

Chapter 7A

Metals Rules for Electronic Warrants

METALS RULES

This chapter reflects the consolidation of NYMEX Division and COMEX Division metals rules and thus will be applicable to both Divisions. The Exchange will be making Chapter 7A applicable to individual futures contracts on a rolling basis pursuant to notice to be provided by the Exchange.

7A00. SCOPE

The provisions of these rules shall apply to the storage within and delivery from a U.S. location, in fulfillment of the respective Exchange Futures Contracts of Copper, Gold, Platinum, Palladium and Silver.

7A01. DEFINITIONS

- (a) "Applicant" shall mean any Person seeking to be approved by the Exchange as a Service Provider with respect to one or more Commodities.
- (b) "Approved Assayer" shall mean, with respect to a particular Commodity, an assayer approved by the Exchange for the verification of the metallurgical assay of such Commodity, as set forth in the rules for the applicable Commodity Futures Contract contained in the Exchange Rule Book.
- (c) "Approved Brand" shall mean the specific Eligible Commodity product of an Approved Producer, or the unique brand mark of the Approved Producer's specified facility that created such product for each specific contract.
- (d) "Approved Carrier" shall mean an armored car company approved by the Exchange for the secure transportation of Gold, Platinum and Palladium.
- (e) "Approved Producer" shall mean, with respect to:
- (i) Copper, a Person approved by the Exchange, whose function is to refine Copper into an Approved Brand;
 - (ii) Platinum and Palladium, a Person approved by the Exchange, whose function is to refine, and verify the metallurgical assay of, the applicable Commodity as an Approved Brand and who is approved by the Exchange for the secure transportation of such refiner's own Platinum and Palladium; and
 - (iii) Gold and Silver, a Person approved by the Exchange, whose function is to refine the applicable Commodity as an Approved Brand.
- (f) "Assay Certificate" shall have the meaning set forth in the rules for the applicable Commodity Futures Contract contained in the Exchange Rule Book.
- (g) "Buyer" shall mean the long Exchange Clearing Member under a Commodity Futures Contract.
- (h) "Certificate" shall mean a document meeting the requirements established by the Exchange and, issued by a licensed facility denoting the product stored at such facility.
- (i) "COMEX" shall mean the Commodity Exchange, Inc., a wholly owned subsidiary of the Exchange.
- (j) "Commodity" or "Commodities" shall mean Copper, Gold, Platinum, Palladium and Silver.
- (k) "Commission" shall mean the Commodity Futures Trading Commission.
- (l) "Contract" shall mean, with respect to a Commodity, such Commodity's Exchange Futures Contract, as set forth in the applicable Chapter of the Exchange Rule Book.

- (m) "Contract Unit" shall mean the unit of weight for a Commodity as specified in such Commodity's Contract.
- (n) "Copper" shall mean copper that meets the specifications for delivery in fulfillment of a Copper Futures Contract, as set forth in the Copper Futures Contract contained in Chapter 111 of the Exchange Rule Book.
- (o) "Electronic Documents" shall mean an electronic document that is a transferable record under Article 3 of the Uniform Commercial Code ("UCC"), and a document of title under Article 7 of the UCC.
- (p) "Eligible" shall mean, with respect to any Commodity, that such Commodity is acceptable for delivery against the applicable Commodity Contract.
- (q) "Futures Contract" shall mean, with respect to any Commodity, the futures contract contained in the relevant Chapter of the Exchange Rule Book applicable to such Commodity.
- (r) "Gold" shall mean gold that meets the specifications for delivery in fulfillment of a Gold Futures Contract, as stated in the Gold Futures Contract contained in Chapter 113 of the Exchange Rule Book.
- (s) "Licensed Depository" shall mean a facility approved and licensed by the Exchange for the secure storage of Gold, Silver, Palladium and/or Platinum.
- (t) "Licensed Facility" shall mean a Licensed Warehouse or a Licensed Depository.
- (u) "Licensed Warehouse" shall mean a facility approved and licensed by the Exchange for the secure storage of Copper.
- (v) "Licensed Weighmaster" shall mean a weighmaster licensed by the Exchange, whose function is to verify the weight of Copper, Gold and/or Silver covered by a Warrant.
- (w) "Tangible Net Worth" shall have the meaning as prescribed by U.S. GAAP.
- (x) "Palladium" shall mean palladium that meets the specifications for delivery in fulfillment of a Palladium Futures Contract, as set forth in the Palladium Futures Contract contained in Chapter 106 of the Exchange Rule Book.
- (y) "Person" shall mean an individual, partnership, limited partnership, corporation, limited liability company, unincorporated organization or association, trust or joint venture, or any other similar entity as the context reasonably permits.
- (z) "Platinum" shall mean platinum that meets the specifications for delivery in fulfillment of a Platinum Futures Contract, as stated in the Platinum Futures Contract contained in Chapter 105 of the Exchange Rule Book.
- (aa) "Seller" shall mean the short Exchange Clearing Member under a Commodity Futures Contract.
- (bb) "Service Provider" shall mean an Approved Assayer, Approved Carrier, Approved Producer, Licensed Depository, Licensed Warehouse and Licensed Weighmaster.
- (cc) "Silver" shall mean silver that meets the specifications for delivery in fulfillment of a Silver Futures Contract, as stated in the Silver Futures Contract contained in Chapter 112 of the Exchange Rule Book.
- (dd) "System" shall mean the Deliveries System maintained and operated by the Exchange, as updated from time to time.

