



June 1, 2018

Web 2018-2

Dear MGEX Members & Rules and Regulations Book Recipients:

The following have been amended:

<u>Chapter</u>	<u>Citation</u>	<u>Purpose</u>
Bylaws	Bylaw 252.00.	Amendments to Bylaw 252.00. to align Executive Committee's duties and powers with current practices and needs.
2- Universal Provisions	Rules 2.1.1., 2.1.2., 2.1.3., 2.1.4.	New Rules 2.1.1. and 2.1.4. identifying scope of Chapter and authority to enforce Rules. Amendments to Rules 2.1.2. and 2.1.3. (formerly Rule 2092.00.) clarifying jurisdiction.
20- Regulations	Rule 2092.00.	Revised and relocated to Rules 2.1.2. and 2.1.3.

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 & Regulations"
2. Click "Latest changes to MGEX RULES, REGULATIONS AND RESOLUTIONS"

If you have any questions or problems accessing the Rules and Regulations, please contact Jesse Marie B. Green at (612) 321-7122 or jgreen@mgex.com.

Sincerely,

A handwritten signature in black ink that reads "Layne G. Carlson".

Layne G. Carlson, Corporate Secretary

including the Chairperson of the Board. A majority of the Directors of a Committee shall constitute a quorum and a majority of the quorum shall be required to take action. A three-fourths (3/4) supermajority of a quorum of the Board shall be required to remove a Director who was appointed to a Committee. A majority of a quorum of the Board shall be required to revoke actions taken by a Committee. In addition to the enumerated duties and powers, each Committee shall exercise such authority and execute such actions as may be delegated to it by the Board of Directors, or by the Bylaws or Rules.

252.00. EXECUTIVE COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Executive Committee which shall be composed of five (5) directors including the Chairperson of the Board, the First and Second Vice Chairpersons of the Board and no less than two (2) Public Directors elected by the Board. Meetings of the Executive Committee shall be held at such time and place as may be designated by the Executive Committee. The Chairperson of the Board shall be the Chairperson of the Executive Committee and shall have voting privileges.

The Committee shall have the duty and power to act on behalf of the Board of Directors when an emergency exists or when the Board is otherwise unable to reach quorum or convene in a timely manner.

253.00. AUDIT COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Audit Committee which shall be composed of five (5) Directors including the Chairperson of the Board, the President, and three (3) Public Directors elected by the Board of Directors.

The Committee shall have the duties and powers to oversee the appointment of the Exchange's independent auditor, review any audit reports, and report to the Board.

256.00. PERSONNEL AND COMPENSATION COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Personnel and Compensation Committee. It shall be composed of five (5) Directors.

The Committee shall have the duties and powers to fix the compensation and benefits of the President.

257.00. REGULATORY OVERSIGHT COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Regulatory Oversight Committee. It shall be composed of three (3) Public Directors elected by the Board. The Committee shall have the duties and powers as described and required under Core Principle 16 described in 17 CFR Part 38.

258.00. RISK MANAGEMENT COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Risk Management Committee. The Committee shall have the duties and powers as described and required under Core Principle D of 17 CFR Part 39, as amended.

259.00. NOMINATIONS COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Nominations Committee which shall be composed of five (5) directors, including the Chairperson of the Board and three (3) Public Directors elected by the Board of Directors. The chair of the Nominations Committee shall be a Public Director.

The Committee shall have the duties and powers to:

- A. Identify individuals qualified to serve on the Board of Directors, consistent with criteria approved by the Board, and with the composition requirements set forth in **Bylaw 210.00**.
- B. Administer a process for the nomination of individuals to the Board of Directors.

In addition, the Board of Directors has delegated the following duties and powers to the Nominations Committee:

- A. Determine the standards and requirements for initial and continuing membership eligibility.
- B. Review appeals of staff denials of membership applications and overturn any staff denial if the application meets relevant standards and requirements.
- C. Review and approve any Bylaws that would result in different categories or classes of Members receiving disparate access to the Exchange.

The Committee shall not restrict access or impose burdens on access in a discriminatory manner on Members or applicants for Membership.

