



Web 2010-1

February 12, 2010

Dear Members & Rulebook Recipients:

The following Chapters have been amended:

<u>Chapter</u>	<u>Regulations</u>	<u>Purpose</u>
Articles of Incorporation		Housekeeping.
20 Regulations	2013.00. 2013.01.	To increase speculative position limits for the Index Contracts.

You can view these changes by visiting the MGEX website at <http://www.mgex.com>:

1. On the top, go to "RESOURCES" and click "Rules and Regulations"
2. In the middle of the page, click "Click here to download changes to MGEX RULES AND REGULATIONS"
3. Then print if you wish to obtain an updated hard copy for your book.

If you have any questions or problems accessing the Rulebook, please contact Layne G. Carlson at (612) 321-7169 or lcarlson@mgex.com.

A handwritten signature in black ink that reads "Layne G. Carlson" followed by a large, stylized flourish.

Layne G. Carlson
Corporate Secretary



**ARTICLES OF INCORPORATION
OF
MINNEAPOLIS GRAIN EXCHANGE**

I.

STATE OF MINNESOTA, } SS
County of Hennepin }

Be it know that we, H.G. Harrison, A. C. Rand, John Dunham, A. H. Bode, E. V. White, R. P. Russell, T. J. Buxton, W. F. Meader, C. M. Loring, A. D. Mulford, S. P. Snider, A. B. Taylor, D. C. Bell, Anthony Kelly, James A. Lovejoy, F. L. Morse, D. Syme, S.W. Serl, R. McMullen, John R. Coykendall and R. L. Crockett, the undersigned, all citizens of the State of Minnesota, and resident of the City of Minneapolis, county and state aforesaid, have this 6th day of October, A. D. 1881, associated ourselves together under an act of the legislature of said state, approved March 6, 1868, as amended by chapter thirty-seven (37) of the general laws of 1881, as a body corporate, to be called the Minneapolis Grain Exchange.

The general objects and purposes of this Corporation are: To facilitate the buying and selling of all products, to inculcate principles of justice and equity in trade, to facilitate speedy adjustments of business disputes, to acquire and disseminate valuable commercial information, and, generally, to secure the benefits of cooperation in the furtherance of legitimate business pursuits, and to advance the general prosperity and business interests of the region and the nation.

II.

The location of said Corporation shall be in the City of Minneapolis, aforesaid.

III.

The Board of Directors of this Corporation shall consist of seven (7) members, all of whom shall be Members of the Corporation at the time of their election. The seven (7) Directors shall hold their offices for a term of two (2) years and until their successors are elected and qualified. The Directors shall be elected at the Annual Election. The Board as a whole shall elect annually at the first meeting of the new Board a Chairman, a First Vice Chairman and a Second Vice Chairman. The election shall be under the supervision of the Senior Director.

The seven (7) Directors may, in their discretion, elect additional Directors, none of whom shall be Members of the Corporation, and the term of each Director so elected shall end on the second Thursday of October. The salaried President of the Exchange shall automatically serve on the Board as a nonvoting Member.

All vacancies on the Board of Directors shall be filled by the Board of Directors for the unexpired term of the person whose office becomes vacant.

The Annual Election shall be held in the Exchange Room of the Corporation on the first Thursday in October in each year or may be held by mailed ballot of the entire Membership. The Board of Directors shall elect annually at their first meeting after the Annual Election a Secretary and a Treasurer and, in their discretion, a President and/or Vice Presidents of the Corporation who shall not be Members of the Corporation and who shall hold their respective offices for one year or until their successors are elected and qualified or, in the case of a President and/or Vice Presidents, until the Board of Directors at any such first meeting determines not to reelect or to elect successor(s). At any time when no President and/or Vice Presidents have been elected or when a vacancy exists in those offices, the Board of Directors, at a special meeting thereof called for such purpose, may elect a President and/or Vice Presidents who shall hold office until the election and qualification of successor(s) or until the determination of the Board of Directors not to reelect or to elect successor(s) as above provided. The President and/or Vice Presidents shall not succeed to the office of Chairman and shall have such duties and powers as may be conferred upon him (them) by the general Rules or customs of the Corporation or by the Board of Directors from time to time. The offices of President and/or Vice Presidents, Secretary and Treasurer, or any two of them, may be held by the same person.

