



January 31, 2013

Web 2013-1

Dear MGEX Members & Rules and Regulations Book Recipients:

The following Chapters have been amended; additionally, an updated table of contents page is included:

<u>Chapter</u>	<u>Regulations/Resolutions</u>	<u>Purpose</u>
1 Definitions		To add definition of Force Majeure.
2 Government	210.02., 223.00. 252.00. 257.00.	To codify authority of MGEX in emergencies. To amend Executive Committee meeting schedule process. Housekeeping.
3 Membership	350.02., 350.03. 372.00.	To expand representation on behalf of Registered Corporations. To clarify who a Membership reverts to in case of expiration or default.
7 Futures & Options Trading	760.00.	Housekeeping
8 Deliveries	813.00.	To incorporate the term Force Majeure.
20 Regulations	Index 2009.00. 2020.00.	Housekeeping To clarify the recordkeeping requirement. To clarify the name of Exchange Fees.
21 Clearing House Regulations	Index 2101.01.	Housekeeping To clarify the name of Clearing Fees.
54 Apple Juice Concentrate Futures Regulations	5418.00.	To incorporate the term Force Majeure.
72 Resolutions	Index 210.01.F. 2020.00., 2101.00.B.	Housekeeping To codify authority of MGEX in emergencies. To remove the resolutions.
73 National Corn Index Futures	7316.00.	To incorporate the term Force Majeure.
75 National Soybean Index Futures	7516.00.	To incorporate the term Force Majeure.
77 Hard Red Winter Wheat Index Futures	7716.00.	To incorporate the term Force Majeure.

79 Hard Red Winter Wheat 7916.00.
Index Futures

To incorporate the term Force Majeure.

81 Hard Red Spring Wheat 8116.00.
Index Futures

To incorporate the term Force Majeure.

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. 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 Bartz at (612) 321-7122 or jbartz@mgex.com.

Sincerely,

A handwritten signature in cursive script that reads "Layne G. Carlson". The signature is written in black ink and is positioned to the left of a horizontal line that extends to the right.

Layne G. Carlson
Corporate Secretary

TABLE OF CONTENTS

Contents

Legal Status	Page 1
Certificate of Incorporation	Pages 2-3

Chapters

Ch. 1	Definitions	Ch. 78	Hard Red Winter Wheat Index Options
Ch. 2	Government	Ch. 79	Soft Red Winter Wheat Index Futures
Ch. 3	Membership	Ch. 80	Soft Red Winter Wheat Index Options
Ch. 4	Arbitration - Members	Ch. 81	Hard Red Spring Wheat Index Futures
Ch. 5	Arbitration - Customers	Ch. 82	Hard Red Spring Wheat Index Options
Ch. 6	Discipline		
Ch. 7	Futures & Options Trading		
Ch. 8	Deliveries		
Ch. 9	Delivery Elevators		
Ch. 10	Sales "To Arrive" & "For Shipment"		
Ch. 11	Cash Commodities		
Ch. 13	Vessel Trading		
Ch. 14	Option Specifications		
Ch. 15	Option Definitions and Other Terms		
Ch. 17	Options Sales Practices		
Ch. 18	Electronic Trading		
Ch. 20	Regulations		
Ch. 21	Clearing House Regulations		
Ch. 22	MGEX Info Xchange Regulations		
Ch. 50	Dormant Rules And Regulations		
Ch. 54	Apple Juice Concentrate Futures Regulations		
Ch. 55	Apple Juice Concentrate Options Regulations		
Ch. 56	Apple Juice Concentrate Delivery Warehouse Regulations		
Ch. 70	Forms		
Ch. 71	Interpretations		
Ch. 72	Resolutions		
Ch. 73	National Corn Index Futures		
Ch. 74	National Corn Index Options		
Ch. 75	National Soybean Index Futures		
Ch. 76	National Soybean Index Options		
Ch. 77	Hard Red Winter Wheat Index Futures		

execute trades. Also known as or referred to as MGEXpress® or CME Globex®.

EXCHANGE: Refers to the Minneapolis Grain Exchange, Inc. (a Delaware corporation), also referred to as "Corporation" or "MGEX" and also to the Officers and authorized employees of the Exchange, as applicable.

EXCHANGE ROOM: The Room maintained by the Corporation for the transaction of business between Members.

EXERCISE: The conversions of an option into a position in the futures market. (See [Rule 1404.00](#))

FOLLOWING DAY (or other similar expression): The next business day.

FORCE MAJEURE: Any circumstance which is beyond the control of Members, Non-members, Market Participants, Registered Firms or the Exchange. Such circumstances include, but are not limited to, acts of God or events resulting from the elements of nature, strike, lockout, blockage, embargo, governmental action or terrorist activity.

FREIGHT BILLS: See [Rule 1019](#).

FUTURES, FUTURES CONTRACTS, FUTURES TRADES, CONTRACTS OR TRANSACTIONS FOR FUTURE DELIVERY: Contracts for the purchase or sale of commodities for delivery "In Store" in an elevator (eligible to make deliveries under the Rules of this Corporation) during some specified month, in accordance with the Rules.

GOOD STANDING: Having unrestricted ability to engage in business activities and in compliance with all obligations to and requirements of MGEX, and not under suspension.

HEARING COMMITTEE: The committee which has been delegated the duty and responsibility under the MGEX Rules and Regulations to conduct hearings as requested, to adjudicate the matter and, when appropriate, to assess penalties in connection with violations of the MGEX Rules and Regulations.

HOURS OF TRADING: The hours, on business days, established by the Rules or Regulations for trading in the Exchange Room.

INCLUDES AND INCLUDING: The terms "Includes" and "Including" shall not be deemed to exclude other things otherwise within the meaning of the terms defined, except as expressly stated.

INITIAL MARGIN: See [Rule 760.00](#)

LIMITED ORDER: An order to buy at or below a specified price or to sell at or above a specified price.

MAINTENANCE MARGIN: See [Rule 760.00](#)

MARKET ORDER: An order to be executed immediately at the best price available.

MARKET PARTICIPANT: Any Person initiating or executing a transaction on the Exchange or subject to the MGEX Rules and Regulations directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed.

MEMBER: A natural person or entity who is the Record Owner, provided, however, whenever these Rules refer to a Member where the services or functions contemplate that a natural person provide such services or perform such functions, "Member" shall mean the Record Holder or Holders designated by a Record Owner in accordance with these Rules.

MEMBER OF A FIRM: If such firm is a partnership, a General Partner; and, if such firm is a syndicate, group, trust, estate, joint venture, or association, an owner of a beneficial interest in such organization, who occupies a position therein comparable to that of a General Partner in a partnership.

MEMBER REPRESENTATIVE: A Member by virtue of whose Membership the registration of a firm or corporation has been effected.

MGEX: Refers to the Minneapolis Grain Exchange, Inc. (a Delaware corporation), also referred to as "Corporation" or "Exchange."

MGEXPRESS®: The name of the electronic trading platform or system utilized by the Exchange, market participants, customers, Members, nonmembers and Clearing Members to place orders and execute trades. Also known as or referred to as CME Globex®.

MGEX INFO XCHANGE: An accessible website forum offering a public venue for registered users who are interested in discussing permitted trading and market information, as determined by the Exchange

MGEX RULES AND REGULATIONS: Includes the Charter, Bylaws, Rules, Regulations, Resolutions, Interpretations, procedures, customs and usages.

MIX: Refers to the MGEX Info Xchange.

NOTICE OF CHARGES: Issued by the Disciplinary Committee after an affirmative finding of a violation of the MGEX Rules and Regulations.

ON THE EXCHANGE ("on Change"): On the Exchange Room during the hours of trading.

OPEN ORDER: An order which will remain in effect until canceled.

OPENING ORDER: An order to be executed at the opening of the Market.

OPTIONS: See Chapter 15.