260.00. COMMITTEES OF THE EXCHANGE.

Committees of the Exchange shall be established by Bylaw or Rule. Such Committees shall consist of an odd number of individuals. Unless otherwise specified by Bylaw or Rule, a majority of the members of a Committee shall constitute a quorum and a majority of the quorum shall be required to take action. In addition to the duties and powers specified by Bylaw or Rule, Committees of the Exchange shall also have such duties and powers as may be specified by the Board of Directors.

264.00. DISCIPLINARY COMMITTEE: APPOINTMENT.

There shall be established a committee to be known as the Disciplinary Committee, which shall be composed of five (5) members with voting privileges as hereinafter provided:

- A. Two (2) of such members shall be appointed from Members of the Exchange who are not serving as Officers or Directors or serving on the Hearing Committee.
- B. One (1) member of the Disciplinary Committee shall consist of the President of the Exchange and one (1) member of the Disciplinary Committee shall consist of a member of the Board of Directors appointed by the President of the Exchange.

The President of the Exchange may appoint a member of the Board of Directors to serve in his/her stead as a member of the Disciplinary Committee. If no member of the Board of Directors is available for such an appointment, the President of the Exchange may appoint a Member of the Exchange.

No member who is to serve as a substitute member in the place of the President of the Corporation shall be appointed as a member of the Disciplinary Committee if the Member is a member of the Hearing Committee.

- C. One (1) member shall be an individual who qualifies as a Public Director.

The Members of the Disciplinary Committee shall be as representative as practicable of the Membership. Three (3) members of the Disciplinary Committee shall be required to constitute a quorum and must include an individual who meets the qualifications of a Public Director.

264.01. DISCIPLINARY COMMITTEE: QUALIFICATIONS OF MEMBERS.

No person shall serve as a member of the Disciplinary Committee when the person or entity with which the person is affiliated has a financial, personal or prejudicial interest or concern in the matter under consideration or action. For the purpose of this Bylaw, at a minimum, a financial, personal or prejudicial interest shall be defined and determined pursuant to **Bylaw 275.00.B**. The other members of the Disciplinary Committee with guidance by the Department of Audits and Investigations shall determine whether any member has a financial, personal or prejudicial interest not addressed by **Bylaw 275.00.B**.

No member may serve on the Disciplinary Committee if he or she has participated in or been involved in adjudicating any other stage of the same proceeding.

264.02. DISCIPLINARY COMMITTEE: APPOINTMENT OF ALTERNATES.

If the Disciplinary Committee shall determine that it is improper for any or all of its members to serve during the consideration of and action upon any particular matter, or if any or all of the regular members shall be unable to serve during such consideration and action, the Disciplinary Committee may request the President to appoint, and the President shall appoint, an alternate or alternates to sit throughout the consideration of and action upon such matter. If an alternate is substituting for a Member position, the alternate must be a Member of the Exchange who is not a member of the Board of Directors. If an alternate is substituting for the individual who meets the qualifications of a Public Director, the alternate must also qualify as a Public Director. When so appointed, any alternate shall, with respect to the consideration of and action upon such particular matter, have all the powers and duties of the regular member for whom the alternate is acting; and such Disciplinary Committee, so constituted and consisting of such alternate or alternates and the remaining regular members of the Disciplinary Committee, if any, shall with respect to the consideration of and action upon such particular matter have all the duties and powers of the regular Disciplinary Committee. During the period that such a Disciplinary Committee appointed with respect to a particular matter is functioning, the regular Disciplinary Committee and the regular members thereof shall continue to have all their usual powers and to perform all their usual duties concerning matters other than that before a Disciplinary Committee appointed with respect to a particular matter.

264.03. DISCIPLINARY COMMITTEE: DUTIES AND POWERS.

The Disciplinary Committee shall be charged with the duty and authority:

- A. To prevent manipulation of prices as provided in the Commodity Exchange Act.
- B. To review all investigation reports submitted to the Disciplinary Committee by the Department of Audits and Investigations in respect to all matters relating to activity conducted under the jurisdiction of MGEX and in respect to alleged violations of the Bylaws or MGEX Rules.
- C. To direct the Department of Audits and Investigations to conduct such further investigation in respect to any such report as the Disciplinary Committee deems appropriate or advisable.
- D. To promptly review and determine whether or not any or all charges included in the investigation report submitted to the Disciplinary Committee have, in its opinion, a reasonable foundation in fact.
- E. To dismiss any or all charges included in any investigation report submitted to the Disciplinary Committee that are, in its opinion, without reasonable foundation in fact.