(ee) "Warrant" shall mean a document of title issued by a Licensed Facility, meeting the requirements of Article 7 of the UCC, and demonstrating that the referenced quantity of the covered Commodity, stored in the Licensed Facility referenced thereon, meets the specifications of the applicable Commodity Futures Contract.

(ff) "Weight Certificate" shall mean a document, in a format approved by the Exchange, which verifies the weight of the commodity. The weight specified in the Weight Certificate shall be binding on all parties.

7A02. DESIGNATION AND OBLIGATIONS OF SERVICE PROVIDERS

(A) Designation of Service Providers.

(1) In order to be designated as a Service Provider with respect to any Commodity Futures Contract, an Applicant must provide to the Exchange such documents as the Exchange may request, and are sufficient to establish, as determined by the Exchange in its sole discretion, the Applicant's qualifications, capitalization and ability to undertake the obligations imposed by the Exchange Rules.

(2) The approval of an Applicant as a Service Provider for one or more Commodities is at the sole discretion of the Exchange, and may be further subject to the approval of the Commodity Futures Trading Commission.

(B) Obligations of Service Providers.

(1) Approved Assayers. The Exchange may designate Approved Assayers for Commodities, said Approved Assayers to assist the Exchange in maintaining the integrity of the brands of Commodities tenderable against Commodity Futures Contracts by determining the metallurgical assay of said brands. In the event that the metallurgical assay of any Approved Brand shall be questioned, the Exchange shall refer the matter to said Approved Assayers for a report to assist said Board in its determination.

(2) Approved Producer. The refiner or smelter whose products meet all Exchange requirements and are Eligible.

(3) Approved Carriers. Each Approved Carrier shall provide for the secure transportation of Gold, Platinum and Palladium and shall maintain a chain of integrity for each such Commodity, as defined in the applicable Commodity Rules.

(4) Licensed Weighmaster. Commodities shall be weighed only by Licensed Weighmasters designated by the Exchange. The Licensed Weighmaster shall generate a Weight Certificate which complies with the specifications set forth in Rule 7A01(gg).

(5) Licensed Facilities

(a) Insurance. No warehouse or depository shall be licensed and/or designated for the storage of a Commodity unless it has in force and effect all-risk insurance against loss of the Commodity in such amount, issued by such insurance companies, and upon such terms and conditions as are satisfactory to the Exchange. All policies evidencing such insurance shall provide to the Exchange of at least ninety (90) days prior written notice of cancellation, change in the policy terms and/or premiums. The continued maintenance of such insurance shall be a condition to retention of the license and/or designation of each warehouse or depository; provided, however, that any Licensed Depository shall not be required to procure all-risk insurance unless the depository's net capital is less than \$250,000,000. All Licensed Facilities shall provide to the Exchange documents sufficient to satisfy the Exchange that the required insurance is in full force and effect.

(b) Financial Assurance. Licensed Facilities shall provide such guaranties, bonds or other financial instruments to the Exchange as may be required to guaranty the performance of its obligations pursuant to these rules and any applicable delivery point agreement(s).

(c) Reporting of Stocks.

(i) All Licensed Facilities shall report to the Exchange, prior to the time designated by the Exchange, all receipts and withdrawals of each Commodity that is Eligible on forms furnished by or in a format approved by the Exchange.