PENALTY: Any restriction, limitation, censure, fine, expulsion, suspension, revocation, reprimand, cease and desist order, sanction or any other disciplinary action for any amount or of any definite or indefinite period imposed upon any person by within the disciplinary jurisdiction of the Exchange upon finding that a violation has been committed or pursuant to the terms of the settlement agreement.

PERSON: As defined in CFTC Regulation 1.3(u) as amended.

PIT: That portion of the Exchange Room designated and customarily used for trading in Futures or Options Contracts.

PRESIDENT: The salaried Chief Executive Officer of the Exchange.

PUBLIC DIRECTOR: An individual meeting the qualifications as described in Core Principle 15, Appendix B to Part 38 of CFTC Regulations and in other Regulations promulgated by the CFTC and adopted by the Board.

PUT OPTION: See Chapter 15.

RECORD HOLDER (of a Membership): The adult natural person in whose name a Certificate of Membership has been issued. Each Record Owner shall be required to designate in accordance with these Rules a Record Holder for each membership owned by the Record Owner (which in the case of an adult natural person may be the Record Owner) and may change the Record Holder at any time in accordance with these Rules. Record Owners with more than one membership may elect to designate the same or different Record Holders for the memberships owned by the Record Owner. The Corporation shall be entitled for all purposes to rely on the Record Owner's designation of its Record Holder until the Record Holder is changed in accordance with these Rules.

RECORD OWNER or OWNER (of a Membership): The natural person or entity who is recorded on the records of the Corporation as having paid the purchase price of a Membership, and as being the owner thereof. The Record Owner's rights and obligations shall include the duty to appoint and the right to change an Authorized Voter and Record Holder in accordance with these Rules for each membership owned by the Record Owner, to receive distributions, if any, by the Corporation in accordance with its membership and to transfer its membership in accordance with these Rules.

REGISTERED FIRM OR CORPORATION: A firm or corporation that is registered with the Corporation, as defined in [Rules 350.00](#) and [350.01](#).

REGULAR: Any facility approved by the Exchange to deliver on a futures contract.

REGULATIONS: The Regulations of the Corporation duly adopted by the Board of Directors.

RULES: The Rules and Bylaws of the Corporation duly adopted by the Members.

SECRETARY: The Secretary of the Corporation.

SINGULAR: Shall import the plural, and vice versa, when the sense requires.

SPREAD ORDER: Instructions to buy one commodity and sell another. Intra-Market is to buy one delivery month and sell another delivery month of the same commodity. Inter-Market is to buy a commodity in one market and sell the same commodity in another market. e.g. Minneapolis vs Kansas City. An example of an Inter-Commodity spread might be wheat vs corn or corn vs oats.

SPOT: A "spot" car or truck is one that has already been loaded and is offered for sale for immediate shipment. The "Spot Market" refers to grain that is traded on this basis.

STOP-LOSS ORDER: Normally, when entered, these are orders to sell at a specified price which is below the current market or to buy at a specified price which is above the current market. These orders become market orders when the market trades at the trigger price or, in the case of a buying order, when the market is bid at the trigger price or, in the case of a selling order, when the market is offered at the trigger price. Stop orders entered into MGEXpress[®] are activated when an outright trade occurs at the trigger price or better within the outright market which the stop is resting.

- L. declare any day to be a holiday, during which the Exchange shall not be open for business;
- M. recommend changes to the Rules of the Exchange and rescind Rules governing contracts delisted or declared dormant by the Board;
- N. adopt Regulations to implement any Rule or to conform with orders, recommendations or requests of any duly constituted governmental authority, or that in the opinion of the Board of Directors are necessary and appropriate;
- O. act in emergencies; (See [Rule 210.02.](#))
- P. without Member vote, amend the Charter as necessary to conform to the Rulebook of the Exchange or to cause the Corporation to become a Delaware nonstock, for profit corporation.

Any authority or discretion by these Rules vested in the Chairperson, President, Clearing House Manager or any committee shall not be construed to deprive the Board of such authority or discretion and, in the event of a conflict, the determination of the matter by the Board shall prevail.

210.02. BOARD OF DIRECTORS: EMERGENCY POWERS.

When in the opinion of the Board of Directors ("Board") an emergency exists, the Board shall have the power to:

- A. close the Exchange;
- B. suspend trading in any or all Futures or Options Contracts, including trading in settlement of any then existing Futures or Options Contracts;
- C. prohibit trading in any or all Futures or Options Contracts at prices above or below such limits as are specified by the Board;
- D. limit the total amount of open speculative Futures or Options trades that any Member, Firm, Corporation or any customer of any such Member, Firm or Corporation may have at any one time in any or all commodities, and to increase, decrease or cancel such limitations as the Board of Directors deems advisable. The Board of Directors may require such reports and may make such Regulations as it deems necessary to enforce such limitations;

PROVIDED, however, that the establishing of any such limit shall not be deemed to require that total amounts of such trades acquired before the effective date of such limitations be reduced to such limit;

- E. take other appropriate emergency action.

221.03. FINANCING.

The Board of Directors shall have the authority to establish, by Regulation, fees and charges necessary to meet the financial obligations of the Corporation. Fees and charges shall be remitted at such times and in such manner as the Board of Directors may prescribe. This Rule shall not supersede in any way **Rules 221.00.** and **221.01.** of the Corporation.

222.00. FUNDS AND SECURITIES OF THE CORPORATION.

The funds of the Corporation shall be deposited in the name of the Corporation in a bank or banks, as designated from time to time by the Board of Directors.

Securities and other valuable papers belonging to the Corporation shall be kept in a safe deposit box designated by the Board of Directors. Access to such box shall be had only in the manner authorized by the Board.

222.01. EXPENDITURE OF THE FUNDS OF THE CORPORATION.

The funds of MGEX shall be under the management and control of the Exchange, and no funds belonging to MGEX shall be expended unless such expenditure has been authorized by the Exchange or the Board of Directors.

222.02. INVESTMENT OF FUNDS.

The Board of Directors may invest funds belonging to the Corporation in accordance with the most recent investment policy as recommended by the Finance Committee and approved by the Board of Directors.

223.00. BORROWING OF MONEY.

The Board of Directors, on the affirmative vote of at least one half (1/2) of the total number of Directors of the Corporation, permitted under **Rule 210.00.**, may borrow money for and on behalf of the Corporation, for any period of time and on such terms and with such security or mortgage, all as the Board may determine necessary for business purposes.

as amended from time to time, or as required by other provisions of law.

The Corporation shall advance expenses in such manner, under such circumstances, and to such extent, as required or permitted by Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time. The provisions of this Section are not intended to limit the ability of any person to receive advances as an insured under any insurance policy maintained by the Corporation.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member or employee against any liability asserted against and incurred by such person in or arising from such capacity, whether or not the Corporation would otherwise be required to indemnify the person against the liability.

The Corporation shall also abide by all other controlling provisions of Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time.

244.00. MEMBERSHIP IN OTHER ASSOCIATIONS: DELEGATES TO MEETINGS.

At the discretion of the Board of Directors, the Corporation may become a member of other associations or organizations, membership in which in the opinion of said Board will be beneficial to this Corporation. The Board of Directors may appoint delegates or representatives to commercial or deliberative meetings at which it may desire to have the Corporation represented. The Board may, at its discretion, authorize the payment (from the general funds of the Corporation) of the dues payable to such associations and of the expenses incurred by such delegates or representatives in attending such meetings.

250.00. COMMITTEES: REGULATIONS GOVERNING PROCEDURE.

Any Committee may adopt such regulations for its own government and proceedings as are not contrary to the Rules and Regulations of the Corporation, and which will best promote the objects for which it was established.

251.00. COMMITTEES OF THE BOARD OF DIRECTORS.

Committees of the Board of Directors shall be established by Rule. Unless otherwise specified by Rule, such Committees shall consist of an odd number of Directors, not 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 Rule or Regulation.

