



Web 2012-14

August 3, 2012

Dear Members & Rulebook Recipients:

The following Chapters have been amended:

<u>Chapter</u>	<u>Rule</u>	<u>Purpose</u>
3 Membership	358.00.	To update the membership requirement as it pertains to clearing privileges.
73 National Corn Index Futures	7312.00.	To update offset and transfer trade requirements.
74 National Corn Index Options	7416.00.	
75 National Soybean Index Futures	7512.00.	
76 National Soybean Index Options	7616.00	
77 Hard Wheat Index Futures	7712.00	
78 Hard Wheat Index Options	7816.00.	
79 Soft Red Winter Wheat Index Futures	7912.00.	
80 Soft Red Winter Wheat Index Options	8016.00.	
81 Hard Red Spring Wheat Index Futures	8112.00	
82 Hard Red Spring Wheat Index Options	8216.00.	

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 MGEX Rules and Regulations, please contact Layne G. Carlson at (612) 321-7169 or lcarlson@mgex.com.

Sincerely,

A handwritten signature in black ink that reads 'Layne G. Carlson'. The signature is written in a cursive, flowing style.

Layne G. Carlson
Corporate Secretary

358.00. CLEARING PRIVILEGES.

In order to clear trades at MGEX, a Registered Firm or Corporation must be granted clearing privileges by the Exchange. The Exchange may revoke said clearing privileges for cause at any time. A Registered Firm or Corporation with clearing privileges shall be known as a Clearing Member.

Clearing privileges may be granted and retained only if and when the terms and conditions set forth below have been met:

- A. A Clearing Member must have completed and remain in compliance with the terms contained in the Application for Clearing Privileges and the Clearing Agreement.
- B. A Clearing Member must be in good financial standing and meet the minimum financial requirements as may be determined by the Exchange.
- C. A Clearing Member must have the personnel, and computer hardware and software to effectively communicate with MGEX and otherwise conduct the business of clearing in an efficient manner.
- D. A Clearing Member must be the record owner of one (1) or more Memberships which shall be pledged to MGEX. A pledged Membership shall mean the Exchange will have first claim to the proceeds of any sale of such Membership. This pledge shall have priority over any other claim or lien filed pursuant to Chapter 3 of the MGEX Rules and Regulations. At least one (1) record holder of such Memberships must be authorized by the Clearing Member to act or execute contracts on behalf of, and otherwise represent the interests of the Clearing Member. Furthermore, such Memberships shall not be included as part of the required security deposit with the Clearing House and shall not be used as value to meet the Clearing Member's margin requirements.
- E. If another person(s), firm(s) and/or corporation(s) (individually or collectively known as the parent) owns or controls, directly or indirectly, twenty percent (20%) or more of a Clearing Member, the parent must guarantee the obligations of the Clearing Member's non-segregated accounts including those accounts held or controlled by the parent, whether or not such parent is a Member of MGEX. The Exchange shall determine whether a guarantee is adequate. This requirement may be waived at the discretion of the Exchange.

360.00. ORIGINAL MEMBERSHIPS: ISSUANCE OF.

The number of Memberships in this Corporation may be increased and the Corporation has the right to sell Original Memberships at a price to be determined by the Board of Directors. The person to whom such Membership is to be issued must comply with all the terms and conditions of the Rules and Regulations concerning admission to Membership and recording the

**CHAPTER 73
NATIONAL CORN INDEX FUTURES**

7300.00.	Authority
7301.00.	Scope Of Chapter
7302.00.	The National Corn Index: Definition
7303.00.	Contract Trading Unit
7304.00.	Minimum Price Fluctuation
7305.00.	Trading Months And Hours
7306.00.	Daily Price Limits
7307.00.	Last Trading Day
7308.00.	Position Limits
7309.00.	Exemption From Position Limits
7310.00.	Aggregation Of Positions
7311.00.	Reportable Positions
7312.00.	Offsets And Transfer Trades
7313.00.	Contract Modifications
7314.00.	Cash Settlement
7315.00.	The National Corn Index: Calculation
7316.00.	Emergencies

7311.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more National Corn Index futures on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7312.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing futures positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7313.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the futures contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

7314.00. CASH SETTLEMENT.

National Corn Index futures positions open as of the close of business on the last trading day shall be cash settled. The cash settlement shall be based upon the simple average of the last three (3) published National Corn Index prices for days the contract is available for trade during the settlement month using standard rounding techniques and rounded to the nearest one-quarter cent (\$0.0025).