(ii) All Commodities bearing an Approved Brand shall be included in the report. All Commodities held by a Licensed Facility, as identified in and in compliance with Rule 7A.03, must be reported, even if not weighed into Contract Units or if not intended for Exchange delivery.

(iii) The report shall be sent every day that the Exchange is open for business and shall provide the information requested by the Exchange in its sole discretion. Unless the Exchange is closed for business, reports shall not be withheld and/or accumulated with any other day's receipts or withdrawals.

(d) Annual Audit. Each Licensed Facility shall cause an independent auditor to conduct an annual inventory of all Commodities held on deposit and prepare an audit report certifying that the records of the License Facility accurately reflect the stock held by the Licensed Facility. Audits and reports shall be in compliance with the procedures established by the Exchange. Each audit report shall be filed with the Exchange within thirty days of the date of the completion of the audit.

(e) Recordkeeping. Licensed Facilities shall make such reports, keep such records, and permit such visitation as the Exchange and/or Commission may prescribe. Such books and records shall be kept for a period of five years from the date thereof or for a longer period if the Commission shall so direct, and such books, records and warehouses shall be open at all times to inspection by any representative of the Commission or the United States Department of Justice.

(f) Financial Statements. Copies of audited statements of the Licensed Facility shall be filed with the Exchange, as they become available. If, at any time, there is a reduction in the Tangible Net Worth of the Licensed Facility of at least twenty percent (20%) subsequent to the filing of an audited statement, notice must be sent to the Exchange within twenty (20) calendar days of such reduction. The Exchange, in its sole discretion, may make the financial statements of Service Providers (including, but not limited to those entities seeking approval as Service Providers) available to Exchange Staff and committee members responsible for the approval process and for monitoring the financial condition of Service Providers.

(g) Inspection. The Licensed Facility must afford, to any representative of the Exchange, access to the Licensed Facility's premises during normal business hours and the unrestricted right to examine any and all records of the Licensed Facility regarding Commodities that are Eligible.

(h) Confidentiality. All officers, directors, employees and agents of a Licensed Facility shall be prohibited from revealing any information regarding customers who have dealings with the Licensed Facility or regarding Commodity deposits or withdrawals to any persons or firms except as permitted by the Licensed Facility's agreement with the Exchange.

(i) Labeling. The Licensed Facility shall label each contract unit with the identifying marks referred to in the Warrant.

(C) Delisting and Revocation of Service Provider Status.

(1) In the event that a Service Provider is in violation of either (a) the Exchange Rules, as amended from time to time, and/or (b) any applicable terms and conditions of the Service Provider's agreement with the Exchange, the Exchange shall send written notice, by the fastest means possible, to the Service Provider directing the Service Provider to cure, within thirty days of the date of the written notice, the violation of an Exchange Rule or the Service Provider's agreement with the Exchange, and if the Service Provider fails to cure the violation within the time stated, the Exchange shall have the right, in its sole discretion, to revoke the Service Provider's designation and remove it from the list of Exchange Service Providers.

(2) Upon receipt of proper written notice from the Service Provider, the Service Provider can request that it be removed from the Exchange's list of Service Providers.

(D) Force Majeure

(1) Upon the occurrence of a Force Majeure event, including events which prevent or threaten to

prevent a Service Provider from performing the obligations imposed by these Rules, in addition to the specific rules set forth for each Commodity Contract, a Service Provider shall immediately notify the Exchange, pursuant to the terms of these Rules in addition to the specific rules set forth for each commodity contract, by the fastest means possible

(2) Upon the occurrence of a Force Majeure event, the parties shall have a good faith obligation to agree upon (i) what, if any, of the obligations under these Rules, in addition to the specific rules set forth for each commodity contract shall be temporarily suspended, and (ii) what, if any, alternative procedures or obligations should be temporarily implemented.

(3) A Service Provider, under such temporary procedures as may be implemented during a declaration of Force Majeure, shall have a continual obligation to immediately notify the Exchange of any change to such Service Provider's ability to meet its obligations under this Agreement.

7A03. STORAGE OF COMMODITIES

(A) General. For purposes of storage and delivery of metals upon contract by Warrants, Licensed Facility shall be understood to mean either (1) a single Licensed Facility, or (2) more than one contiguous Licensed Facility which together comprise a single system of Licensed Facilities, provided that all such Licensed Facilities are operated under common name and common management and all are managed or operated by a single firm or warehouseman, and were specifically identified as such in the application.

