

**EWR, Inc.**  
**Cotton Electronic Receipts**  
**Tariff and Conditions**

**2011-2012**

**By using the services of EWR, Inc. after the issuance of this tariff, user agrees that these tariff provisions become a part of the agreement between EWR, Inc. and the user.**

**Basic Charges:** Issuer (warehouse) will pay EWR, Inc. two cents (\$0.02) per regular electronic warehouse receipt when issued. The Issuer will pay ten cents (\$0.10) per electronic certificated warehouse receipt when issued. A charge of six cents (\$0.06) per electronic warehouse receipt will be paid by the party surrendering the electronic warehouse receipt to the issuer at the time the receipt is surrendered. If the issuer holds the receipt during its entire existence or if the issuer cancels a receipt not delivered to it on a shipping order then the six cent charge will be assessed to the issuer except in those cases where the receipt is canceled immediately following the issuance of the receipt (also see "Block Receipt" and "Convert Electronic Receipt to Paper" below).

**Issue negotiable multiple-bale (block) receipt:** 2 cents/bale

**Issue non-negotiable multiple-bale (block) receipt:** 1 cent/bale  
(this type of receipt can only be transferred between the issuer and one holder, and vice versa)

**Sample Order transfer to warehouse:** 1 cent/receipt

**Early Shipping Order transfer to warehouse:** 2 cents/receipt

**Fee to Issuer to Uncancel a Receipt:** 1 cent per receipt

**Convert Electronic Receipt to Paper** (excluding conversion upon receipt issuance by warehouse):  
10 cents/receipt

**List of all cancelled receipts which belong to a holder:** 1 cent/receipt

**Transfer Receipts To Another Provider:** 10 cents/receipt

**Send Acknowledgments via Fax:** \$1 per fax

**Errors in a batch file that either are in excess of 1,000 or exceed 10% of the number of receipt records in the batch, whichever is higher:** 2 cents/error

**Make any holder/subholder the EAD:** 2 cents/receipt

**Transfer of Receipts Between Holders in the merchant trade (following the *initial* transfer to a merchant):** \$0.02/receipt charged to the sending Holder

**Subholder makes another party in the merchant trade the new subholder:** 2 cents/receipt

**The following items have no charge associated with them:**

Ship/Cancel a multiple-bale receipt  
Provide New Passwords and/or ID Codes  
Handling Receipt for Draft Purposes by Bank  
Initial Handling of Receipt by Producer, Ginner  
Fee for Use of EWR, Inc. Bulletin Board System  
Place Receipts in CCC Loan or Request LDP  
Charge for Minutes On Line  
Charge for Files Transmitted  
Transfer Receipts In From Another Provider  
Charge to Store Receipt Records  
Transaction Fee for Placing Electronic Receipt as Collateral  
Transaction Fee for Releasing Electronic Receipt Collateral  
Summary Data Report for Any Holder  
Electronic Bank Draft  
Initiation/Renewal Fee  
Fee to Update/Correct Receipts  
Fee to Issuer to Cancel or Void a Receipt  
Convert Paper Receipt to Electronic

**Special Items/Requests**

PC Software to Interface & Communicate with EWR: \$0.00

**\$50/hour to undelete files including mail which are more than 90 days old with a minimum charge of one hour.**

\$100/crop year for a warehouse and \$250/crop year for a merchant to send/receive electronic invoices via the EWR system.

*Training:* Group training to use the EWR Provider system and the EWR PC Software will be made available *without charge*. Charges for other training services will be negotiated on a case by case basis.

Financial institutions serving as the collateral agent for one merchant will be charged an annual service fee of \$1000 per year. Institutions handling more than one merchant will be charged a service fee of \$2000 per year.

Technical Manual (via web site download): \$0.00

After issuing 300,000 receipts in a crop year the warehouse will pay one cent for each receipt issued.

*OTHER:* Users may request a special service and, if EWR agrees to provide the service, the user will have to pay a fee for that special service. The fee will be negotiable between EWR and the user. Some services which EWR would consider special include:

User wants EWR to receive and/or provide data in a file format which differs from the standard formats which EWR utilizes.

User wants EWR to call the user's computer system rather than the user initiating the phone call to EWR.

User wants to utilize a data compression and/or encryption technique which differs from that which EWR uses regularly.

User wants EWR to utilize a callback modem for his transmissions.

EWR, Inc. transmissions and service to/for CCC and government agencies.

In addition to special services, EWR will consider developing special reports for users at their request. Fees for such reports will be negotiated between EWR and the user, with a minimum fee of \$50/hour with time measured in whole hours.

From time to time EWR Inc. receives requests and subpoenas from third parties for information including information concerning the transfer of electronic receipt holdership. Any party notified of such a request or subpoena shall have five days to commence legal action to prevent disclosure of the information. If a party fails to do so within five days then EWR Inc. is authorized to provide such information to the requesting or subpoenaing party.

### **Subholders**

Any Holder which surrenders an electronic warehouse receipt to Issuer for cancellation or for any other purpose shall be known as a "subholder" and the Issuer shall become the Holder. Such a subholder shall have access to the electronic warehouse receipt data, both required and optional, concerning such surrendered receipt, during the period of time that the Issuer is the Holder of the electronic warehouse receipt.

Any Holder which surrenders an electronic warehouse receipt to CCC for purposes of the government loan shall be known as a "subholder" and the CCC shall become the Holder. Such a subholder shall have access to the electronic warehouse receipt data, both required and optional, concerning such surrendered receipt. The subholder may make another user of the electronic receipt system the new subholder by informing EWR, Inc. of this change in the manner the Provider requires.