7315.00. THE NATIONAL CORN INDEX: CALCULATION.

The National Corn Index is based upon a select sample of commercial bids placed for U.S. No. 2 yellow corn 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 National Corn 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 National Corn 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 National Corn 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 National Corn Index calculation. In the event the Exchange rejects the data, the procedures of [Rule 7316.00](#) shall govern.

7316.00. EMERGENCIES.

In the event of an emergency, the Board of Directors shall have the powers and follow the procedures described in **Rule 230.00**.

An emergency shall include, but is not limited to, act of God, act of government, strike, quake, flood, 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.

CHAPTER 74
NATIONAL CORN INDEX OPTIONS

7400.00.	Authority
7401.00.	Scope Of Chapter
7402.00.	The National Corn Index Put Options
7403.00.	The National Corn Index Call Options
7404.00.	Contract Trading Unit
7405.00.	Minimum Price Fluctuation
7406.00.	Trading Months And Hours
7407.00.	Daily Price Limits
7408.00.	Last Trading Day
7409.00.	Expiration Of Options
7410.00.	Striking Prices
7411.00.	Payment Of Option Premium
7412.00.	Position Limits
7413.00.	Exemptions From Position Limits
7414.00.	Aggregation Of Positions
7415.00.	Reportable Positions
7416.00.	Offsets And Transfer Trades
7417.00.	Contract Modifications
7418.00.	Option Exercises
7419.00.	Automatic Exercise

delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.

- C. **Enforcement.** The carrying Member, Firm or Corporation shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Member, Firm or Corporation.

7413.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of [Rule 7309.00](#).

7414.00. AGGREGATION OF POSITIONS.

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

7415.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more National Corn Index put or call options on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7416.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7417.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the options contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

**CHAPTER 75
NATIONAL SOYBEAN INDEX FUTURES**

7500.00.	Authority
7501.00.	Scope Of Chapter
7502.00.	The National Soybean Index: Definition
7503.00.	Contract Trading Unit
7504.00.	Minimum Price Fluctuation
7505.00.	Trading Months And Hours
7506.00.	Daily Price Limits
7507.00.	Last Trading Day
7508.00.	Position Limits
7509.00.	Exemption From Position Limits
7510.00.	Aggregation Of Positions
7511.00.	Reportable Positions
7512.00.	Offsets And Transfer Trades
7513.00.	Contract Modifications
7514.00.	Cash Settlement
7515.00.	The National Soybean Index: Calculation
7516.00.	Emergencies

7511.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more National Soybean Index futures on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7512.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing futures positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7513.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the futures contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

7514.00. CASH SETTLEMENT.

National Soybean Index futures positions open as of the close of business on the last trading day shall be cash settled. The cash settlement shall be based upon the simple average of the last three (3) published National Soybean Index prices for days the contract is available for trade during the settlement month using standard rounding techniques and rounded to the nearest one-quarter cent (\$0.0025).

7515.00. THE NATIONAL SOYBEAN INDEX: CALCULATION.

The National Soybean Index is based upon a select sample of commercial bids placed for U.S. No. 1 yellow soybeans 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 National Soybean 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 National Soybean 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 National Soybean 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 National Soybean Index calculation. In the event the Exchange rejects the data, the procedures of [Rule 7516.00](#) shall govern.

7516.00. EMERGENCIES.

In the event of an emergency, the Board of Directors shall have the powers and follow the procedures described in **Rule 230.00**.

An emergency shall include, but is not limited to, act of God, act of government, strike, quake, flood, 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.

