



MGEXpress[®]
e-cbot[®] powered by LIFFE CONNECT[®]

ERRONEOUS TRADE POLICY

Pursuant to Minneapolis Grain Exchange (“MGEX” or “Exchange”) Rule 1810.00. TRADE ERRORS, a trade executed on MGEXpress[®] is binding notwithstanding an erroneous entry may have been made. However, pursuant to MGEX Rule 1817.00. ELECTRONIC TRADING SYSTEM PROCEDURES, the MGEX may adopt, cancel or modify procedures of MGEXpress[®] determined to be in the best interest of the Exchange, its members, users or the public.

The MGEX has determined that, in the best interest of the marketplace, certain erroneous trades may be cancelled. The procedures for canceling an erroneous trade are described in the written Erroneous Trade Policy (“ETP”). This policy does not relieve market participants from potential financial responsibility or liability for the execution of trades that are deemed erroneous if their actions caused financial loss to other parties whose transactions were cancelled.

The ETP is designed to preserve the integrity of the market by striking an appropriate balance between trade certainty and erroneous price discovery. The MGEX specifically authorizes The Chicago Board of Trade Market Operations (“e-cbot[®] Operations”) to administer the ETP. MGEX senior management will be available during all market hours to interpret the ETP and decide whether or not to cancel a trade under that policy. In the absence of an authorized representative of the MGEX, e-cbot Operations is authorized, at their discretion, to interpret this policy, to apply it in specific instances and make final decisions as to whether or not the ETP calls for a trade to be cancelled. The Chicago Board of Trade (“CBOT[®]”) and its employees shall not be subject to any MGEX arbitration under MGEX Rules.

The CBOT is not liable to the MGEX for any claims related to the ETP and the MGEX has agreed to indemnify the CBOT for any claims asserted by a third party against the CBOT relating to the ETP.

The person responsible for administration of the ETP for trading on MGEXpress[®] will be the Vice President, Market Administration, or any others designated by the Vice President, Market Administration, such as e-cbot Operations. Those designated will be known as ETP Administrators.

An ETP Administrator will have the authority to cancel a trade provided the following conditions are met and the ETP Administrator determines it is in the best interest of the marketplace to cancel the trade.

Cancellation Conditions and Procedures

1. If a MGEX contract user believes that he/she executed a trade through e-cbot[®] powered by LIFFE CONNECT[®] at an erroneous price, he/she must contact e-cbot Operations at (312) 347-4600 without delay. If e-cbot Operations is not notified within five minutes of the execution time of the asserted erroneous trade, e-cbot Operations will have sole discretion whether to consider the request. A third party or e-cbot Operations may also call a trade into question within five minutes of the execution. Trades called into question within five minutes will be evaluated in accordance with this policy. However, e-cbot Operations has the authority, but not the obligation, to consider trades reported after the five minute deadline provided the trade price in question is grossly out of line with the last trade price or alternatively determined fair value of the respective contract. Trades resulting from quantity errors generally will not be called into question.
2. If a transaction is asserted to be at a price that is erroneous, the trade shall not be considered for review by e-cbot Operations unless the price is outside the "No Cancel Range." The No Cancel Range is defined below:

NCI Futures	5 cents
NCI Options	5 cents
NSI Futures	10 cents
NSI Options	10 cents
HRWI Futures	5 cents
HRWI Options	5 cents
SRWI Futures	5 cents
SRWI Options	5 cents
HRSI Futures	5 cents
HRSI Options	5 cents
Spring Wheat Futures	5 cents
Spring Wheat Options	5 cents

If the trade was executed at a price within the No Cancel Range, the trade cannot be cancelled. The trade price will be compared to the last trade price preceding the entry of the alleged erroneous trade or an alternatively determined fair value of the contract. Fair value for a transaction may be determined by the last trade price, preceding settlement price, spread relationships and/or other

variables deemed relevant by e-cbot Operations. If there is no prior trade price or settlement price, e-cbot Operations will have sole discretion to determine whether the trade price may be erroneous. If the trade is a spread or part of a spread, e-cbot Operations will have sole discretion to determine whether the spread price may be erroneous.