- F. To authorize the issuance of a Notice of Charges against person(s) alleged to have committed such violations if the Disciplinary Committee has found that the investigation report shows a reasonable basis for a violation and that the matter should be adjudicated.
- G. To report in writing to the Board of Directors in respect to all matters which result in public disciplinary action.

The Disciplinary Committee, in performing its duties, may request any Member or Market Participant to appear before the Disciplinary Committee in its investigations of matters set forth in the investigation report. The Disciplinary Committee may review the dealings and transactions of Members or Market Participants, and it may examine their books, papers and records pertinent to such review. The Disciplinary Committee may employ such auditors, counsel or other assistants as it may deem necessary, and all expenses incident thereto shall be payable from the funds of the Exchange.

The Disciplinary Committee may invite a representative of the Commodity Futures Trading Commission to attend any or all of its meetings.

In addition to possible violations of the Bylaws or MGEX Rules appropriately brought before the Disciplinary Committee pursuant to Paragraph B, above, the Disciplinary Committee also shall review any investigation report concerning a particular course of conduct by a Member or Market Participant which has produced or thereafter, in the opinion of the Disciplinary Committee, would produce a manipulation of prices or cornering of any commodity in violation of the Bylaws or MGEX Rules.

No Member or Market Participant shall violate any order of the Disciplinary Committee after having been duly notified thereof. Nothing, however, herein contained shall in any way be construed as superseding the duties and authority that have been vested in the Board of Directors by the Bylaws or MGEX Rules. All directives of the Disciplinary Committee pertaining to price manipulations or corners and requiring a market position reduction shall be effective when issued.

No member of the Disciplinary Committee shall publish, divulge or make known in any manner, except when reporting to the Board of Directors or to a committee concerned with such information, or when called upon to testify in any judicial or administrative proceeding, any facts regarding the business of any Person, or any other confidential information that may come to the knowledge of such Disciplinary Committee member in the member's official capacity.

265.00. HEARING COMMITTEE: APPOINTMENT.

There shall be established a committee of the Exchange to be known as the Hearing Committee, which shall be composed of five (5) members with voting privileges as hereinafter provided:

- A. Three (3) of such members shall be appointed by the Chairperson of the Board of Directors from Members of the Exchange.
- B. One (1) member of the Hearing Committee shall consist of the Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall serve as the Chairperson of the Hearing Committee.

The Chairperson of the Board of Directors may appoint a member of the Board of Directors to serve in his/her stead as a member of the Hearing Committee. If no member of the Board of Directors is available for such an appointment, the Chairperson may appoint a Member of the Exchange.

No member who is to serve as a substitute member in the place of the Chairperson of the Board of Directors shall be appointed as a member of the Hearing Committee if the Member is a member of the Disciplinary Committee.

- C. One (1) member shall be an individual who qualifies as a Public Director.

The Members of the Hearing Committee shall be as representative as practicable of the Membership. Three (3) members of the Hearing Committee shall be required to constitute a quorum and must include an individual who meets the qualifications of Public Director.

265.01. HEARING COMMITTEE: QUALIFICATIONS OF MEMBERS.

No person shall serve as a member of the Hearing Committee when the person or entity with which the person is affiliated has a financial, personal or prejudicial interest or concern in the matter under consideration or action. For the purpose of this Bylaw, at a minimum, a financial, personal or prejudicial interest shall be defined and determined pursuant to **Bylaw 275.00.B**. The other members of the Hearing Committee with guidance by the Department of Audits and Investigations shall determine whether any member has financial, personal or prejudicial interest not addressed by **Bylaw 275.00.B**.

No member may serve on the Hearing Committee if he or she has participated in or been involved in adjudicating any other stage of the same proceeding.