IV.

The Directors, who shall serve until the next Annual Meeting, to be held on the first Thursday in October, 1882, or until their successors are elected and qualified, shall be the following named incorporators, vis: H. G. Harrison, A. D. Mulford, T. J. Buxton, James A. Lovejoy, R. P. Russell, F. L. Morse, W. F. Meader, John Dunham, S. W. Serl, D. Syme, R. McMullen, A. B. Taylor and John R. Coykendall.

V.

The Officers of said Board and of this Corporation, who shall serve until the next Annual Meeting of this body or until their successors are chosen and qualified, shall be as follows:

President - H. G. Harrison
 Vice Presidents - A. D. Mulford, A. B. Taylor
 Secretary - G. D. Rogers
 Treasurer - T. J. Buxton

Nothing herein shall prevent this body from choosing additional officers, nor from the adoption of any rules and bylaws consistent herewith.

H. G. HARRISON	SAMUEL P. SNIDER
H. C. RAND	A. B. TAYLOR
JOHN DUNHAM	D. C. BELL
A. H. BODE	ANTHONY KELLY
E. V. WHITE	JAMES A. LOVEJOY
R. P. RUSSELL	FRANK L. MORSE
T. J. BUXTON	D. SYME
W. F. MEADER	S. W. SERL
C. M. LORING	ROBT. McMULLEN
A. D. MULFORD	JOHN R. COYKENDALL
R. L. CROCKETT	

STATE OF MINNESOTA, } SS
County of Hennepin }

On the 11th day of October, 1881, before me, a Notary Public in and for said county, personally appeared H. G. Harrison, A. C. Rand, John Dunham, A. H. Bode, R. P. Russell, T. J. Buxton, W. F. Meader, A. D. Mulford, A. B. Taylor, D. C. Bell, Anthony Kelly, James A. Lovejoy, S. W. Serl, Robert McMullen, John R. Coykendall and R. L. Crockett, and on the 12th day of October, 1881, before me personally appeared Samuel P. Snider, and E. V. White, all the above named to me personally known and known to be the same persons described in and who executed the foregoing instrument, and they severally acknowledged that they executed the same freely and voluntarily for the uses and purposed therein mentioned.

(Notarial Seal)

WEED MUNROE,
Notary Public
Hennepin County, Minn.

I hereby certify that the within instrument was filed for record in this office on the 19th day of October, A. D. 1881, at 9:30 o'clock A. M. and was duly recorded in Book F, of "Incorporations," on pages 421 and 424 inclusive.

STATE OF MINNESOTA, } SS
Department of State }

FRED VON BAUMBACH
Secretary of State

NOTICE OF THE FIRST MEETING OF THE CHAMBER OF COMMERCE
OF MINNEAPOLIS

STATE OF MINNESOTA, } SS
County of Hennepin }

We, the undersigned corporators named in the Articles of Incorporation above set forth, which has been duly signed for record, as appears by the above certificate of the Secretary of State, hereby give notice that the first meeting of The Chamber of Commerce of Minneapolis as a body corporate, will be held on the fifteenth day of November, 1881, at 7:30 o'clock P. M., in the basement of Security Bank Building, corner of Hennepin Avenue and Third Street North, City of Minneapolis, county and state aforesaid, the purposes of said meeting being to adopt bylaws, rules and regulations for the government of said body, to choose all officers and committees not provided for in said Articles, and generally to transact such other business as may properly come before said meeting.

Dated this 21st day of October, A. D. 1881.