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 duties and powers to:

- A. Investigate issues and pursue opportunities related to the business of the Corporation, and recommend actions to the Board.
- B. Recommend changes to any guidelines, policies or procedures of the Corporation, including those which may govern employee conduct, donations and participation in trade or industry associations.
- C. Reallocate funds within the approved budgets as priorities change. However, reallocation of more than ten (10) percent of the annual budget shall require approval from the Finance Committee.
- D. Act on behalf of the Board of Directors when an emergency exists and the Board is unable to convene in a timely manner. Emergencies shall include, but not be limited to: discovery of possible illegal activities, security of the building, threats to the financial integrity of the Corporation, Force Majeure, threats to Exchange trading activity due to inclement weather, transportation breakdown or market manipulation. In such instances the Committee may take such actions as necessary including: not opening the markets, delaying the open of the markets, closing the markets early, or order liquidation of a party's positions. Such actions shall not continue beyond such time as the emergency warrants and shall not violate applicable laws and regulations.
- E. Offer guidance and provide consultation to the officers of the Corporation.
- F. Announce, extend or delay the opening of river or lake navigation.
- G. Prescribe and approve the forms required by Exchange Rules and Regulations.
- H. Approve an applicant or Delegate for membership, provided there are no objections or any unresolved issues to be heard by the Board.
- I. Approve changes in Exchange margins as market conditions require, giving due consideration to Clearing House Committee recommendations.
- J. Report and make recommendations to the Board of Directors.

253.00. FINANCE COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Finance Committee. It shall be composed of seven (7) Directors.

The Committee shall have the duties and powers to:

- A. Oversee the financial affairs and financial condition of the Corporation.

- C. Establish the decorum and dress policy, and the food and beverage policy.
- D. Work with Exchange Staff to ascertain the equipment needs of the Exchange Room.
- E. Report and make recommendations to the Finance Committee or Board of Directors.

In no event shall this Committee become a hearing Committee for any Rule or Regulation infraction sustained in the Exchange Room. Any violation that is subject to a hearing will be referred to the appropriate Committee.

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:

- A. Fix the compensation and benefits of the President.
- B. Periodically review the employee handbook and recommend changes to the Board of Directors.

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.

260.00. COMMITTEES OF THE CORPORATION.

Committees of the Corporation shall be established by Rule. Such Committees shall consist of an odd number of individuals and be chaired by a Member-Director of the Board of Directors. Unless otherwise specified by 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 Rule, Committees of the Corporation shall also have such duties and powers as may be specified by the Board of Directors.

261.00. NOMINATIONS COMMITTEE.

There shall be established a Committee of the Corporation to be known as the Nominations Committee. It shall be composed of five (5) Members of the Corporation, three (3) of whom, if available, shall be the most recent former Chairpersons of the Board of Directors.

The Committee shall have the duties and powers to:

- A. Determine the vacancies in offices that are to be filled at the Annual Election and recommend the names of candidates to fill the same.

- B. The word "Firm" shall mean "Business Firm". The term "Business Firm" shall mean any unincorporated organization through or by means of which any business or financial operations are conducted, including a general partnership, limited partnership, syndicate, group, trust, estate, joint venture or association.

350.02. REGISTRATION OF FIRMS AND CORPORATIONS: PROCEDURE.

Upon compliance with conditions set forth in this Rule and upon the order of the Board of Directors, the Secretary shall register the name of a Firm or Corporation on the record books of the Corporation, and such Firm or Corporation shall be known as a Registered Firm or Corporation:

- A. An Application for Registration must have been duly filed, signed by a Member who desires to register his Membership for such Firm or Corporation, and also executed on behalf of the Firm or Corporation to be registered;
- B. Such Member must be in good standing and, in the case of a Firm, a Member of such Firm as defined in Chapter I; and, in the case of a Corporation, a representative of such Corporation, authorized to execute contracts for and on behalf of such Corporation;
- C. Such Member must not have registered a Membership for any other Firm or Corporation. For the purposes of cash trading, a Member shall not have trading privileges in his own name;
- D. Either the Member himself or the Firm or Corporation to be registered must be the Owner of the Membership to be so registered.

350.03. REGISTRATION OF FIRMS AND CORPORATIONS: APPLICATION FOR.

An Application for Registration of a Firm or Corporation shall be in such form as prescribed by the Board of Directors and shall contain an agreement, in consideration of the granting of such registration, that the Firm or Corporation applying for registration will be bound by, and all Memberships in the Corporation owned by such Firm or Corporation will be subject to the provisions of the Charter, Rules and Regulations, customs and usages of the Corporation, and all additions and amendments to such Charter, Rules and Regulations subsequently adopted; and such agreement shall be binding on such Firm or Corporation and its successors and assigns.

An Application for Registration shall be accompanied by a sworn statement made by a Member of the Firm or an authorized representative of the Corporation on behalf of the Firm or Corporation applying for registration, and in such form as the Board of Directors may prescribe of its assets and liabilities, (see [Regulations 2085.00.](#), [2086.00.](#), [2087.00.](#), [2088.00.](#), and [2089.00.](#)) and the nature of its business, and such other information pertinent to the granting of the Registration as may be required by the Board of Directors. In the case of a Firm, the statement shall show satisfactory evidence of the existence of such Firm, the names of its members, and whether or not its articles of organization provide for the continuation of its

existence in case of change in its members. In the case of a Corporation, the statement shall show the date when and the State under whose laws it was incorporated, and the names of its officers or authorized representatives.

Such Application shall also be accompanied by evidence satisfactory to the Board of Directors of the authority for making the Application for Registration and of the Member who desires to register his Membership for such Firm or Corporation. In the case of a Corporation, such evidence shall include a resolution of the Board of Directors granting such authority.

350.04. REGISTRATION OF FIRMS AND CORPORATIONS: TIME IN FORCE AND EFFECT.

Registration of a Firm or Corporation and the duties, obligations, liabilities and penalties imposed thereby on the Member who registered his Membership for such Firm or Corporation, and upon the Membership itself, shall remain in force and effect until such registration is canceled as provided in **Rule 350.05**. Registered Firms and Corporations must notify the Secretary of any change in their legal status or of any other circumstances that would have a bearing on their registration.

350.05. REGISTRATION OF FIRMS AND CORPORATIONS: CANCELLATION OF.

The registration of a Firm or Corporation shall be canceled by the Board of Directors:

- A. Upon the cessation of Membership in this Corporation for any reason.

PROVIDED, however, that in such cases the cancellation may be delayed, for such length of time as is reasonable in order to allow reregistration of such Firm or Corporation;

- B. Upon such Member ceasing to be a member of such Firm or an officer of such Corporation, as defined by **Rule 350.02.B.**;
- C. Upon the written request of such Firm or Corporation;
- D. Upon the termination of the legal existence of such Firm or Corporation;
- E. Whenever the Board of Directors at a meeting held not fewer than ten (10) days after notice of the time, place and purpose has been served on such Firm or Corporation, and at which such Firm or Corporation shall have had full opportunity to be heard, shall find by an affirmative vote of not fewer than seven (7) Directors that the provisions of the Rules are not being complied with, and that such Firm or Corporation, after notice thereof, has failed or refused within a reasonable time to comply with such provisions.

The registration of a Firm or Corporation shall be suspended automatically and without action by the Board of Directors during such time as the Member who registered his Membership for the Firm or Corporation is under suspension.

PROVIDED, however, that the registration of a Firm or Corporation shall not be canceled if such Firm or Corporation is a party to any unsettled controversy before the Board of Arbitration or if any investigations or charges involving such Firm or Corporation are pending before the

Department of Audits and Investigations, the Disciplinary Committee, the Hearing Committee or if any orders of the Disciplinary Committee or the Hearing Committee to such Firm or Corporation have not been complied with.

PROVIDED FURTHER, that when cancellation of the registration of a Firm or Corporation has been requested, the Board of Directors may, at its discretion, suspend the trading privileges, if any, of such Firm or Corporation until further action by the Board.