(B) Copper. Upon the arrival at a Licensed Warehouse for Copper, Approved Brands of Copper shall be stored within the protection of a completely enclosed building. Licensed Warehouse shall maintain the Copper in such storage throughout its custody. Any Licensed Warehouse that does not presently store any Copper in accordance with the terms hereof shall immediately move such Copper to compliant storage space that is in compliance with Exchange requirements.

(C) Silver, Gold, Platinum and Palladium. Promptly upon the arrival of any Silver, Gold, Platinum or Palladium at the Licensed Depository, such metal shall be placed in secure storage.

(D) Storage and Handling Charges. In the event a Licensed Warehouse wishes to change its fees, the Licensed Facility shall provide the Exchange with at least ninety (90) days prior written notice of any changes and such notice shall itemize each proposed increase. The proposed fee increases may become effective on the first calendar day of the month following the ninety (90) day notification period.

(E) Storage Limitations. In the event a Licensed Facility becomes unable to accept for delivery any Commodity, whether due to capacity limitations or any other reason, the Licensed Facility shall immediately notify the Exchange of such circumstance, describing in detail the relevant Commodity or Commodities affected and the status of such Commodity(ies) stored therein.

7A04. WARRANTS

(A) Existing Paper Warrants Issued by Licensed Facilities. At the date of conversion and implementation of the electronic delivery system, those paper warrants issued by licensed facilities will no longer be acceptable for delivery against the respective Exchange contracts. Existing paper warrants will be converted to electronic warrants at the date of conversion upon written approval by the owner of such warrant. Once the date of conversion occurs, existing paper warrants will no longer be deliverable on the Exchange and therefore are not subject to the Rules of the Exchange.

(B) Procedures for the Issuance of Warrants. All Warrants issued by a Licensed Facility must be issued in the name of an Exchange Clearing Member and must be in a format approved by the Exchange.

(1) Within three business days from receipt of any Commodity at a Licensed Facility, the Licensed Facility must (a) determine such Commodity's Eligibility, (b) advise the owner if the Commodity is determined to be not Eligible, and (c) if requested by the owner and provided the Commodity meets the Contract specifications, issue a Warrant. If, due to capacity limitations or any other reason, a Licensed Facility is unable to meet such requirements, the Licensed Facility shall notify the Exchange and shall describe the reason(s) for such delay.

(2) In issuing a Warrant, Licensed Facility shall be responsible for verifying that the Commodity meets all the specifications for Commodity as stated in the Exchange Rules and shall be responsible for entering all applicable information into the System.

(3) A Warrant shall be an Electronic Document in a form approved by the Exchange and issued in compliance with this Rule 7A.04, and shall be supported by such paper or other tangible documents as specified in this Rule 7A.04. Licensed Facility shall enter in the System a reference to each paper or other tangible document(s) that is related to the Warrant as specified in this Rule 7A.04.

(4) Warrants must be transferable by delivery or by delivery and endorsement by the transferor.

(5) Warrants shall not be issued for more than or less than one Contract Unit. A Warrant issued for Copper shall be from one Approved Brand. A Warrant may be issued for Gold, Silver, Platinum or Palladium that co-mingles Approved Brands.

(6) A Warrant shall be of unlimited duration and remain valid until cancelled by the Licensed Facility that issued it.

(7A) Licensed Facility shall be solely responsible for insuring that no duplicate Warrants are issued, printed or released by it.

(8) In the event that any paper or other tangible document that supports a Warrant has been damaged, lost, stolen or destroyed, Licensed Facility shall issue a replacement document upon completion of its procedures for the replacement thereof.

(C) Procedures for the Cancellation of Warrants. A Warrant may be cancelled only by the Licensed Facility that issued it and only upon endorsement from the Exchange Clearing Member to such Licensed Facility in accordance with these Rules.

(1) Upon demand to an Exchange Clearing Member by the owner of the Commodity for delivery of a Commodity, the Exchange Clearing Member shall endorse in the system with delivery instructions ("the account of") and shall, upon request by the holder, issue to the holder a physical confirmation of such endorsement.

(D) Documents Required for Specific Commodity. With respect to issuance of any new Warrant, a Licensed Facility shall have and maintain in fireproof secure document storage until five (5) years following cancellation of the applicable Warrant, the following document(s) as applicable to the Commodity:

(1) Copper.