H. G. HARRISON, President
A. D. MULFORD, Vice President

2013.00. FUTURES POSITION LIMITS.

- A. **National Corn Index.** Pursuant to the provisions of [Rule 7308.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control in excess of thirteen-thousand five-hundred (13,500) contracts net long or short in the settlement month, thirteen-thousand five-hundred (13,500) contracts net long or short in any single month, or twenty-two thousand (22,000) contracts net long or short in all contract months combined.

- B. **National Soybean Index.** Pursuant to the provisions of [Rule 7508.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control in excess of six-thousand five-hundred (6,500) contracts net long or short in the settlement month (except during the last five trading days when the limit shall be five-thousand six-hundred (5,600) contracts net long or short), six-thousand five-hundred (6,500) contracts net long or short in any single month, or ten-thousand (10,000) contracts net long or short in all contract months combined.

- C. **Hard Red Winter Wheat Index.** Pursuant to the provisions of [Rule 7708.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month, five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

- D. **Hard Red Spring Wheat Index.** Pursuant to the provisions of [Rule 8108.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month (except during the last five trading days the limit shall be three-thousand four-hundred (3,400) contracts net long or short), five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

- E. **Soft Red Spring Wheat Index.** Pursuant to the provisions of [Rule 7908.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month (except during the last five trading days when the limit shall be two-thousand seven-hundred fifty (2,750) contracts net long or short), five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

2013.01. OPTIONS POSITION LIMITS.

- A. **National Corn Index.** Pursuant to the provisions of [Rule 7412.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds twenty-two thousand (22,000) futures-equivalent contracts net long or short in all contract months combined, thirteen-thousand five-hundred (13,500) futures-equivalent contracts net long or short in any single contract month, or thirteen-thousand five-hundred (13,500) futures-equivalent contracts net long or short in the settlement month.

- B. **National Soybean Index.** Pursuant to the provisions of [Rule 7612.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds ten-thousand (10,000) futures-equivalent contracts net long or short in all contract months combined, six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in any single contract month, or six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be five-thousand six-hundred (5,600) futures-equivalent contracts net long or short).

- C. **Hard Red Winter Wheat Index.** Pursuant to the provisions of [Rule 7812.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-thousand (5,000) futures-equivalent contracts net long or short in the settlement month.

- D. **Hard Red Spring Wheat Index.** Pursuant to the provisions of [Rule 8212.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-thousand (5,000) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be three-thousand four-hundred (3,400) futures-equivalent contracts net long or short).

- E. **Soft Red Spring Wheat Index.** Pursuant to the provisions of [Rule 8012.00.](#), the Board of Directors has adopted this Regulation.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-

thousand (5,000) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be two-thousand seven-hundred fifty (2,750) futures-equivalent contracts net long or short).

For the purpose of this Regulation, a long call option, a short put option and a long underlying Futures Contract are on the long side of the market; similarly, a short call option, a long put option and a short underlying Futures Contract are on the short side of the market.

2014.00. SETTLEMENT PRICES.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. MGExpress® Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1. Exchange staff will determine all applicable trades, bids and offers made in the closing period on MGExpress®. The settlement price shall be determined by the weighted average of the trades and applicable bids and offers made in the closing period. If there are no trades, higher bids or lower offers, the settlement price will remain unchanged from the prior business day.
2. If such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

B. Reservation.

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

2015.00. SETTLEMENT PREMIUMS.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. Open Outcry/MGEXpress® Contracts.

Promptly after the close of trading in each Options Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1. Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Open Outcry Contract. Exchange staff, in conjunction with the Quotations Committee, shall then determine the settlement premiums by using a theoretical pricing model.
2. If Exchange staff, in conjunction with the Quotations Committee, believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials:
 - a. among the premiums for the listed striking prices for the option month;
 - b. among the premiums for the different option months listed for trading; and
 - c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section by Exchange staff, in conjunction with the Quotations Committee, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

B. Reservation.

The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.