351.00. REGISTERED FIRMS AND CORPORATIONS: INFORMATION TO BE FURNISHED BY.

Registered Firms or Corporations, whether the holders of trading privileges or not, shall furnish to the Board of Directors such sworn, written statements of their assets and liabilities (see **Regulations 2085.00.**, **2086.00.**, **2087.00.**, **2088.00.**, and **2089.00.**) and such other information as the Board of Directors may at any time or from time to time require, pertinent to the determination of whether or not, under the provisions of the Rules, the registration of such Firm or Corporation may be continued in force and effect.

355.00. TRADING PRIVILEGES: GRANTING OF.

The Board of Directors may grant trading privileges to:

- A. A Member who is the Owner of a Membership standing in his name and who has not registered his Membership for a Firm or Corporation; or,
- B. A Registered Firm; or,
- C. A Registered Corporation legally qualified to do business in Minnesota.

PROVIDED, however, that such trading privileges may be granted only if and when the terms and conditions set forth below have been complied with:

- A. An Application for Trading Privileges, on a form as prescribed by the Board of Directors, must have been duly executed and filed with the Secretary. Such Application must be accompanied by a financial statement (see **Regulations 2085.00.**, **2086.00.**, **2087.00.**, **2088.00.**, and **2089.00.**) prepared and certified by a Certified Public Accountant, in such form as the Board of Directors shall prescribe, stating the assets and liabilities of the applicant and the nature and extent of the business that such applicant proposes to transact and such other information pertinent to the granting of the Application as the Board of Directors may require;
- B. The applicant for trading privileges must meet the minimum financial guidelines of the Minneapolis Grain Exchange; (See **Regulations 2085.00.**, **2086.00.**, **2087.00.**, **2088.00.**, and **2089.00.**)

356.00. TRADING PRIVILEGES: INFORMATION TO BE FURNISHED.

Every Member, Firm or Corporation having trading privileges shall file promptly after the end of his or its fiscal year (or after the end of each calendar year, in the absence of a fiscal year), with the Secretary, a financial statement, in such form as the Board of Directors shall prescribe from

- A. Any corporation or organization (other than the corporation or a majority-owned subsidiary of the corporation) of which such Record Owner is an officer or partner, or is directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities;
- B. Any trust or other estate in which such Record Owner has a substantial beneficial interest or as to which such Record Owner serves as trustee or in a similar fiduciary capacity; and
- C. Any relative or spouse of such Record Owner, or any relative of such spouse, who has the same residence as such Record Owner, or who is a director or officer of the corporation or any of its parents or subsidiaries.
- D. Any officer or employee of the Exchange, or any firm or corporation in which an officer or employee of the Exchange has a financial interest.

Any Membership acquired in violation of this rule must be sold in the same manner as provided for in these rules in the case of an expelled Member.

371.00. EXCHANGE DEFENSE EXPENSES.

Any Member or Member Firm who fails to prevail in a lawsuit or any other type of legal proceeding instituted by that Member or Member Firm against the Exchange or any of its officers, directors, committee members, employees or agents must pay to the Exchange all reasonable expenses, including attorney's fees, incurred by the Exchange in the defense of such proceeding.

372.00. DELEGATION.

A Member, Firm or Corporation which owns a Membership(s) may assign the rights and privileges of Membership to an individual (Delegate) on the following conditions:

- A. The Delegate shall be approved by the Exchange under the standards of **Rules 300.00.** and **301.00.** The Delegate shall sign a written agreement to observe and be bound by the Rules and Regulations of the Exchange and all amendments subsequently made thereto.
- B. The Delegation Agreement and any amendment(s) thereto shall be in writing in such form as the Exchange may prescribe and a copy shall be filed by the Owner of the Membership with the Secretary of the Association as a precondition to its implementation. However, the Delegation Agreement shall automatically be nullified if there is a loss of any of the qualifications for entering a Delegation Agreement, such as sale of the Membership by the Owner or expulsion of the Owner or Delegate. In the event the Owner sells its Membership, the Delegate shall have thirty (30) days from the effective date of Ownership change to enter into another Delegation Agreement and the transfer fee shall be waived.
- C. The Owner shall remain liable for all assessments and dues.

- D. An Owner who has delegated his/her Membership privileges shall not have physical access to the Trading Floor during the period the Membership has been delegated, unless he/she has another Membership, or registers as a visitor.
- E. A Delegate shall not be entitled to register a Membership for a Firm or Corporation unless the Delegate is employed by the Firm or Corporation for which the Delegate wishes to register and the Firm or Corporation is authorized to trade at the Exchange.
- F. No Delegation Agreement shall have a term of less than ninety (90) days.
- G. No Delegate will be eligible to sponsor an individual for Membership.
- H. A Delegate is limited to trading for his/her own account. A Delegate may not act as a broker under [Rule 321.03](#).
- I. The Delegate shall deposit with the Exchange an amount of money to be determined by the Exchange. The deposit is to be held for the term of the lease. The deposit shall be refunded at the end of the lease if the Delegate has no outstanding debts due MGEX or lease payments due the Owner. Claims by MGEX shall be satisfied first with any surplus to be made available to the Owner to satisfy lease payments. (See [Resolution 372.00](#).)
- J. A Delegate shall pay an access fee each month unless said Delegate trades a minimum number of Minneapolis Grain Exchange Futures and/or Options contracts. The Board of Directors shall determine the access fee to be paid and the minimum number of contracts to be traded. (See [Resolution 372.00](#).)
- K. A temporary access badge may be issued to the Delegate provided the application for Transfer of Membership has been duly filed and has not been acted on by the Exchange. The access badge limits the Delegate to admission to the Trading Floor only. This does not allow the Delegate to trade in the pits.
- L. Unless renegotiated, upon expiration or default of a Delegation Agreement, the Membership shall revert back into the name of the Record Holder designated by the Record Owner.
- M. No Delegate or former Delegate shall enter into a Delegation Agreement if there are any unpaid debts due the Exchange or lease payments due the Owner until such debts have been satisfied or reviewed to the satisfaction of the Exchange.
- N. No Delegate will be eligible to serve on the Board of Directors or to vote at an interest group meeting.

within the opening or closing range even when those orders are the high or low prices of the range.

755.00. ORDERS OR CANCELLATIONS ACCEPTED ON A "NOT-HELD" BASIS.

All orders and cancellations that reach the Trading Floor fifteen (15) minutes or fewer before the opening of the market and all orders and cancellations that reach the Trading Floor fifteen (15) minutes or fewer before the close of the market through the end of the post settlement session may involve extraordinary problems and hence will be accepted solely at the risk of the customer on a "not-held" basis.

756.00. RECORDS OF ORDERS.

Each Member who receives a customer's order which is not in the form of a written record including the account identification, order number and the date and time such order was transmitted or received on the Trading Floor, must immediately upon receiving such order prepare a written record, in non-erasable ink, which includes the account identification and order number and shall record thereon, by time-stamp, the date and time the order is received. Except, however, that any Member who executes trades for the house account of a Clearing Member Firm shall be exempt from this requirement if the Clearing Member Firm elects to place verbal orders with the executing Member. Member to Member orders, wherein one Member executes an order for another Member, must be reduced to writing on an order in accordance with the provisions of this Rule.

760.00. MARGINS.

- A. **EXCHANGE MARGINS:** This term shall mean United States Funds, negotiable securities or other property deposited with or to the sole credit of an agent or of a Clearing Member Firm as protection against losses incident to a transaction for future delivery.
1. **INITIAL MARGIN:** This term shall mean a margin (as defined herein) deposited at the initiation of a futures transaction.
 2. **MAINTENANCE MARGIN:** This term shall mean a margin (as defined herein) maintained during the period a Futures Contract remains open.

Members and nonmember customers of a Minneapolis Grain Exchange Member Firm shall deposit and maintain initial and maintenance margins according to the Member Firm's requirements. Initial margins as established by the Board of Directors, or its designee, shall be charged at a minimum. The Board of Directors, or its designee, may by resolution increase or decrease initial and maintenance margins as market conditions require.