265.02. HEARING COMMITTEE: APPOINTMENT OF ALTERNATES.

If the Hearing Committee shall determine that it is improper for any or all of its members to serve during the consideration of and action upon any particular matter, or if any or all of the regular members shall be unable to serve during such consideration and action, the Hearing Committee may request the President of the Exchange to appoint, and the President of the Exchange shall appoint, an alternate or alternates to sit throughout the consideration of and action upon such matter. If an alternate is substituting for a Member position, the alternate must be a Member of the Exchange who is not a member of the Board of Directors or the Disciplinary Committee. If an alternate is substituting for the

individual who meets the qualifications of a Public Director, the alternate must also qualify as a Public Director. When so appointed, any alternate shall, with respect to the consideration of and action upon such particular matter, have all the powers and duties of the regular member for whom the alternate is acting; and such Hearing Committee, so constituted and consisting of such alternate or alternates and the remaining regular members of the Hearing Committee, if any, shall with respect to the consideration of and action upon such particular matter have all the duties and powers of the regular Hearing Committee. During the period that such Hearing Committee appointed with respect to a particular matter is functioning, the regular Hearing Committee and the regular members thereof shall continue to have all their usual powers and to perform all their usual duties concerning matters other than that before a Hearing Committee appointed with respect to a particular matter.

265.03. HEARING COMMITTEE: DUTIES AND POWERS.

The Hearing Committee shall be charged with the following duty and authority:

- A. To conduct a hearing as authorized pursuant to the Bylaws or MGEX Rules.
- B. To impose a penalty if the Hearing Committee finds in the affirmative that there has been a violation, or in the alternative, to dismiss the alleged charges if the Hearing Committee finds that there has been no violation.
- C. To direct the Department of Audits and Investigations to conduct such further investigation in respect to any such report as the Committee deems appropriate or advisable on a timely basis.
- D. In hearings conducted by the Hearing Committee, on a finding by the Hearing Committee that there has been a violation, to assess a penalty against those found guilty. The Hearing Committee may take such action it determines including, but not limited to, issuing a Letter of Reprimand, a suspension from Membership, a monetary fine, or a recommendation to the Board of Directors for expulsion (singly or in any combination).
- E. To report in writing to the Board of Directors in respect to all matters which result in public disciplinary action.
- F. To summon any Member or Market Participant to appear before the Hearing Committee.

The findings and conclusions of the Hearing Committee, in respect to such matters, shall be final. There is no appeal to the Board of Directors or any other MGEX authority.

No member of the Hearing Committee shall publish, divulge or make known in any manner, except when reporting to the Board of Directors or to a committee concerned with such information, or when called upon to testify in any judicial or administrative

proceeding, any facts regarding the business of any Person, or any other confidential information that may come to the knowledge of such Hearing Committee member in the member's official capacity.

267.00. HARD RED SPRING WHEAT COMMITTEE.

There shall be established a Committee of the Exchange to be known as the Hard Red Spring Wheat ("HRSW") Committee. It shall be composed of a minimum of seven (7) Members of the Exchange.

The Committee shall have the duty and power to review and recommend MGEX Rules governing HRSW markets, including but not limited to contract specifications and delivery procedures.

268.00. CASH MARKETS COMMITTEE.

There shall be established a Committee of the Exchange to be known as the Cash Markets Committee. It shall be composed of a minimum of seven (7) Members of the Exchange that are employed by entities having cash trading privileges pursuant to MGEX Rules.

The Committee shall have the duties and powers to:

- A. Review and recommend MGEX Rules governing the cash markets.
- B. Monitor cash market activity to ensure orderly trading and efficient price discovery.
- C. Approve guidelines for reporting of cash market activity to appropriate agencies.

270.00. OTHER COMMITTEES, TASK FORCES AND PANELS.

The Board of Directors and the Executive Committee shall each have the authority to establish committees, task forces and panels as necessary for a duration not to extend past the next Annual Election. After election, the new Board of Directors and Executive Committee may re-authorize the committees, task forces and panels.

The composition, qualifications, method of appointment, duties and powers of such committees, task forces and panels shall be determined by the respective Board of Directors and Executive Committee.

