

## **U.S. Cotton Trust Protocol LLC Structure of Governance**

The U.S. Cotton Trust Protocol, LLC (USCTP) is a single-member non-profit limited liability company, established in the State of Tennessee (United States) on May 20, 2019. Its principal place of business is at 7193 Goodlett Farms Parkway, Cordova, Tennessee, 38016. The USCTP was established by the National Cotton Council of America (“Member” or “NCC”), which is the sole member of the USCTP, and which is itself a non-profit entity organized as a trade association under Section 501(c)(6) of the U.S. Internal Revenue Code.

### **Management of the USCTP**

The USCTP is a “member-managed” LCC with oversight assistance from a Board of Directors, as described below. Since the USCTP is a member-managed entity, the Member has the authority and power to act for or on its behalf, though the Member submits its actions to the review and oversight of the Board. The USCTP owns and controls its own assets. The USCTP does not have any right or interest in any independent activities of the Member.

None of the funds of the USCTP may be used to engage in or support any political campaign or lobbying activities at the federal or state levels.

### **Board of Directors**

Board Composition. The membership of the Board shall consist of fifteen persons representing the following U.S. cotton, textile, and apparel industries: (i) four cotton producers appointed by the American Cotton Producers; (ii) one ginner appointed by the National Cotton Ginners Association; (iii) one marketing cooperative representative appointed by AMCOT; (iv) one merchant appointed by the American Cotton Shippers Association; (v) one textile manufacturer appointed by the National Council of Textile Organizations; (vi) one representative from either the cottonseed or cotton warehouse segment, with the power of appointment to alternate in successive terms between the cottonseed and cotton warehouse segments, with the appointment by the cottonseed sector to be made jointly by the National Cottonseed Products Association and Cottonseed and Feed Association and the appointment by the cotton warehouse segment to be made jointly by the Cotton Growers Warehouse Association and Cotton Warehouse Association of America; (vii) two representatives of the apparel and retail sectors appointed by the Chairman of the NCC; (viii) two representatives of civil society organizations appointed by the Chairman of the NCC; and (ix) two additional persons appointed by the Chairman of the NCC.

Each Director shall serve until their successor is elected and qualified. Thereafter, the Board shall consist of not less than fifteen persons, exclusive of non-voting advisors to the Board.

Meetings. The Board shall meet at least once each calendar quarter either in person or by telephone, with at least two of such meetings in person. Special meetings may be called either by the Chairman on at least two days’ notice given in person, by telephone, or by e-mail. Special meetings may be held in person at a location designated by the Chairman or by telephone conference call.

Any meeting of the Board may transact any business which may come before it, and it shall not be necessary to specify in the notice of meeting the character of business to be transacted. Meetings may be held at any time without notice if all the Board are present or if those present waive notice of the meeting in writing.

Chairman of the Board. The Board shall elect a Chairman from among the members of the Board. The duties of the Chairman shall be to preside over all meetings of the Board, to call regular and special meetings of the Board, and to perform all of the duties usually incident to such office.

Quorum at Meetings. The presence of a majority of the Board shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board.

Voting. Votes at all meetings of the Board may be cast by Board members present either in person or by proxy and the voting may be viva voce, except that any Board member may demand that a vote be taken by ballot. In such case each ballot shall state the name of the Board member voting, and, if cast by a proxy, the name of such proxy.

Vacancies in the Board. Any vacancy in the Board occurring during the year through death, resignation or other cause shall be filled for the unexpired portion of the term by an interim Board member who shall be selected in the same manner as the vacating member they replace.

Forfeiture of, and Withdrawal from the Board. Any Board member wishing to withdraw from the Board may do so by giving notice to the Chairman or Executive Director in writing. Any member may be removed from the Board at any time, with or without cause, on a vote of a majority of the Board at any meeting.

Advisors to the Board of Directors. The Board shall have authority to elect such advisory members, in addition to the Officers described below, as it may determine to be desirable, but such advisors shall be without the right to vote upon matters coming before the Board.

Executive Committee. The Chairman shall have authority to appoint an Executive Committee of not less than three from the membership of the Board, subject to approval of the Board. Such Executive Committee shall be vested with such power and authority as the Board may determine. Such Executive Committee shall, at each meeting of the Board, submit a full, complete and detailed report of its activities since the last preceding report.

Eligibility. Only NCC members are eligible to serve on the Board as representatives of the producer, ginner, cooperative, merchant, cottonseed, warehouse and textile manufacturer segments.

Terms. The term for each Board member is two years, and each Board member may serve no more than two consecutive terms.

## Officers

The officers of the USCTP shall be a President, an Executive Director, and a Treasurer, each of whom shall serve as non-voting advisors to the Board. The President shall be the same person who serves as President of the NCC and shall have final responsibility and authority over the affairs of the USCTP except as otherwise described below. The Executive Director shall be a person designated by the President. The Treasurer shall be the same person who serves as Director of Finance Services of the NCC.

The Board shall have authority to create such other offices as in its judgment are necessary to the proper functioning of the USCTP, and to fix and define the duties, functions and authority of each. Persons filling such offices shall be chosen by and serve under the supervision of the President.

The officers shall receive no salaries from the USCTP.

Executive Director. The Executive Director shall be responsible for the general management of the USCTP; shall preside at all meetings of the Board; shall be an advisor of any standing committees that are established by the Board; shall have general and active management of the business of the USCTP; and shall see that orders of the President and resolutions of the Board are carried into effect. The Executive Director shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the USCTP, except where required by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the USCTP. The Executive Director shall serve as secretary of the Board and attend all sessions of the Board, recording all votes and the minutes of all proceedings to be kept for that purpose and performing like duties for any standing committees that may be established. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board, and shall perform such other duties as may be prescribed by the President, under whose supervision he shall serve. He shall keep in safe custody the seal of the USCTP and, when authorized by the President, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer.

Treasurer. The Treasurer shall have the custody of USCTP funds and securities and shall keep full and accurate accounts of receipts and disbursements belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the USCTP in such depositories as may be designated by the President. The Treasurer shall disburse the funds of the USCTP as may be ordered by the President, taking proper vouchers for such disbursements, and shall render to the Executive Director and the Board, at regular meetings of the Board or whenever they may require it, an account of all transactions and of the financial condition of the USCTP. If required by the President, the Treasurer shall give the USCTP a bond (which shall be renewed every three years) in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the Treasurer's office and for the restoration to the USCTP, in case of his removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the USCTP.