**CHAPTER 76
NATIONAL SOYBEAN INDEX OPTIONS**

7600.00.	Authority
7601.00.	Scope Of Chapter
7602.00.	The National Soybean Index Put Options
7603.00.	The National Soybean Index Call Options
7604.00.	Contract Trading Unit
7605.00.	Minimum Price Fluctuation
7606.00.	Trading Months And Hours
7607.00.	Daily Price Limits
7608.00.	Last Trading Day
7609.00.	Expiration Of Options
7610.00.	Striking Prices
7611.00.	Payment Of Option Premium
7612.00.	Position Limits
7613.00.	Exemptions From Position Limits
7614.00.	Aggregation Of Positions
7615.00.	Reportable Positions
7616.00.	Offsets And Transfer Trades
7617.00.	Contract Modifications
7618.00.	Option Exercises
7619.00.	Automatic Exercise

delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.

- C. **Enforcement.** The carrying Member, Firm or Corporation shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Member, Firm or Corporation.

7613.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of [Rule 7509.00](#).

7614.00. AGGREGATION OF POSITIONS.

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

7615.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more National Soybean Index put or call options on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7616.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7617.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the options contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

CHAPTER 77
HARD WHEAT INDEX FUTURES

7700.00.	Authority
7701.00.	Scope Of Chapter
7702.00.	Hard Wheat Index: Definition
7703.00.	Contract Trading Unit
7704.00.	Minimum Price Fluctuation
7705.00.	Trading Months And Hours
7706.00.	Daily Price Limits
7707.00.	Last Trading Day
7708.00.	Position Limits
7709.00.	Exemption From Position Limits
7710.00.	Aggregation Of Positions
7711.00.	Reportable Positions
7712.00.	Offsets And Transfer Trades
7713.00.	Contract Modifications
7714.00.	Cash Settlement
7715.00.	Hard Wheat Index: Calculation
7716.00.	Emergencies

controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

7711.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Hard Wheat Index futures on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7712.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing futures positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7713.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the futures contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

7714.00. CASH SETTLEMENT.

Hard Wheat Index futures positions open as of the close of business on the last trading day shall be cash settled. The cash settlement shall be based upon the simple average of the last three (3) published Hard Wheat Index prices for days the contract is available for trade during the settlement month using standard rounding techniques and rounded to the nearest one-quarter cent (\$0.0025).

7715.00. THE HARD WHEAT INDEX: CALCULATION.

The Hard 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 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 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 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 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, the Board of Directors shall have the powers and follow the procedures described in [Rule 210.02](#).

An emergency shall include, but is not limited to, act of God, act of government, strike, quake, flood, 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.

CHAPTER 78
HARD WHEAT INDEX OPTIONS

7800.00.	Authority
7801.00.	Scope Of Chapter
7802.00.	The Hard Wheat Index Put Options
7803.00.	The Hard Wheat Index Call Options
7804.00.	Contract Trading Unit
7805.00.	Minimum Price Fluctuation
7806.00.	Trading Months And Hours
7807.00.	Daily Price Limits
7808.00.	Last Trading Day
7809.00.	Expiration Of Options
7810.00.	Striking Prices
7811.00.	Payment Of Option Premium
7812.00.	Position Limits
7813.00.	Exemptions From Position Limits
7814.00.	Aggregation Of Positions
7815.00.	Reportable Positions
7816.00.	Offsets And Transfer Trades
7817.00.	Contract Modifications
7818.00.	Option Exercises
7819.00.	Automatic Exercise

delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.

- C. **Enforcement.** The carrying Member, Firm or Corporation shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Member, Firm or Corporation.

7813.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of [Rule 7709.00](#).

7814.00. AGGREGATION OF POSITIONS.

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

7815.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Hard Wheat Index put or call options on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7816.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7817.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the options contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

8-03-12

CHAPTER 79
SOFT RED WINTER WHEAT INDEX FUTURES

7900.00.	Authority
7901.00.	Scope Of Chapter
7902.00.	The Soft Red Winter Wheat Index: Definition
7903.00.	Contract Trading Unit
7904.00.	Minimum Price Fluctuation
7905.00.	Trading Months And Hours
7906.00.	Daily Price Limits
7907.00.	Last Trading Day
7908.00.	Position Limits
7909.00.	Exemption From Position Limits
7910.00.	Aggregation Of Positions
7911.00.	Reportable Positions
7912.00.	Offsets And Transfer Trades
7913.00.	Contract Modifications
7914.00.	Cash Settlement
7915.00.	The Soft Red Winter Wheat Index: Calculation
7916.00.	Emergencies

controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

7911.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Soft Red Winter Wheat Index futures on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

