton	\$.06.00 per ton
Corn (ICN),Wheat (IW) and Soybean (IS)	\$.200 per bushel	\$.100 per bushel	\$.050 per bushel
Soybean Oil (IBO)	\$.016 per lb.	\$.008 per lb.	\$.004 per lb.
Soybean Meal (ISM)	\$16.00 per ton	\$8.00 per ton	\$4.00 per ton

Daily (AUD), 100 oz. (ZG) and mini Gold YG)	\$8.00 per oz.	\$4.00 per oz.	\$2.00 per oz.
Daily (HIO), 5000 oz. (ZI) & mini Silver (YI)	\$0.300 per oz.	\$0.200 per oz.	\$0.100 per oz.

INDEX FUTURES (in Index Points)	RL	NCR	CSLOR
U.S. Dollar Index (DX)	0.500	0.200	0.100
NYSE FANG+TM Index (FNG)	15.00	6.00	4.00
Russell Stock Indexes	7.50	3.00	2.00
MSCI EAFE Index (MFS), MSCI Emerging Markets Index (MME) and MSCI World Index (MWL)	24.00	3.00	2.00
MSCI EAFE NTR Index (MFU)	72.00	9.00	6.00
MSCI Emerging Markets NTR Index (MMN)	8.00	1.00	0.50
MSCI Emerging Markets Latin America Index (MLE)	30.00	5.00	2.50
MSCI EM Asia Index (ASE)	12.00	1.50	1.00
MSCI EM Asia NTR Index (ASN)	10.00	1.50	1.00
MSCI ACWI Index Futures (MAW) and MSCI ACWI Ex-US Index (AWE)	6.00	0.75	0.50
MSCI ACWI NTR Index (MMW) and MSCI ACWI ex-US NTR Index (AWN)	5.00	0.75	0.50
MSCI Canada Index (MCL) and MSCI USA Index (MUN)	18.00	9.00	6.00
MSCI Pan-Euro Index (MPP)	11.00	6.00	4.00
MSCI Euro Index (MEU)	10.00	4.50	3.00
MSCI Europe Index (MCE), MSCI Europe Growth Index (MGE) and MSCI Europe Value Index (MPU)	1.25	0.50	0.25
MSCI USA Growth Index (MRG)	30.00	15.00	10.00
MSCI USA Value Index (MCU)	20.00	10.50	7.00
NYSE Arca Gold Miners Index (GDF)	7.00	6.25	4.00

MSCI USA Small Cap Index (MUS)	22.50	3.00	2.00
MSCI EM NTR (EUR) Index (MMR), MSCI EM EME Index (MMM)	5.00	1.00	0.75
MSCI EM LatAm NTR Index (MML) and MSCI Mexico NTR Index (MXM)	12.00	1.00	0.75
MSCI China Free NTR Index (MCY)	9.00	1.25	1.00
MSCI India NTR Index (MIN)	8.00	1.25	1.00
ERIS CDX HY (HY5)	7500	2500	2500
ERIS CDX IG (IG5)	3000	1500	1500

CURRENCY PAIR FUTURES	RL	NCR	CSLOR
Sterling-US dollar (MP and IMP)	100 ticks/100 points	50 ticks/50 points	25 points
Zloty-US dollar (PLN)	"	"	"
Zloty-Euro (PLE)	"	"	"
Turkish lira-US dollar (TRM)	"	"	"
Turkish lira-Euro (ETR)	"	"	"
Russian Ruble-US dollar (KRU)	"	"	"
Col. peso-US dollar (KCU)	1200 ticks/1200 points	600 ticks/600 pts.	300 points
Indian Rupee (KIU) and Yen-US dollar (KSN)	"	"	"
Sterling-Norway (PK)	200 ticks/5000 points	60 ticks/1500 pts.	750 points
Sterling-SA Rand (PZ)	"	"	"
Sterling-Sweden (PS)	"	"	"
Euro-Sweden (RK,KRK and IRK) Euro-Norway (OL and KOL)	"	"	"
Euro-SA Rand (YZ)	"	"	"
US\$-SA Rand (ZR)	"	"	"
Norway-Yen (KY)	"	"	"
Sweden-Yen(KJ)	"	"	"
Mexican peso-US dollar (KMP)	"	"	"