Any Holder which surrenders an electronic warehouse receipt to its designated collateral financial institution for any purpose shall be known as a "subholder" and the financial institution shall become the Holder. Such a subholder shall have access to the electronic warehouse receipt data, both required and optional, concerning such surrendered receipt, during the period of time that the financial institution is the Holder of the electronic warehouse receipt.

EWR reserves the right to define, in compliance with applicable laws and regulations, other situations in which a party would become the subholder in the EWR system.

With EWR's permission, a subholder shall have access to the electronic warehouse receipt data for a receipt during the period of time that the said party is the subholder. EWR reserves the right to revoke this permission.

Persons using the services of EWR, Inc. (“users”) may from time to time offer to sell cotton (ewrs), and/or they may from time to time sell options to purchase ewrs which have been placed in the Commodity Credit Corporation (“CCC”) loan (“Options”) using the services of The Seam, LLC. From time to time users may offer to sell on The Seam ewrs which are pledged as collateral with a lending institution, as to which user holds equitable title. In such cases, while the CCC or other lending institution is the holder of the ewrs, the user may be designated by the CCC or lending institution as the subholder of the ewrs. In order to market such ewrs on The Seam it is necessary to post on The Seam the bale data for such ewrs. Thus, in order to facilitate the process of marketing and to assure The Seam and EWR, Inc. of their authority to take the following actions, all users of the EWR, Inc. system do hereby authorize the following:

1. When a subholder of ewrs provides to The Seam, LLC an electronic communication listing bale numbers for ewrs or Options which it wishes to be marked on The Seam, The Seam is authorized to obtain the bale data information from EWR, Inc. for such bales; and
2. When EWR, Inc. receives a request for bale data from The Seam, LLC and the request contains bale identification numbers and the name of the subholder, upon verification by EWR, Inc. that the records of EWR, Inc. show that the identified subholder is in fact the subholder for the bales listed, EWR, Inc. is authorized to provide bale data information to The Seam, LLC for those bales; and
3. The Seam, LLC is authorized to post such bale data on its system for purposes of marketing.

### **Transmission of Electronic Receipts and ICE Exchange or other Time Sensitive Deadlines.**

Responsibility for timely delivery pursuant to the rules of the ICE Exchange or other deadlines lies solely with the holder. Any holder who plans to transmit/deliver electronic receipts to make delivery pursuant to the rules of the ICE Exchange, or other time-sensitive deadlines, should allow sufficient lead time prior to any deadline for delivery. Holders are on notice that if the EWR system is busy due to heavy volume of transactions, it may take several hours for a delivery to be completed, an electronic delivery may fail or be delayed due to software problems, hardware problems, telephone system problems, power failures, or other circumstances. EWR, Inc. shall have no responsibility for failure of any holder to make delivery of receipts prior to deadlines established by the rules of the ICE Exchange or otherwise.

Holders are reminded that the issuing warehouse, not EWR, Inc., is responsible for the accuracy and integrity of the electronic receipts which they issue on the EWR, Inc. system.

### **Warehouse Acting for Customers**

Warehouse may act on behalf of customers to hold and transfer their electronic warehouse receipts. By so acting, warehouse (Issuer) represents and warrants that it has actual authority to act, and warehouse agrees on behalf of its customers to the terms of EWR, Inc.’s then current Participant Agreement. Warehouse will identify and hold EWR, Inc. harmless from claims, attorney’s fees and losses resulting from or in connection with its actions on behalf of, or purportedly on behalf of, its customers.

## **Contents of an Electronic Warehouse Receipt**

All EWR, Inc. electronic warehouse receipts incorporate the EWR Legal Definition set forth in the EWR, Inc. system and available to all users. The term “holder” means the person initially designated as the holder by the warehouseman incidental to the issuance of an electronic warehouse receipt or any successor holder recorded in the files of EWR, Inc. with respect to the electronic warehouse receipt.

## **Limitation**

The limitation of liability on the part of EWR Inc. is described in the Participant Agreement and/or the Issuer Agreement.

It is the responsibility of the holder to keep track of what he holds and it is not EWR Inc.'s responsibility. If EWR Inc. provides receipt summary reports to its users as a service, user agrees that EWR does not take responsibility for the accuracy of those reports.

## **USDA Supervision**

Users and issuers on the EWR system agree that this tariff may subsequently be amended to comply with USDA guidelines, instructions, and approvals. EWR Inc. will issue such amendments as guidelines/instructions/approvals are obtained.

## **Arbitration**

The Federal Arbitration Act 9 U.S.C. Section 1, et seq shall apply to the arbitration agreement. Arbitration shall be conducted pursuant to the rules of the American Cotton Shippers Association. This supersedes the provisions of the Issuer and Participant Agreements.

## **Record Retention**

Records will be retained for the period of time specified in USDA Regulations or directives.

## **Responsibility for Crop Year Information**

EWR, Inc. may obtain crop year information from certifying warehouses and provide that to users. Warehouses providing that information to EWR, Inc. represent and warrant its accuracy to EWR, Inc. Users agree that if they are provided with such information (and EWR, Inc. is under no obligation to users to provide it) they will not make any claim against EWR, Inc. for errors in such information or delays in providing it, regardless of the cause of such errors or delays.

The preceding tariff will be effective August 1, 2011.