(a) Weight Certificate issued by Licensed Weighmaster, and

(b) Declaration by the Licensed Warehouse that the Copper meets the specifications for delivery in fulfillment of a Copper Futures Contract, as set forth in the Copper Futures Contract contained in Chapter 111 of the Exchange Rule Book. Upon request from the Licensed Warehouse, the Seller shall provide verification that the copper cathodes are an Approved Brand meeting the specifications of the contract, unless received directly from the producer of the Approved Brand.

(2) Gold.

(a) Weight Certificate issued by Licensed Weighmaster, and

(b) Assay Certificate if required pursuant to and as stated in the Gold Futures Contract contained in Chapter 113 of the Exchange Rule Book.

(3) Silver.

a) Weight Certificate issued by Licensed Weighmaster, if required pursuant to the Silver Futures Contract contained in Chapter 117A of the Exchange Rule Book.

(4) Palladium.

(a) Assay Certificate, if required pursuant to the Palladium Futures Contract contained in Chapter 100 of the Exchange Rule Book.

(5) Platinum.

(a) Assay Certificate, if required pursuant to the Platinum Futures Contract contained in Chapter 90 of the Exchange Rule Book.

7A05. TERMINATION OF TRADING

Trading in any current delivery month for each Commodity shall cease at the close of business on the third last business day of the delivery month.

7A06. UNIFORM DELIVERY PROCEDURES

A Seller may only commence the Uniform Delivery Procedure as detailed below with respect to a Warrant that has been entered into the System and for which the Seller is designated thereon as the Exchange Clearing Member. The Uniform Delivery Procedure for each Commodity is as follows:

(A) Location of Delivery of the Commodity.

(1) Delivery of a Commodity shall be made at the Seller's choice of a Licensed Facility as specified in the Rules for such Commodity.

(2) Except as otherwise provided in the Rules for each Commodity, all duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the product shall be paid by the Seller. Delivery shall be made in accordance with applicable Federal, State and local laws.

(B) Notice of Intent to Deliver Day.

(1) A Seller with an open short position must file a Notice of Intention to Deliver with the Exchange. The Notice of Intention to Deliver Day shall be the day on which Notice(s) of Intention to Deliver are presented to the Clearing House by the Seller. Unless a different time is prescribed by the rules pertaining to a particular commodity, delivery intentions must be delivered to the Clearing House by 4:00 p.m. (Central Standard Time) on position day except that, on the last intent day of the delivery month, delivery intentions for those commodities utilizing the electronic delivery system via the Clearing House's on-line system may be delivered to the Clearing House until 12 noon (Central Standard Time).

Upon determining the buyers obligated to accept deliveries tendered by issuers of delivery intentions, the Clearing House shall promptly furnish to each issuer the names of the buyers obligated to accept delivery for each commodity for which a notice was tendered and shall also inform the issuer of the number of contracts for which each buyer is obligated.

(2) The Notice of Intention to Deliver is not transferable.

(C) Notice Day.

(1) Notice Day shall be the day on which an Assignment Notification is issued by the Clearing House to the Buyer and the Seller. This shall be the business day prior to the Delivery Day.

(2) The Assignment Notification shall specify the parties matched for delivery and the number of contracts to be delivered. The invoice shall specify the brand, the Warrant number, the weight, the Licensed Facility in which the Commodity is stored, the name of the Seller, the name of the Buyer, and the price of the Commodity for each corresponding Warrant.

(3) The Assignment Notification shall be issued by the Clearing House to the Buyer and the Seller on the morning of the business day following the Date of Presentation, except for the next to last business day of the delivery month. On the next to last business day of the delivery month, the Clearing House shall issue the Assignment Notification and invoice to the Buyer and the Seller after last intent day processing.

(4) The Assignment Notification is not transferable.

(D) Settlement Price.

The settlement price at the close of business on the day the Notice of Intention to Deliver is given to the Clearing House shall be the basis for delivery. In the event the Notice of Intention to Deliver is given on the next to last business day of the delivery month, the settlement price shall be the settlement price at the close of business on the third to last business day (the previous day).

(E) Delivery Day.