PROVIDED, that the margins on spreading and hedging transactions shall be the requirements of the Clearing House as a minimum, except where a customer specifies that a spread involves a Minneapolis Grain Exchange approved inter-exchange spread. Then the initial margin on the Minneapolis side shall be at a minimum established by the Board of Directors, or its designee. (Margin on the Chicago Board of Trade side or the Kansas City Board of Trade side of the spread to be in accordance with that market's requirements.)

The specific amounts of the initial, maintenance, and spread margins are to be transmitted to the membership by special memorandum.

- B. CLEARING MARGINS: This term shall mean United States Funds or securities approved by the Clearing House Committee deposited with or to the sole credit of the Clearing House as protection against losses incident to a transaction for future delivery (See [Regulation 2102.00](#).)

762.00. NONCLEARING MEMBER MAKING OWN TRADES.

Members making their own trades in the Pit may be allowed to carry a five (5) contract position without posting margins, provided those positions are marked to the market daily and are closed within fifteen (15) days. All other positions (long or short) carried in the name of the nonclearing Member shall be charged initial margins and shall be maintained in accordance with [Rule 760.00](#). The application of this Rule shall be at the sole discretion of the Clearing Member.

Members making their own trades need not be charged margins on spread positions, but spread positions shall be marked to the market daily.

This Rule also applies to individual Members who on the Trading Floor give their orders to other Members for execution.

765.00. TRADING FOR OFFICERS, COPARTNERS OR EMPLOYEES.

No Member, and no Registered Firm or Corporation, shall make a purchase or a sale of any commodity futures or options in this market, or accept or carry an account for such purchase or sale, for the account of an officer, copartner, or employee of another Member or of another Registered Firm or Corporation, without the written consent of such other Member, Firm or Corporation having been furnished.

766.00. CONFIRMATION OF FUTURES OR OPTIONS TRADES.

A Clearing Member shall confirm to the customer every transaction made for the customer's account no later than the following business day. Such confirmation shall be in writing and shall show the commodity bought or sold, the quantity, the price or premium and the delivery month and, if an option, whether a put or call and the strike price.

768.00. ACCEPTANCE OF ACCOUNTS FROM OTHERS THAN PRINCIPALS.

Except as provided in OMNIBUS ACCOUNTS and DISCRETIONARY ACCOUNTS no Member and no Registered Firm or Corporation shall make a purchase or a sale of any commodity in futures or options in this market for the account of another party, nor shall any Member, or Registered Firm or Corporation, accept or carry such an account for such other party, if such other party is known to be acting as an agent for and on behalf of others, unless such other party is registered with the CFTC as a Futures Commission Merchant under the provisions of the Commodity Exchange Act.

No purchase or sale of commodities in futures or options shall be made in this market, and no account for such purchase or sale shall be accepted or carried for the account of any person if such purchases or sales are made pursuant to trading authority given by such person to another person (not a member of the same family) to trade in his or her name, except on the following terms and conditions:

- A. A monthly statement shall be sent directly to the person for whose account such purchases or sales have been made, showing the exact position of the account, including all open trades figured to the market;

812.00. DELIVERY AGAINST FUTURES CONTRACTS FROM A REGULAR ELEVATOR CLOSED OR WHOSE FUNCTIONS HAVE BEEN CURTAILED AS A RESULT OF STRIKES, LOCKOUTS OR ACTS OF GOD.

A Regular warehouse may make deliveries on a Futures Contract in a facility that has been closed by strikes, lockouts or acts of God. The receipt holder is liable for all storage and insurance charges. However, if the warehouse is unable to perform under the delivery contract terms, as required in **Rule 804.00. DELIVERIES ON FUTURES CONTRACTS: HOW MADE** because of strikes, lockouts or acts of God at the time of delivery or cannot perform because of strikes, lockouts or acts of God beginning after the original tender of warehouse receipts, the warehouse, when notified with surrender of warehouse receipts and payment of charges by the owner of the receipts, has to furnish within five (5) business days one of the following options:

- A. provide the same quantity and like quality of grain in store at another Regular elevator, whose functions have not been curtailed by strikes, lockouts or acts of God at the same delivery point (See **Rule 1309.00.**),

or

- B. provide the same quantity and like quality of grain in store at another elevator location under mutually acceptable terms

or

- C. buy back the warehouse receipt(s) at a negotiated price. If a price cannot be negotiated, then option A or option B must be chosen.

813.00. LOAD-OUT PROCEDURES.
See Interpretation.

- A. All warehouses shall load-out all agricultural products consecutively without giving preference. Load-out of all such products shall be in the order in which suitable transportation, clean and ready to load, is constructively placed at the elevator. No preference shall be given to the type of delivery conveyance which has been constructively placed. However, the warehouse may load-out company conveyances in an alternative order if such conveyances were constructively placed in consecutive order.

A warehouse cannot declare a conveyance as unfit for loading. Such declaration can only be made by the railroad or another official inspection agency. Furthermore, a warehouse cannot reject a conveyance if only a portion of the conveyance is unfit and can be cleaned without causing delay to the warehouse. The cost of cleaning shall be borne by the taker.

In the case of barges or vessels, if the bushel capacity of the warehouse company's barges or vessels constructively placed ahead of taker's barges or vessels exceeds the warehouse's owned stocks; the warehouse must begin loading taker's barges once the warehouse's owned stocks are depleted. For purposes of calculating depletion, the warehouse may not improve its owned stock position with unloads subsequent to the taker's constructive placement date. Depletion calculations must be made

separately by grain type and load-out rates specified in section B of this Rule.

Constructive placement is defined as follows:

1. Rail cars: whether public or private, must be under railroad control and able to be called to the warehouse. However, the warehouse must be notified that the cars are ready to be delivered.
2. Barges: must be properly cleaned, ready to load and positioned at an appropriate fleeting service servicing the designated delivery point or at the elevator. Constructive placement shall be deemed to have occurred when the barge line notifies the warehouse for position.
3. Vessels: must be in possession of the appropriate Grain Inspection, Packers and Stockyards Administration and/or National Cargo Bureau, Inc. documents or signed berth application certifying readiness to accept load-out at the designated delivery point.
4. Any other conveyance has to be with mutual consent of makers and takers.

B. Load-Out Rates

In the event a Regular elevator receives written loading orders for load-out of grain against canceled warehouse receipts, the elevator shall be required to load-out all grain at the normal rate of load-out for the facility on the day after a conveyance of the type identified in the loading orders (rail cars, barges or vessels) is constructively placed. This rate of load-out shall depend on the conveyance being loaded and shall not be less than the following minimum rates per day (weekends and elevator holidays excluded):

	Rail Conveyance	or	Water Conveyance
			Vessel or Barge
Wheat:	25 Hopper Cars		200,000 bu or 2 Barges

Loading minimums and private business. Once an elevator loads the minimum barges or rail amount against delivery receipts it must continue to load-out against the receipts until the end of the normal business day. At the end of the normal business day the elevator can proceed to load-out company business, but only after offering the taker the option to continue loading the taker's warehouse receipts at overtime rates.

If loading orders have been received, the elevator must load-out any earlier constructively placed conveyance at the minimum load-out rates.