Such committees, task forces and panels shall not determine the policies of the Exchange, expend funds or enter into contracts on behalf of the Exchange, or otherwise conduct activities outside the purpose for which they were established, unless such actions are approved by the Board of Directors.

271.00. CHIEF REGULATORY OFFICER.

The Exchange shall designate the individual to serve as the Chief Regulatory Officer who shall report to, consult with and provide information to the Regulatory Oversight Committee, and execute any other duties or responsibilities as required by CFTC Regulation 17 CFR Part 38, as amended.

272.00. CHIEF COMPLIANCE OFFICER.

The Exchange shall designate the individual to serve as the Chief Compliance Officer who shall report to the President and execute the duties and responsibilities required by CFTC Regulation 17 CFR Part 39, as amended.

273.00. CHIEF RISK OFFICER.

The Exchange shall designate the individual to serve as the Chief Risk Officer who shall implement the risk management framework of the Exchange, make recommendations regarding the Exchange's risk management functions, and execute any other duties or responsibilities required by CFTC Regulation 17 CFR Part 39, as amended.

275.00. CONFLICTS OF INTEREST.

A member of the Board of Directors and certain other committees at the Exchange must abstain from deliberating and voting on matters when there is a potential personal or financial conflict of interest. This Bylaw describes how and when the conflict of interest will be determined. Additional and broader conflicts of interest provisions apply to the Disciplinary Committee and the Hearing Committee. (See **Bylaws 264.01.** and **265.01.**)

- A. Definitions. For purposes of this Bylaw the following definitions shall apply:
1. The term "family relationship" of a person shall mean the person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece, or in-law.
 2. The term "governing board" shall mean the Board of Directors, Committees of the Board of Directors and Committees of the Exchange authorized to take action or to recommend the taking of action on behalf of the Exchange.
 3. The term "member's affiliated firm" shall mean a firm in which the member is an employee or a "principal," as defined in CFTC Regulation 3.1(a).

4. The term “named party in interest” shall mean a person or entity that is identified by name as a primary subject of any material matter being considered by a governing board.
5. The term “significant action” shall mean any of the following types of actions or changes that are implemented without the Commission’s prior approval:
 - a. Any actions or changes which address an “emergency” as defined in CFTC Regulation 1.41(a)(4)(i) through (iv) and (vi) through (viii); and,
 - b. Any changes in margin levels that are designed to respond to extraordinary market conditions such as an actual or attempted corner, squeeze, congestion or undue concentration of positions, or that otherwise are likely to have a substantial effect on prices in any contract traded at the Exchange; but shall not include any Bylaw or MGEX Rule not submitted for prior CFTC approval because such Bylaw or MGEX Rule is unrelated to the terms and conditions of any contract traded at the Exchange.

B. Named Party in Interest Conflict

1. Prohibition. No member of a governing board shall knowingly participate in such body’s deliberations or voting in any matter involving a named party in interest where such member: (a) is a named party in interest; (b) is an employer, employee or fellow employee of a named party in interest; (c) is associated with a named party in interest through a broker association; (d) has a family relationship with a named party in interest; or, (e) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to executing futures or option transactions opposite each other or to clearing futures or options transactions through the same Clearing Member.

If the member’s only relationship with a named party in interest is through a broker association not established for the purpose of sharing profits and losses as described by [Regulation 2065.00.A.3](#), then the prohibition shall not apply. Furthermore, if a named party in interest is one or part of a group of similar persons or entities that is the subject for general deliberation and voting, such as approval for regularity or membership, and there is no material issue of dispute involving a named party in interest, then the prohibition shall not apply.

2. Disclosure. Prior to consideration of any matter involving a named party in interest, each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose to the Department of Audits and Investigations whether such member has one of the relationships listed in paragraph B.1. of this Bylaw with a named party in interest.
3. Procedure and Determination. Exchange staff shall determine whether any member of the deliberating body is subject to a conflicts restriction under this paragraph B. Such determination shall be based upon a review of the following information:
 - a. information provided by the member pursuant to paragraph B.2. above, and
 - b. any other source of information that is held by and reasonably available to the Exchange.