(1) The day the Buyer receives the Warrant for the Commodity shall be referred to as "Delivery Day." Delivery may take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but not later than the last business day of the current delivery month. Delivery payment will be made during the 7:30 AM (CST) collection cycle, or such other time designated by the Clearing House. Thus, the cost of delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make Delivery Payment and sellers obligated to make delivery must make delivery during the 7:30 AM (CST) settlement process, or such other time designated by the Clearing House, on the day of delivery, except on banking holidays when delivery must be taken or made and Delivery Payment made during the 7:30 AM (CST) settlement process, or such other time designated by the Clearing House, on the next banking business day. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with its rules, policies and procedures.

(F) Settlement of Storage and Handling Charges.

All Commodities must be delivered to the Buyer with handling and storage charges paid up to and including the day of delivery, and the Buyer may require the Seller to furnish satisfactory proof of payment thereof. Any storage charges prepaid by the Seller for a period extending beyond the Delivery Day (but not in excess of 30 days) shall be refunded by the Buyer to the Seller on a pro rata basis for the unexpired term and an adjustment made upon the invoice. All storage and handling charges for all Commodities must be in US Dollars. Where "in and out labor" charges have been paid as evidenced by the Warrant Receipt, or otherwise, the seller shall be entitled to charge the buyer for one-half of such "in and out labor" charges; in other words, the buyer will have to assume the "out labor" charges.

7A07. OBLIGATIONS IN DELIVERY AND DISPUTE RESOLUTION

(A) By the tender of a Warrant for a Commodity duly endorsed for delivery in fulfillment of a Commodity Futures Contract, the Seller shall be deemed to warrant that the Commodity meets the deliverable metal specifications set forth in the applicable Commodity Futures Contract Rule ("Delivery Warranty"). Such warranty shall remain in effect through successive endorsements of the Warrant for delivery on Commodity Futures Contracts. The warranty shall continue for the benefit of a member of the Exchange who shall have taken delivery of the Commodity in fulfillment of the Commodity Futures Contract(s), or in favor of such member's immediate customer.

(B) In the event that an Exchange member or customer shall claim a breach of the Delivery Warranty, the Commodity shall be immediately submitted for sampling and assaying to an Approved Assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If the Approved Assayer shall determine a deficiency in quality, the claimant shall have the right to recover the difference in the sampling and assaying and any cost of replacement of the commodity. The claimant may, at his option, proceed directly against the original Seller of the

commodity, as shown on the Warrant upon an Exchange delivery without seeking recovery from the immediate Seller to him of the Exchange Commodity contract. If the original Seller of the Warrant satisfies the claim, intervening Sellers will be thereby discharged from liability to the claimant. If the claimant seeks recovery from the immediate Seller to the claimant, and his claim is satisfied by such Seller, the Party thus satisfying the claim will have a similar option to claim recovery directly from the original Seller of the Warrant or from the Party's immediately preceding Seller. Such claims as are in dispute between members of the Exchange shall in each case be submitted to arbitration under the rules of the Exchange.

(C) The liability of a Seller of a Warrant as provided herein shall not be deemed to limit the rights of such Seller against any person or party for whose account the Seller acted in making delivery on an Exchange Commodity contract. If it shall be determined in such arbitration proceeding that any Seller of a Warrant or the person or party for whom such Seller acted was aware of the breach of warranty or was involved in a plan or arrangement with the original Seller (or his customer) to place such inferior Commodity in a Licensed Facility for use in deliveries upon Exchange Commodity contracts, such Sellers shall not be entitled to recover from any prior Seller for the breach of warranty.

(D) Any claim for damages arising between a Buyer and a Seller, as a result of a delivery pursuant to this Chapter, shall be governed by the arbitration rules of the Exchange.

7A08. ENFORCEMENT OF WARRANT WITHOUT RECOURSE

The endorsement of a Warrant "without recourse" is improper, and the delivery of such a Warrant so endorsed shall not constitute a good delivery in fulfillment of an Exchange Commodity contract.

7A09. CONFORMITY WITH UNITED STATES STANDARDS

Every contract for commodity futures traded on the Exchange shall require delivery thereunder of commodities of grades conforming to United States standards if such standards for such commodity shall have been officially promulgated and adopted by the Commodity Futures Trading Commission; provided, however, that if such standards adopted by the Commodity Futures Trading Commission differ from the standards for such contract adopted by the Exchange, the standard adopted by the Commodity Futures Trading Commission shall not apply to the existing contracts.