A Regular elevator shall not be required to meet these minimum load-out rates when any of the following conditions occur:

1. a condition of Force Majeure exists;

CHAPTER 20 REGULATIONS

TRADING FLOOR

- 2000.00. Admission Of Members To The Exchange Room
- 2001.00. Regulations Governing Admission Of Messengers To The Exchange Room
- 2001.01. Regulations Governing Admission Of Floor Clerks To The Exchange Room
- 2003.00. Admittance Of Visitors To The Exchange Room
- 2004.00. Decorum And Dress While In The Exchange Room
- 2004.01. Exchange Room Enforcement
- 2004.02. Penalties For Boisterous Or Disorderly Conduct And/Or Outburst Of Vulgar And Abusive Language In The Exchange Room

TRADING

- 2007.00. Fraudulent Trading Prohibited
- 2008.00. Adjustment Of Trade Prices And Cancellations Of Trades
- 2009.00. Records Of Transactions
- 2010.00. Futures And Options Months Prescribed
- 2011.00. Hours Of Trading
- 2011.01. Last Trading Day
- 2011.02. Last Day For Exchange For Physical And Risk Transactions
- 2012.00. Trading Limits
- 2013.00. Futures Position Limits
- 2013.01. Options Position Limits
- 2014.00. Settlement Prices
- 2015.00. Settlement Premiums
- 2016.00. Filling Orders And Withholding Or Withdrawing Of Trades
- 2017.00. Recording Options Orders
- 2018.00. Spreading Transactions
- 2018.01. Opening The Market On A Spread Transaction
- 2019.00. Official Representative To Observe The Execution Of Buying And Selling Orders At The Same Price
- 2020.00. Exchange Fee
- 2022.00. Division Of Spring Wheat Pit During Opening And Closing Periods
- 2023.00. Striking Prices
- 2024.00. Exchange Regulatory Fee

DELIVERIES AND DELIVERY GRAIN

- 2025.00. Times For Delivery Of "Delivery Notices" And Delivery And Payment On Futures Contracts
- 2026.00. Load-Out Notices: Form Of
- 2027.00. Load-Out, Storage And Insurance Charges: Delivery Grain
- 2028.00. Loadings In Satisfaction Of Warehouse Receipts
- 2029.00. Minimum Financial Requirements For Regularity

2007.00. FRAUDULENT TRADING PROHIBITED.

The Exchange prohibits any and all forms of fraudulent trading or attempted fraudulent trading on its markets.

2008.00. ADJUSTMENT OF TRADE PRICES AND CANCELLATION OF TRADES.

The Exchange has the authority to adjust trade prices and cancel trades when necessary to mitigate market disrupting events including, but not limited to, those caused by malfunctions in its electronic trading platform or errors in orders submitted by any Person, Member, Market Participant, Clearing Member, customer or Registered Firm or Corporation. Any trade price adjustment or trade cancellation shall be publicly disclosed.

2009.00. RECORDS OF TRANSACTIONS.

Any Member, Non-member, Market Participant, Registered Firm or large trader as defined by the CFTC, initiating or executing transactions on the Exchange must keep full, complete and systematic records of their activity, including, but not limited to, records of their activity in the underlying commodity and related derivatives markets. Such records must be retained for a minimum of five (5) years and must be made available at the request of the Exchange.

2010.00. FUTURES AND OPTIONS MONTHS PRESCRIBED.

- A. Pursuant to the provisions of **Rule 715.00.**, the Board of Directors has adopted the following Regulation:

Trading in Spring Wheat Futures shall be permitted in the current delivery month plus any month in the March, May, July, September, December delivery cycle which falls within the next succeeding twenty-three (23) months. The next delivery month in the sequence shall replace the expiring delivery month as of the close of business on the last business day of the expiring delivery month. This implicit approval shall take effect unless such listing is deemed inappropriate because of conflicts with other superseding Rules or Regulations, or unless otherwise determined by the Board of Directors.

- B. Pursuant to the provisions of **Rules 7305.00., 7505.00., 7705.00., 7905.00. and 8105.00.**, the Board of Directors has adopted this Regulation:

Trading may be conducted in every calendar month. The number of months available for trade shall include the current calendar month and the next twenty-three (23) calendar months. By notice posted on the Official Bulletin Board, the Board of Directors may, at its discretion, add such calendar months beyond those available for trade or remove from availability for trading those calendar months without open interest.

2011.00. HOURS OF TRADING.

Pursuant to the provisions of **Resolution 210.01.F.**, the Exchange has adopted this Regulation.

The Hours of Trading at the Exchange shall conform to Central Time.

2018.01. OPENING THE MARKET ON A SPREAD TRANSACTION.

Pursuant to the provisions of **Rule 210.01.**, the Board of Directors adopted the following Regulation:

In the event the first daily transaction in a Contract market is a spread transaction, the price associated with the spread transaction shall be reported as the opening quote in this Contract market. The opening price shall be reported at or within the current bid and offer.

However, if there is no bid or offer in effect, an announcement of the actual price shall be made in the Pit. Upon receiving no objections, the trade shall be reported and the transaction recorded as the opening trade.

2019.00. OFFICIAL REPRESENTATIVE TO OBSERVE THE EXECUTION OF BUYING AND SELLING ORDERS AT THE SAME PRICE.

Pursuant to the provisions of **Rule 742.00.**, the Board of Directors has adopted this Regulation:

The President is authorized to designate an employee of the Grain Exchange as the official representative of this Exchange to observe transactions where a Member shall have in hand at the same time both buying and selling orders from different principals for a like quantity of a commodity for Futures or Options in the same delivery month and who, in compliance with the provisions of **Rule 742.00.**, desires to execute such trades at the market price in the presence of such official representative.

In order to facilitate the handling of such orders the Member must notify the official representative of the Exchange of his desire to make these trades and present the orders and trading cards to the official representative upon execution of the trades. Upon observation and approval of the trades, the official representative will promptly stamp and sign the orders and trading cards.

The official representative shall also prepare a memorandum showing the date, executing Broker, month, commodity, option, strike price, price or premium, quantity, and the Clearing Member(s) and accounts involved.

This memorandum shall be time stamped, signed by the observer, and retained by the Exchange as a permanent record.

Any Broker seeking to match orders under **Rule 742.00.** must be diligent in openly bidding and offering the orders on hand before crossing them under the observation of the designated Exchange employee. To assure the fairness of such trades, all cross trades must be bid and offered by open outcry at least three (3) times before being matched.

2020.00. EXCHANGE FEE.

Pursuant to the provisions of **Rule 231.00.**, the Exchange has adopted this Regulation:

- A. The Exchange shall set Exchange fees from time to time and shall make such fees publicly available. The Exchange may elect to waive or modify fees.

- B. Payment of the Exchange fee will be due on receipt of invoice at the end of each month for the transactions (whether purchases, sales or deliveries) executed on the Exchange during that month. Payment is to be submitted to the Treasurer of the Corporation.

2022.00. DIVISION OF SPRING WHEAT PIT DURING OPENING AND CLOSING PERIODS.

During the time defined to be the opening and the closing, any Member initiating a bid or offer must be located in the specific area designated for that month, or a price quotation may not be recognized by the Quotations Committee. A black line marks this Pit division. All bids or offers made in the nearby month must be originated in that part of the Pit closest to the pulpit. All other bids or offers must be originated on the other side of the black line. Any bid or offer may be accepted from any part of the Pit.

2023.00. STRIKING PRICES.

The Board of Directors shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions, subject to the provisions of the Commodity Exchange Act and Commodity Futures Trading Commission (CFTC) regulations promulgated thereunder.

- A. **Spring Wheat.** Pursuant to the provisions of **Rule 1403.00.**, the Board of Directors has adopted this Regulation.

1. Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10) per bushel. At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the initial futures trade by open outcry or the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments. If the initial futures trade or previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2). If the initial futures trade is executed on MGEXpress, striking prices will not be available until the open outcry session.

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

2. When Options in months not listed for trading in futures become available to trade, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next ten (10) higher and ten (10) lower striking prices in five cent (\$0.05)

increments. If the previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure at least ten (10) striking prices in five cent (\$0.05) increments above and below the previous day's settlement price.

- B. **National Corn Index.** Pursuant to the provisions of [Rule 7410.00.](#), the Board of Directors has adopted this Regulation.

Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Corn Index Futures Contract and the next five (5) consecutive higher and the next consecutive lower in five cent (\$0.05) increments, and the next five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying National Corn Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

- C. **National Soybean Index.** Pursuant to the provisions of [Rule 7610.00.](#), the Board of Directors has adopted this Regulation.

Trading may be conducted for Options with striking price increments of ten cents (\$0.10) and twenty cents (\$0.20). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Soybean Index Futures Contract and the next five (5) consecutive higher and the next five (5) consecutive lower in ten cent (\$0.10) increments, and the next five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments. If the previous day's settlement price on the underlying National Soybean Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments and an additional five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments above and below the previous day's settlement price.