If e-cbot Operations contacts a user regarding a suspicious order and the user states that the order is entered correctly, the order (if subsequently executed) may only be called into question by a third party. Trades that are executed outside of the daily price limits will be cancelled by e-cbot Operations irrespective of whether the trade(s) falls within the No Cancel Range established above.

3. When e-cbot Operations receives notice that an erroneous trade may have occurred and determines the transaction is legitimately outside the No Cancel Range, the user community will be notified via a broadcast message indicating the trade has been called into question. If the asserted erroneous trade is outside of the No Cancel Range and involves only two parties, e-cbot Operations will attempt to contact the parties to the transaction. If both parties agree to cancel or re-price the transaction, e-cbot Operations shall send a broadcast message to the user community and an alert to the quote vendor network indicating that the trade was cancelled or re-priced. However, if the asserted erroneous trade involves more than two parties or the parties cannot agree, e-cbot Operations will compare the erroneous transactions against the No Cancel Range to determine the final status of the trade(s).
4. e-cbot Operations shall have the authority to halt markets in any contract during extraordinary circumstances where there has been a major market movement without any apparent economic or fundamental basis for the movement to have occurred.
5. e-cbot Operations shall, unless impracticable, make its determination within 15 minutes of the broadcast message regarding the potential erroneous trade. The decisions of e-cbot Operations shall be final, and e-cbot Operations shall send a broadcast message and an alert to the quote vendor network indicating whether the trade was cancelled, repriced or allowed to stand. In making its determination, e-cbot Operations may consider relevant factors including, but not limited to: market conditions immediately before and after the transaction; the prices of related contracts; whether one or more parties to the trade believe the trade was executed at a valid price; the extent to which the transaction appeared to trigger contingency orders and other trades; information provided to the e-cbot Operations by third parties.
6. In the event a trade is cancelled, the clearing members to the transaction must reverse the transaction through applicable MGEX Clearing House procedures. e-cbot Operations will notify MGEX Department of Audits and Investigations ("A&I") regarding any situation where a party fails to claim or clear trades in a

timely manner. Such failure may be deemed a violation of MGEX Rules and Regulations. The clearing member must immediately provide A&I with any details or documentation requested. Under no circumstances shall the parties to an alleged erroneous trade be permitted to reverse the error by entering into a prearranged transaction. If the trade called into question is determined not to be an erroneous trade, the parties to the trade are permitted to mutually agree upon cash adjustment; any such adjustment must be reported to e-cbot Operations and A&I.

7. Because of the autoleg feature of e-cbot[®] powered by LIFFE CONNECT[®], spreads may be executed such that one leg of the spread is determined to be an erroneous trade and the other leg is deemed to have been executed at a good price. In such circumstances, the party who enters an outright order that causes an erroneous trade on an autolegged spread will be deemed to be the counterparty to the good leg of the spread. The parties to the transactions will reverse and claim the transactions as indicated through the applicable MGEX Clearing House procedures.
8. Should parties to a disputed transaction be unable to mutually resolve financial disputes arising from such transactions, arbitration facilities are available through the Exchange. The Arbitration Committee may hold the party who entered the order that resulted in the erroneous trade financially responsible for losses that occur as a result of the cancelled trade(s). Trade certainty and the timely resolution of erroneous trades are critical objectives of this policy. Therefore, if parties to a disputed transaction do not agree to the terms of resolution, e-cbot Operations reserves the final authority to determine the disposition of the questioned transaction. Arbitrations relating to asserted erroneous trades are limited to trades that are determined by e-cbot Operations to be an erroneous trade. A notice of intention to arbitrate must be filed within ten business days after the date of the erroneous trade. The party that caused the error may be held responsible for realized losses incurred by parties whose trades were cancelled as a result of the error.
9. The party responsible for the erroneous trade must pay the MGEX a \$1,000 fee for the first erroneous trade, \$3,000 for the 2nd erroneous trade, and \$5,000 for each subsequent erroneous trade within a one-year period.