7912.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing futures positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

7913.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the futures contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

7914.00. CASH SETTLEMENT.

Soft Red Winter Wheat Index futures positions open as of the close of business on the last trading day shall be cash settled. The cash settlement shall be based upon the simple average of the last three (3) published Soft Red Winter Wheat Index prices for days the contract is available for trade during the settlement month using standard rounding techniques and rounded to the nearest one-quarter cent (\$0.0025).

7915.00. THE SOFT RED WINTER WHEAT INDEX: CALCULATION.

The Soft Red Winter Wheat Index is based upon a select sample of commercial bids placed for U.S. No. 2 Soft 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 Soft 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 Soft 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 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, the Board of Directors shall have the powers and follow the procedures described in **Rule 210.02**.

An emergency shall include, but is not limited to, act of God, act of government, strike, quake, flood, 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.

CHAPTER 80
SOFT RED WINTER WHEAT INDEX OPTIONS

8000.00.	Authority
8001.00.	Scope Of Chapter
8002.00.	Soft Red Winter Wheat Index Put Options
8003.00.	Soft Red Winter Wheat Index Call Options
8004.00.	Contract Trading Unit
8005.00.	Minimum Price Fluctuation
8006.00.	Trading Months And Hours
8007.00.	Daily Price Limits
8008.00.	Last Trading Day
8009.00.	Expiration Of Options
8010.00.	Striking Prices
8011.00.	Payment Of Option Premium
8012.00.	Position Limits
8013.00.	Exemptions From Position Limits
8014.00.	Aggregation Of Positions
8015.00.	Reportable Positions
8016.00.	Offsets And Transfer Trades
8017.00.	Contract Modifications
8018.00.	Option Exercises
8019.00.	Automatic Exercise

position that exceeds position limits for passive reasons such as a market move or exercise assignment, the person shall be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits. In addition, if at the close of trading, an option position exceeds position limits when evaluated using the previous day's delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.

- C. **Enforcement.** The carrying Member, Firm or Corporation shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Member, Firm or Corporation.

8013.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of [Rule 7909.00](#).

8014.00. AGGREGATION OF POSITIONS.

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

8015.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Soft Red Winter Wheat Index put or call options on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

8016.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

8017.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective

upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the options contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

8018.00. OPTION EXERCISES.

The Buyer of a Soft Red Winter Wheat Index option may exercise the option on any business day prior to the expiration date by giving notice of exercise to the Clearing House at such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on such day. Notwithstanding the foregoing, the Buyer may exercise the option prior to ten o'clock (10:00) a.m. Central Time on expiration date:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled Exchange option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instruction or the Clearing Member's inability to receive such instructions prior to such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading.

8019.00. AUTOMATIC EXERCISE.

Notwithstanding the provisions of [Rule 8018.00.](#), based upon the Soft Red Winter Wheat Index cash settlement, the Clearing House shall automatically exercise all in-the-money options unless notice to cancel automatic exercise is given to the Clearing House.

Notice to cancel automatic exercise shall be given to the Clearing House at such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading except that such notice may be given to the Clearing House prior to ten o'clock (10:00) a.m. Central Time on the expiration date:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled Exchange option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading.