CHAPTER 21
CLEARING HOUSE REGULATIONS

2100.00.	Method Of Clearing
2100.01.	Electronic Trading System Clearing
2101.00.	Fees And Fines - Amounts And Collections
2101.01.	Clearing Fee
2102.00.	Margins
2103.00.	Order Of Delivery
2104.00.	Security Deposit
2105.00.	Protection Of Clearing House: Default By A Clearing Member
2105.01.	Losses Borne By MGEX
2105.02.	Rights Of Exchange For Recovery Of Loss
2105.03.	Security Deposits To Be Restored
2105.04.	Clearing Member Insolvency
2106.00.	Acceptance Of Give-Up Trades
2107.00.	Financial Emergency
2108.00.	Finality Of Settlement
2109.00.	Settlement Banks Available For Use
2110.00.	Protection Of Customer Funds
2111.00.	Clearing Member Risk Management

2101.00. FEES AND FINES - AMOUNTS AND COLLECTIONS.

The schedule of deadlines is subject to change at any time by the Exchange. The schedule of deadlines shall at all times be those requirements most recently adopted. The amount due for errors or any other fees charged or collected by the Exchange shall be billed on a monthly basis unless otherwise specified by the Exchange.

If the offense becomes frequent, the President or his designee may call for additional permanent margins or take such other action as is deemed necessary.

Any Member making an error in his daily statement to the Clearing House may be fined for each error made (see **Res. 2101.00.C.**).

2101.01. CLEARING FEE.

Pursuant to the provisions of **Rule 231.00.** the Exchange has adopted this Regulation:

- A. The Exchange shall set clearing fees from time to time and shall make such fees publicly available. The Exchange may elect to waive or modify fees.
- B. Payment of the Clearing Fee will be due on receipt of invoice at the end of each month for the transactions (whether purchases, sales or deliveries) executed on the Exchange during that month. Payment is to be submitted to the Treasurer of the Corporation.

2102.00. MARGINS.

The Exchange shall set margin requirements at a level that it believes protects the interests of Buyers and Sellers and the Exchange. The Exchange shall accept, as margin, cash or United States Treasury securities. Cash margin requirements shall be submitted by wire transfer of funds or other acceptable method approved by the Exchange. Cash and United States Treasury securities shall be submitted at times determined and posted by the Exchange. United States Treasury securities shall be maintained in multiples of \$5,000. The Exchange shall value securities as it deems appropriate. The President or his designee may, at their discretion, require of any Member or market participant a margin upon any or all of such Member or market participant's open trades which are deemed unduly insecure or hazardous in such amount as deemed advisable. Calls for such margin shall be paid by the Clearing Member within one business day or earlier if so requested. Further, the Exchange shall collect daily intra-day variations from Clearing Members apart from, and in addition to, any margin or daily settlement variation payments and collects.

Margin requirements are subject to change at any time but shall at all times be those requirements most recently adopted, publicly posted, and in compliance with the requirements of CFTC Regulation 39.13(g)(8), as amended.

Clearing Members called for margins under this Regulation shall pay by the deadline announced by the Exchange. An extension of time for such payments can only be granted by the President or his designee. In such cases the extension of time so granted shall be noted on the written call, and copy of said call shall be kept in the files of the Exchange.

ownership is involved when the date of execution or exercise of the position being transferred is not the same as the transfer date. Such positions are required to be offset by trading. If such positions are carried on the books of different Clearing Members, the receiving Clearing Member is responsible for compliance with this Regulation.

5416.00. CONTRACT MODIFICATIONS.

Specifications of a contract shall be fixed for the duration of the contract month upon the first trade in that contract month. However, a change in any Federal law, regulation, ruling, directive or order that conflicts with these Regulations or specifications will become effective upon notice by the Exchange. Additionally, the Board of Directors and/or Exchange are granted the authority to change contract specifications as it deems appropriate or necessary, or to conform to any other applicable law, rule, regulation that conflicts with these Regulations or specifications, for any unopened contract month, as well as change contract specifications for any contract month with open interest upon approval by CFTC.

Further, the Board of Directors and/or Exchange, to maintain the purpose and viability of the AJC futures contract are granted the authority to change the AJC Regulations not directly affecting contract specifications at any time and implement such change as may be determined.

5417.00. SETTLEMENT.

Settlement of the AJC futures contract shall be by closing out positions by the last trading day, by exchange for swap (either EFP or EFR) by the last notice day, or by physical delivery of warehouse receipt on the last delivery day.

5418.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in [Rule 210.02](#). The Board of Directors may delegate such powers as it deems necessary, by rule or otherwise, to the Executive Committee, Exchange Officer(s), or other employees of MGEX so that timely action may be taken.

An emergency may include, but is not limited to, Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event of an emergency, the Board of Directors or its delegate shall have such authority and power to utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market.

The decision of the Board of Directors, Executive Committee, Exchange Officer(s), or other employees of MGEX as delegated, shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.

**CHAPTER 72
RESOLUTIONS**

- 210.01. F. Board Of Directors: Powers
- 372.00. Delegation
- 719.00. Exchange Of Futures For Physical or Risk Transaction Fees
- 803.00. Contract and Other Deliverable Grades
- 803.01. Delivery Of U.S. Origin Grain
- 2024.00. Exchange Regulatory Fee
- 2101.00. C. Fees And Fines – Amounts And Collections

CHAPTER 72 RESOLUTIONS

RESOLUTION 210.01. F.

Pursuant to the provisions of **Rule 210.01. F.**, the Board of Directors has adopted this Resolution.

Limited authority of the Board of Directors to amend Minneapolis Grain Exchange Regulations and to take emergency action is hereby delegated to Exchange officers. Such authority includes, suspending or curtailing trading, amending hours of trading, imposing margin requirements, declaration of holidays, amending reportable position limits, price limits and intraday market restrictions, managing settlement procedures, open or closing periods, fees, forms, notices, deadlines, dress and decorum policies, minimum financial requirements, notification and reporting requirements, striking prices, cash market reporting, recordkeeping requirements, honorary memberships, default procedures, give-up procedures, transferring customer contracts and margins, definition of emergencies, declarations of Force Majeure and action taken as a result of such declarations. The Exchange shall also have the authority to take such market action as may be directed by the CFTC. The President and Chairperson of the Board may determine whether a Regulation can be amended by Exchange officers. Regulation amendments shall be forwarded promptly to the Board of Directors.

Further, limited authority of the Board of Directors is hereby delegated to Exchange officers to exercise certain other powers including amending transfer procedures, approving registration and membership applications and cancellations, approving standing committee appointments, and amending the matching algorithm for the electronic trading system. Such approvals and changes shall be forwarded promptly to the Board of Directors.

RESOLUTION 372.00.

Pursuant to **Rule 372.00. I.** and **J.**, the Minneapolis Grain Exchange Board of Directors has adopted the following requirements to be met by Delegates of the Exchange.

A Delegate shall deposit one thousand dollars (\$1,000.00) with the Exchange. No interest will be paid on the deposit.

A Delegate shall pay a fee of two hundred dollars (\$200.00) each month unless said Delegate trades a minimum of twenty five (25) MGEX futures and/or options contracts.

Approved by the Board July 9, 2009, effective September 1, 2009.

RESOLUTION 719.00.

The Minneapolis Grain Exchange Board of Directors has adopted a \$0.70 fee to be paid to the Corporation by the buyer and the seller for each Minneapolis Grain Exchange contract involved in an exchange for risk or exchange for physical transaction.

Approved by the Board March 18, 2008, effective April 1, 2008.

RESOLUTION 803.00.

Effective with the May 2013 contract month, all warehouse receipts issued for delivery against Hard Red Spring Wheat ("HRSW") futures contracts shall be marked with a deoxynivalenol ("vomitoxin") limit expressed in tenths as either (i) 2.0 parts per million or (ii) 3.0 parts per million. Warehouse receipts marked as 2.0 parts per million or 3.0 parts per million shall represent a maximum vomitoxin level. Further, warehouse receipts marked as 2.0 parts per million shall be delivered at contract price, while receipts marked as 3.0 parts per million vomitoxin shall be delivered at a 20 cents per bushel discount.