C. Financial Interest in a Significant Action Conflict

1. Prohibition. No member of a governing board shall participate in such body's deliberations and voting on any significant action if such member knowingly has a direct and substantial financial interest in the result of the vote based upon either Exchange or non-Exchange positions that could reasonably be expected to be affected by the significant action under consideration, as determined pursuant to this Bylaw.
2. Disclosure. Prior to consideration of any significant action, each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose to the Department of Audits and Investigations position information that is known to such member, with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, as follows:
 - a. gross positions held at the Exchange in the member's personal accounts or "controlled accounts," as defined in CFTC Regulation 1.3(j);
 - b. gross positions held at the Exchange in proprietary accounts, as defined in CFTC Regulation 1.17(b)(3), at the member's affiliated firm;

- c. gross positions held at the Exchange in accounts in which the member is a principal, as defined in CFTC Regulation 3.1(a);
 - d. net positions held at the Exchange in “customer” accounts, as defined in CFTC Regulation 1.17(b)(2), at the member’s affiliated firm; and
 - e. any other types of positions, whether maintained at the Exchange or elsewhere, held in the member’s personal accounts or the proprietary accounts of the member’s affiliated firm, that reasonably could be affected by the significant action.
3. Procedure and Determination. Exchange staff shall determine whether any member of the deliberating body is subject to a conflicts restriction under this paragraph C. based upon a review of the most recent large trader reports and clearing records available to the Exchange, information provided by the member with respect to positions pursuant to paragraph C.2. of this Bylaw, and any other source of information that is held by and reasonably available to the Exchange, taking into consideration the exigency of the significant action being contemplated.

D. Deliberation Exemption.

- 1. Any member of a governing board who would otherwise be required to abstain from deliberations and voting pursuant to paragraph C. hereof may participate in deliberations, but not voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest; provided, however, that before reaching any such determination the deliberating body shall fully consider the position information specified in paragraph C.2. and C.3. above, which is the basis for such member’s substantial financial interest in the significant action that is being contemplated.
- 2. In making its determination, the deliberating body shall consider;
 - a. whether the member’s participation in deliberations is necessary to achieve a quorum; and

- b. whether the member has unique or special expertise, knowledge or experience in the matter being considered.
 3. Voting Exemption. If at least one-half of the deliberating members cannot participate in voting consistent with this Bylaw, then every member who has been granted a deliberation exemption pursuant to this paragraph D. may participate in voting.
- E. Documentation. The minutes of any meeting to which the conflicts determination procedures set forth in this Bylaw apply, shall reflect the following information:
 1. the names of all members who attended the meeting in person or who otherwise were present by electronic means;
 2. the name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the refusal or abstention, if stated;
 3. information on the position information that was reviewed for each member if applicable and available; and
 4. the name of any member who participated in voting pursuant to paragraph D.3. of this Bylaw.

282.00. CLEARING HOUSE.

There shall be established a Clearing House of the Exchange, which shall supervise the clearing of Futures and Options Contracts initiated, accepted or executed under MGEX Rules.

283.00. AUDITS AND INVESTIGATIONS.

There shall be established a department of the Exchange that conducts audits and investigations. Such department of the Exchange shall serve as an independent department and shall not include either Members or Persons whose interests conflict with their audit, investigation or enforcement duties.

The Exchange shall initiate and conduct investigations and audits at the direction of the CRO, the Regulatory Oversight Committee and/or the appropriate committee. Such investigations shall be initiated promptly after receipt of a complaint or other indication of possible violation of the MGEX Rules.

The Exchange has the authority to collect information and documents on both a routine and non-routine basis, including, but not limited to, the authority to examine books and records kept by any Member, Market Participant, nonmember approved as Regular or any other Person under investigation or from whom information or cooperation has been requested. Failure to comply with any request made by the Exchange for information and/or documents may subject the Member, Market Participant, nonmember approved as Regular or Person under investigation or from whom information or cooperation has been requested to disciplinary procedures of the Exchange or fines pursuant to the MGEX Rules.

290.00. NONPUBLIC INFORMATION - IMPROPER USE OR DISCLOSURE.

For purposes of this Bylaw, "material" and "non-public information" shall be defined by CFTC Regulation 1.59(a).