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CHAPTER 81
HARD RED SPRING WHEAT INDEX FUTURES

8100.00.	Authority
8101.00.	Scope Of Chapter
8102.00.	The Hard Red Spring Wheat Index: Definition
8103.00.	Contract Trading Unit
8104.00.	Minimum Price Fluctuation
8105.00.	Trading Months And Hours
8106.00.	Daily Price Limits
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8108.00.	Position Limits
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8110.00.	Aggregation Of Positions
8111.00.	Reportable Positions
8112.00.	Offsets And Transfer Trades
8113.00.	Contract Modifications
8114.00.	Cash Settlement
8115.00.	The Hard Red Spring Wheat Index: Calculation
8116.00.	Emergencies

controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

8111.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Hard Red Spring Wheat Index futures on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

8112.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing futures positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

8113.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the futures contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

8114.00. CASH SETTLEMENT.

Hard Red Spring Wheat Index futures positions open as of the close of business on the last trading day shall be cash settled. The cash settlement shall be based upon the simple average of the last three (3) published Hard Red Spring Wheat Index prices for days the contract is available for trade during the settlement month using standard rounding techniques and rounded to the nearest one-quarter cent (\$0.0025).

8115.00. THE HARD RED SPRING WHEAT INDEX: CALCULATION.

The Hard Red Spring Wheat Index is based upon a select sample of commercial bids placed for U.S. No. 1 Hard Red Spring 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 Spring 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 Spring 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 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, the Board of Directors shall have the powers and follow the procedures described in **Rule 210.02**.

An emergency shall include, but is not limited to, act of God, act of government, strike, quake, flood, 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.

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CHAPTER 82
HARD RED SPRING WHEAT INDEX OPTIONS

8200.00.	Authority
8201.00.	Scope Of Chapter
8202.00.	Hard Red Spring Wheat Index Put Options
8203.00.	Hard Red Spring Wheat Index Call Options
8204.00.	Contract Trading Unit
8205.00.	Minimum Price Fluctuation
8206.00.	Trading Months And Hours
8207.00.	Daily Price Limits
8208.00.	Last Trading Day
8209.00.	Expiration Of Options
8210.00.	Striking Prices
8211.00.	Payment Of Option Premium
8212.00.	Position Limits
8213.00.	Exemptions From Position Limits
8214.00.	Aggregation Of Positions
8215.00.	Reportable Positions
8216.00.	Offsets And Transfer Trades
8217.00.	Contract Modifications
8218.00.	Option Exercises
8219.00.	Automatic Exercise

position that exceeds position limits for passive reasons such as a market move or exercise assignment, the person shall be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits. In addition, if at the close of trading, an option position exceeds position limits when evaluated using the previous day's delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.

- C. **Enforcement.** The carrying Member, Firm or Corporation shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Member, Firm or Corporation.

8213.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of [Rule 8109.00](#).

8214.00. AGGREGATION OF POSITIONS.

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person.

8215.00. REPORTABLE POSITIONS.

A position of twenty-five (25) or more Hard Red Spring Wheat Index put or call options on this Exchange, long or short, in any one (1) month shall be the reportable position level. All such positions shall be reported in a manner and form as designated by the Commission or the Exchange. See [Rule 1505.00](#).

8216.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity, existing options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and continuing through the end of the settlement month. Clearing Members will be responsible for compliance with the requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in 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 Rule.

8217.00. CONTRACT MODIFICATIONS.

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective

upon the affirmative vote of the Board of Directors.

The Board of Directors, to maintain the viability of the options contract, is granted the authority to change such contract specifications as it deems appropriate and/or necessary for any unopened contract month.

8218.00. OPTION EXERCISES.

The Buyer of a Hard Red Spring Wheat Index option may exercise the option on any business day prior to the expiration date by giving notice of exercise to the Clearing House at such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on such day. Notwithstanding the foregoing, the Buyer may exercise the option prior to ten o'clock (10:00) a.m. Central Time on expiration date:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled Exchange option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instruction or the Clearing Member's inability to receive such instructions prior to such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading.

8219.00. AUTOMATIC EXERCISE.

Notwithstanding the provisions of [Rule 8218.00.](#), based upon the Hard Red Spring Wheat Index cash settlement, the Clearing House shall automatically exercise all in-the-money options unless notice to cancel automatic exercise is given to the Clearing House.

Notice to cancel automatic exercise shall be given to the Clearing House at such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading except that such notice may be given to the Clearing House prior to ten o'clock (10:00) a.m. Central Time on the expiration date:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled Exchange option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time as determined by the Clearing House Committee (see [Res. 2101.00.C.](#)) on the last day of trading.