The taker shall have the option, at taker's expense, to request for a determination of the level of vomitoxin at the time load-out instructions are submitted to the warehouse. Sampling shall be conducted at the point of load-out by the Federal Grain Inspection Service, a federally designated inspection agency or by a third party inspection service which is mutually agreeable to the warehouse and taker of delivery. The determination of the level of vomitoxin shall be based on the average test results of the HRSW. Vomitoxin test results up to and including 2.0 parts per million shall meet warehouse receipts marked 2.0 parts per million. Vomitoxin test results up to and including 3.0 parts per million shall meet warehouse receipts marked 3.0 parts per million. Vomitoxin test results greater than 3.0 parts per million shall not be deliverable. There will be no rounding of test results to a whole number. Taker may agree to accept HRSW with vomitoxin test results greater than 2.0 up to 3.0 parts per million for warehouse receipts marked 2.0 parts per million at the stated discount or at a discount mutually agreed by both parties.

The following methods are to be used for determining the level of acceptable vomitoxin for deliveries against HRSW futures:

1. Barges shall be based upon a single barge composite sample.
2. Vessels shall be based upon the average of subplot composite samples.
3. Trains shall be based upon an average of 5 railcar composite samples. A single composite sample shall be used for load-outs less than 5 railcars.
4. Warehouse and taker may mutually agree to utilize other sample averages.

RESOLUTION 2024.00.

The Minneapolis Grain Exchange Board of Directors has adopted the following schedule of Exchange regulatory fees to be paid to the Corporation annually. The fee shall be prorated over the Corporation's fiscal year for each month the entity is registered.

A fee of \$10,000 shall be paid by registered futures commission merchant members for which the Exchange is the self-regulatory organization responsible for monitoring and auditing for compliance with the minimum financial, segregation and related reporting and recordkeeping requirements. Such fee shall also apply if the Exchange has delegated its responsibilities to another designated self-regulatory organization. However, the fee shall be waived if the registered futures commission merchant member clears 50,000 contracts annually.

Approved by the Board on January 18, 2001.

RESOLUTION 2101.00.C.

The Exchange has adopted the following schedule of deadlines for reporting trading session activity to MGEX (all times listed shall conform to Central Time):

8:00 a.m.	Position reports
9:00 a.m.	Settlement and margin payment
11:15 a.m.	Weekly account position updates Daily Delivery/Exercise account updates
11:30 a.m.	Intraday variation payment
3:00 p.m.	Last submission of trades
3:45 p.m.	Give-up transfer trades Unmatched trade fixes
4:00 p.m.	Auto-Exercise Cancellation Notices Hard Red Spring Wheat Options position reports on expiration day
4:15 p.m.	Long position lists for delivery Delivery Notices Exercise Notices

Trading activity after five o'clock (5:00) p.m. to three o'clock (3:00) p.m. the following day will be cleared with said following day's trading activity.

Trades must be entered in "TEMS" within forty-five (45) minutes of the conclusion of each half (½) hour trading bracket.

Any unresolved unmatched trades may be suspended pending possible resolution the following business day as an "as of" trade. "As of" trades can be carried no longer than one business day.

All give up trades properly entered in accordance with **Regulation 2106.00.** by the executing Clearing Member by three o'clock (3:00) p.m. must be accepted by the carrying Clearing Member by three forty-five o'clock (3:45) p.m.

Pursuant to **Regulation 2069.00. B.**, any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a fine or the matter being referred to the Disciplinary Committee as determined by the Exchange.

7316.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in [Rule 210.02](#).

An emergency may include, but is not limited to, Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event the MGEX is unable to timely receive sufficient data necessary to calculate, report or verify the National Corn Index or believes the data or the National Corn Index to be in error, the Board of Directors or Executive Committee shall have such authority and power to determine the National Corn Index. The Board of Directors or Executive Committee may utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market. The decision of the Board of Directors or Executive Committee shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.

7516.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in [Rule 210.02](#).

An emergency may include, but is not limited to, Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event the MGEX is unable to timely receive sufficient data necessary to calculate, report or verify the National Soybean Index or believes the data or the National Soybean Index to be in error, the Board of Directors or Executive Committee shall have such authority and power to determine the National Soybean Index. The Board of Directors or Executive Committee may utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market. The decision of the Board of Directors or Executive Committee shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.

7715.00. THE HARD RED WINTER WHEAT INDEX: CALCULATION.

The Hard Red Winter Wheat Index is based upon a select sample of commercial bids placed for U.S. No. 1 Hard Red Winter Wheat throughout the United States. The sample will be conducted and obtained by an independent third party. The third party must meet collection and time parameters established by the Exchange. Additionally, the sample shall be taken from as many sources and locations as practical. The Hard Red Winter Wheat Index shall then be the calculated average numerical value of the sample using standard rounding techniques. Upon certification by the third party, and confirmation, review or verification of the data by the Exchange, the Hard Red Winter Wheat Index will be disseminated prior to the start of trading the next business day.

The Exchange reserves the right to refuse to use the data or the Hard Red Winter Wheat Index based upon evidence of an error in the data gathering process, manipulation of the data, faulty computation, or other unusual, questionable or suspicious activity involving the Hard Red Winter Wheat Index calculation. In the event the Exchange rejects the data, the procedures of **Rule 7716.00.** shall govern.

7716.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in **Rule 210.02.**

An emergency may include, but is not limited to, Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event the MGEX is unable to timely receive sufficient data necessary to calculate, report or verify the Hard Wheat Index or believes the data or the Hard Wheat Index to be in error, the Board of Directors or Executive Committee shall have such authority and power to determine the Hard Wheat Index. The Board of Directors or Executive Committee may utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market. The decision of the Board of Directors or Executive Committee shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.

next business day.

The Exchange reserves the right to refuse to use the data or the Soft Red Winter Wheat Index based upon evidence of an error in the data gathering process, manipulation of the data, faulty computation, or other unusual, questionable or suspicious activity involving the Soft Red Winter Wheat Index calculation. In the event the Exchange rejects the data, the procedures of **Rule 7916.00** shall govern.

7916.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in **Rule 210.02**.

An emergency may include, but is not limited to, act Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event the MGEX is unable to timely receive sufficient data necessary to calculate, report or verify the Soft Red Winter Wheat Index or believes the data or the Soft Red Winter Wheat Index to be in error, the Board of Directors or Executive Committee shall have such authority and power to determine the Soft Red Winter Wheat Index. The Board of Directors or Executive Committee may utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market. The decision of the Board of Directors or Executive Committee shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.

the next business day.

The Exchange reserves the right to refuse to use the data or the Hard Red Spring Wheat Index based upon evidence of an error in the data gathering process, manipulation of the data, faulty computation, or other unusual, questionable or suspicious activity involving the Hard Red Spring Wheat Index calculation. In the event the Exchange rejects the data, the procedures of **Rule 8116.00** shall govern.

8116.00. EMERGENCIES.

In the event of an emergency, as determined by the Exchange, the Board of Directors shall have the authority and power to follow the procedures described in **Rule 210.02**.

An emergency may include, but is not limited to, Force Majeure, interference, interruptions or breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.

Additionally, in the event the MGEX is unable to timely receive sufficient data necessary to calculate, report or verify the Hard Red Spring Wheat Index or believes the data or the Hard Red Spring Wheat Index to be in error, the Board of Directors or Executive Committee shall have such authority and power to determine the Hard Red Spring Wheat Index. The Board of Directors or Executive Committee may utilize such sources, means or methods that it determines to be in the best interest of the Exchange and the market. The decision of the Board of Directors or Executive Committee shall be final and binding upon all parties. The Exchange shall not be liable to any party as a result of actions and decisions taken in good faith.