All Other Currency Pairs	200 ticks/1000 points	60 ticks/300 pts.	150 points
--------------------------	-----------------------	-------------------	------------

No-Cancellation Ranges for Ag, USDX and MSCI Option Contracts (based on Theoretical Values shown)						
Theoretical Value*	Cotton	FCOJ	Cocoa	Coffee	Sugar	USDX
.01 - .20	.20 pts	.20 pts	10 pts	.15 pts	.10 pts	.100 pts
.21 - 2.00	.40 pts	.75 pts	20 pts	.50 pts	.15 pts	.150 pts
2.01 - 5.00	.50 pts	1.00 pts	25 pts	.75 pts	.20 pts	.200 pts
5.01 - 10.00	.60 pts	1.50 pts	25 pts	1.00 pts	.25 pts	.250 pts
10.01 - above	.80 pts	2.00 pts	25 pts	1.00 pts	.25 pts	.250 pts
RL	3 x NCR	3 x NCR	3 x NCR	3 x NCR	3 x NCR	3 x NCR
For MSCI Options the NCR shall be 20% of Theoretical Value with a minimum of .50 points and a maximum of 3.00 point, and the RL shall be 3 x NCR						
<i>*Note that for Cocoa options (which do not trade in decimal points) the respective Theoretical Value Ranges are "1 to 20 points, 21 to 200 points, 201 to 500 points, 501 to 1000 points, and 1001 points and above.</i>						
<i>NCR and Reasonability Limits are for both outright options and User Defined Spread trades, including hedged trades; for purposes of NCR and RL levels, UDS and hedged UDS are treated as a package and not by the individual legs of the UDS.</i>						
<i>In the case of price adjustment, Market Supervision will adjust to fair value minus/plus the NCR.</i>						

NOTE: Market Supervision staff has the authority to expand the No Cancellation Range and Reasonability Limit for a product to two (2) times the levels shown above in volatile market conditions and without prior notice.

No Cancellation Ranges and Reasonability Levels for Metal Options:

The NCR shall be 20% of the option premium, subject to a minimum of 50 ticks and a maximum of 250 ticks. The RL shall be three times the NCR of the option.

No Cancellation Ranges and Reasonability Levels for Cash-Settled Grain option contracts:

The NCR shall be equal to 20% of the fair value of the option, up to a maximum of 25% of the NCR of the Underlying Futures Contract. Based on the current NCR levels for the Underlying Futures Contracts, the maximum option NCR levels are currently:

Corn, Wheat and Soybeans:	2.5 cents per bushel
Soybean Oil:	.2 cents per pound
Soybean Meal:	2 dollars per ton

The RL shall be equal to the greater of the delta of the option times NCR of the underlying future or 20% of the fair value of the option, up to a maximum RL equal to the NCR of the underlying future and with a minimum RL equal to:

Corn, Wheat and Soybeans:	1 cent per bushel
Soybean Oil:	.05 cents per pound
Soybean Meal:	equal to .5 dollars per ton

No Cancellation Range and Reasonability Level for Canola Options

	<u>No Cancellation Range</u>	<u>Reasonability Limit</u>
<u>Outright Options</u>	<u>30% from fair value as determined by the Exchange, with a minimum of \$1.00 and a maximum of \$4.00. Options with a value of less than \$1.00 are \$0.00.</u>	<u>40% from fair value as determined by the Exchange, with a minimum of \$2.00.</u>
<u>Calendar Spread Options</u>	<u>30% from fair value as determined by the Exchange and with a minimum of \$1.00 and a maximum of \$4.00. Options with a value of less than \$1.00 ar \$0.00.</u>	<u>None.</u>

The Exchange reserves the right to consider all alleged error trade situations on their individual merits and may therefore amend these policies in light of the circumstances of each case. The full Error Policy can be found in IFUS Electronic Trading Rules, on the web at:

https://www.theice.com/publicdocs/rulebooks/futures_us/--Appendix_1_Error_Trade_Policy.pdf.