In accordance with CFTC Regulation 1.59(c), no Exchange officer, member of the Board of Directors or member of any committee shall use or disclose, for any purpose other than the performance of such person's official duties, material, non-public information obtained as a result of such person's office or participation on the Board of Directors or any committee.

CHAPTER 2 UNIVERSAL PROVISIONS

SECTION 1 - GENERAL

- 2.1.1. Scope
- 2.1.2. Consent To Jurisdiction
- 2.1.3. Consent To Investigatory And Disciplinary Processes
- 2.1.4. MGEX Rules, Interpretation, And Enforcement Authority

CHAPTER 2 UNIVERSAL PROVISIONS

SECTION 1 - GENERAL

2.1.1. SCOPE.

This Chapter prescribes Rules applicable to general Exchange activities.

2.1.2. CONSENT TO JURISDICTION.

Any Person who engages in activity subject to MGEX Rules or any Person for whose benefit such activity is made, whether directly or indirectly, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with MGEX Rules in relation to such activity.

2.1.3. CONSENT TO INVESTIGATORY AND DISCIPLINARY PROCESSES.

Any Person subject to MGEX Rules expressly consents to cooperate and participate in investigatory and disciplinary processes conducted by the Exchange.

2.1.4. MGEX RULES, INTERPRETATION, AND ENFORCEMENT AUTHORITY.

The Exchange has adopted the MGEX Rules, and from time to time adopts amendments to such Rules (See Bylaw 204.00. and 204.01.), to promote a free and open market on the Exchange, to maintain appropriate business conduct, and to provide protection to the public. The Exchange, in its sole discretion, will interpret and enforce the MGEX Rules not inconsistent with applicable provisions of the Commodity Exchange Act, as amended, and Commodity Futures Trading Commission (“CFTC”) regulations promulgated thereunder.

Any entity declared Regular for delivery on any Exchange contract must comply with this Regulation. Information submitted must be signed by an authorized representative.

2089.00. ELECTION OF FISCAL YEAR.

Any Members with clearing and/or cash trading privileges, FCMs with customers trading MGEX Futures and Options contracts or any other entity required by the Exchange to provide financial information must notify the Exchange immediately of any change in its fiscal year end.

Such notification of a change in its fiscal year must be made in writing by submitting a letter explaining the change and the reasons therefore. FCMs and Guaranteed IBs requesting such a change must also submit written evidence that its designated self-regulatory organization has approved the change in its fiscal year.

A change in the fiscal year of a Person required by the Exchange to provide financial information will not relieve such Person from its obligation to file such timely certified and interim financial statements as deemed appropriate by the Exchange.

2090.00. PHYSICAL EMERGENCIES.

Pursuant to the provisions of **Rules 210.01.** and **210.02.**, the Board of Directors has adopted this Regulation.

The Exchange shall have the power upon recognizing a problem to serve notice to Market Participants that trading will be suspended immediately.

A problem may be the result of the following:

- A. fire or other casualty,
- B. bomb threat,
- C. power failure,
- D. communications breakdown,
- E. computer malfunction, or
- F. other - technical difficulties.

In no event shall a suspension of trading continue for more than five (5) calendar days.

2090.01. MEMBER OR MARKET PARTICIPANT EMERGENCIES.

If at any time the Exchange, in its sole discretion, determines that there is a substantial question as to whether a financial or other type of emergency exists or may exist with respect to any Member or Market Participant, the Exchange may take any actions necessary to protect the best interests of the Exchange and the marketplace.

The Exchange shall have no liability regarding its use of the discretionary power described herein; neither shall the Exchange be liable for actions taken pursuant to MGEX Rules and Regulations, procedures, or actions allowed by law.

2091.00. INCLEMENT WEATHER OR TRANSPORTATION BREAKDOWN.

Pursuant to the provisions of **Rules 210.01.** and **210.02.**, the Board of Directors has adopted this Regulation.

In the event that the functions of the Exchange are, or are threatened to be severely and adversely affected by inclement weather or transportation breakdown, the Executive Committee of the Board of Directors can make the decision to:

- A. not open the market(s).
- B. delay the opening of the market(s); or
- C. close the market(s).

In no event shall a suspension of trading continue for more than five (5) calendar days.