No Cancellation Range for Option Conversions and Option Boxes:

Option Conversions and Option Boxes will be subject to the lowest NCR stated for the market in which they are traded.

A long Option Conversion shall be defined as combining long calls, short puts and short futures. A short Option Conversion shall be defined as combining long puts, long futures and short calls. The Option conversion must contain the same expiry, strikes prices and quantity.

An Option Box shall be defined as combining a position that is long a call and short a put in strike 1 and long a put and short a call in strike 2. The Option Box must contain the same expiry and quantity in both strike 1 and strike 2 for both calls and puts.

The descriptions of Anchor Price, No Cancellation Range, Reasonability Limits and Calendar Spread Limit Order Range below are taken from the IFUS Error Policy.

Anchor Price

The Anchor Price is set by the Exchange and is based on the front contract month, however, when the front month nears expiration, the Anchor Price will be based on the delivery month with the most open interest. The determination as to when to shift the Anchor Price based on open interest will be made by the Exchange. The Anchor Price may be the previous night's settlement price, the opening call price or the last traded price. The Anchor Price of the second contract month and successive months onward is achieved by applying spread differentials against the front month Anchor Price.

No Cancellation Range

The Exchange determines parameters above or below an Exchange set anchor price for each Contract within which a trade alleged as an error trade may not be cancelled. Such parameters are known as a no cancellation range.

Trades within the no cancellation range will not, under most circumstances, be cancelled by the Exchange, whether as a result of error or otherwise, in order that market users can have confidence that traded levels will stand.

Reasonability Limits

The ETS maintains Reasonability Limits to prevent 'fat finger' type errors. These are hard limits above or below an Exchange set anchor price. Orders with bids above the Reasonability Limit or offers below the Reasonability Limit will not be accepted.

Each option order submitted to the electronic trading platform will be evaluated against a reasonability limit for the specific call or put option strike price. A reasonability limit range will be established around the theoretical premium value for each option call or put. The theoretical premium value will be calculated using the Black - Scholes model and will dynamically update throughout the day. The reasonability limit range will allow for entry of bids or offers within a calculated distance from the option's current theoretical premium value. This Option Reasonability Range is the distance above/below the calculated option theoretical premium used to establish the reasonability limits. This range is determined by the Exchange and is subject to change without notice. For Options with little theoretical value (deep out-of-the money), a minimum premium price established by the Exchange will be used. If the theoretical price of the Option plus the Option Reasonability Range is less than the minimum premium, the minimum premium will be used as the Reasonability Limit. The Reasonability Limits for each Exchange Commodity Contract are flexible, to take into account prevailing market conditions, and may be changed at the discretion of the Exchange on an intraday basis, without advance notice, to take account of such conditions.

Reasonability Limits are applicable during the pre-open period for all IFUS futures contracts (except for Natural Gas, Power and Emissions contracts), at levels up to three times the levels shown in this document. Entry of new and revisions to existing option orders are not permitted during the pre-open period, and therefore Reasonability Limits are not applicable to IFUS option contracts during the pre-open.

Calendar Spread Limit Order Range

The CSLOR is used to set the maximum difference between the stop and limit prices on a calendar spread Stop Limit order, and the limit price on a calendar spread Stop With Protection order.



INTERVAL PRICE LIMIT FUNCTIONALITY

With IPL levels as of [~~May 31~~] July 30, 2018

IPL functionality acts as a temporary circuit breaker feature on the electronic platform, to diminish the likelihood and extent of short-term price spikes or aberrant market moves. While it is designed to be in force throughout each trading day, it is expected that the protections will be actively triggered only in the case of extreme price moves over very short periods of time. The IPL regime uses three customizable parameters for each futures product:

1. **IPL Recalculation Time:** A pre-set length of time during which the price of a contract month may not move up or down more than the IPL Amount (defined below) from the contract price at the start of the period. This starting price is referred to as the “anchor price”. The IPL Recalculation Time continuously resets for the length of time applicable to the particular futures contract.
2. **IPL Amount:** The maximum number of points that a contract month is permitted to move up or down during each IPL Recalculation Time for the contract. The anchor price plus/minus the IPL amount effectively creates an IPL range for the contract for the IPL Recalculation Time.
3. **IPL Hold Period:** When the platform determines that the next trade in the contract month will be at a price that is outside the active IPL range, the platform triggers a Hold Period, during which the price of the contract is not permitted to trade outside the IPL range that was in place at the start of the IPL Hold Period. The length of the Hold Period is pre-set. When a Hold Period is triggered, the platform will issue an alert notifying users that a Hold Period has begun and specifying the time the Hold Period will end.

IPL parameters can be changed over time based on market conditions; more information on IPL functionality can be found at:

https://www.theice.com/publicdocs/technology/IPL_Circuit_Breaker.pdf.

Current IPL Recalculation Times, Amounts and Hold Period for all IFUS products are detailed below:

Agricultural, Metal and Financial Index contracts:

FUTURES CONTRACT	IPL Amount (in points)	Recalc Time (in secs)	Hold Period (in secs)
Sugar No. 11 (SB)	60	15	30
Cotton No. 2 (CT)	400	15	30
Coffee "C" (KC)	400	15	30
Cocoa (CC)	100	15	30
FCOJ (OJ)	500	15	30
Sugar No. 16 (SF)	750	15	30
Canola	900	10	30
Daily (AUD), Mini (YG) and 100 oz. Gold (ZG)	1000	15	30
Daily (HIO), Mini (YI) and 5000 oz. Silver (ZI)	400	15	30
NYSE FANG+™ Index	4000	5	5
Russell Indices	2000	5	5
USDX (DX)	500	5	2
MSCI EAFE Index (MFS) and MSCI World Index (MWL)	4800	5	5
MSCI EAFE NTR Index (MFU)	14400	5	5
MSCI Emerging Markets Index (MME)	3000	5	5
MSCI Emerging Markets NTR Index (MMN), MSCI EM Asia NTR Index (ASN), and MSCI ACWI Index (MAW)	1200	5	5
MSCI EM Latin America Index (MLE)	6000	5	5
MSCI EM Asia Index (ASE) and NYSE Arca Gold Miners Index (GDF)	1400	5	5

MSCI ACWI NTR Index (MMW), and MSCI ACWI Ex-US NTR Index (AWN)	600	5	5
MSCI ACWI ex-US Index (AWE)	800	5	5
MSCI Canada Index (MCL) and MSCI USA Index (MUN)	3600	5	5
MSCI Pan-Euro Index (MPP)	2200	5	5
MSCI Euro Index (MEU)	2000	5	5
MSCI Europe Index (MCE), MSCI Europe Growth Index (MGE), and MSCI and Europe Value Index (MPU)	250	5	5
MSCI USA Growth Index (MRG)	6000	5	5
MSCI USA Value Index (MCU)	4000	5	5
MSCI USA Small Cap Index (MUS)	2500	5	5
MSCI EM NTR (EUR) Index (MMR)	600	5	5
MSCI EM EMEA NTR Index (MMM)	600	5	5
MSCI EM LatAm NTR Index (MML)	1400	5	5
MSCI China Free NTR Index (MCY)	1000	5	5
MSCI India NTR Index (MIN)	1000	5	5
MSCI Mexico NTR Index (MXM)	1500	5	5
ERIS CDX HY (HY5)	10000	5	5
ERIS CDX IG (IG5)	5000	5	5
ICE Corn (IC)	60000	5	5
ICE Wheat (IW)	135000	5	5
ICE Soybean (IS)	160000	5	5
ICE Soybean Meal (ISM)	4500	5	5

ICE Soybean Oil (ISO)	5500	5	5
-----------------------	------	---	---

[Remainder Unchanged]