



MEMO

TO: MGEX Clearing Members

FROM: MGEX Clearing House

DATE: May 14, 2018

SUBJECT: MGEX Guaranty Fund Collateral Changes

Effective May 21, 2018, MGEX Clearing Members will be allowed to post U.S. Treasury Bills as collateral to meet a portion of their required guaranty fund deposits. Specifically, U.S cash deposits will be required to cover 75%, while U.S. Treasury Bills may be used to cover 25% of each Clearing Member's guaranty fund requirement. While Clearing Members may post U.S. Treasury Bills in any dollar amount, MGEX will only allocate 25% of the Clearing Member's guaranty fund requirement (less market pricing, haircuts and rounding), against any U.S Treasury Bills posted with MGEX.

In the event that a Clearing Member's total value of security deposit collateral is less than their security deposit requirement, MGEX will require the Clearing Member to post additional collateral, to meet such requirement, same day as notice.

BMO Harris Bank, N.A. will be the custodian for non-cash collateral posted by Clearing Members to satisfy security deposit obligations. Please find attached Annex A ("MGEX Safekeeping Trade Directive"), which has been updated to include MGEX's safekeeping Security Deposit account information.

Should you have any questions concerning this notice, please contact Justin Rosett at (612) 321-7123 (jrosett@mgex.com) or Ryan Haeg at (612) 321-7124 (rhaeg@mgex.com).

**Attn: Minneapolis Grain Exchange**

Phone: 612-321-7146

Email: clearing@mgex.com,rstenseth@mgex.com, gsimons@mgex.com,rhaeg@mgex.com, jrosett@mgex.com,ksass@mgex.com, pmckinney@mgex.comDate:Time:MGEX's BMO Harris Account Name & Number (check a box) for BK OF NYC/HARCUS:

- Minneapolis Grain Exchange Inc. Margin Account (House): 1013027591
- Minneapolis Grain Exchange Inc. Segregated Customer Margin Account: 1013027602
- Minneapolis Grain Security Deposit Account: 1013034137

Par Amount:CUSIP:Maturity Date:Fed Free Deliver/Receive (check a box):

- Fed Free Deliver to MGEX
- Fed Free Receive from MGEX

*Counterparty Details*Settlement Location:Counterparty Name:Counterparty ID:ABA #:Clearing Member Account Name:Clearing Member Account number:*Clearing Member Representative*Name:Phone Number:Email address:*BMO Harris Bank Contact Information*Email address: InvOps-FL@bmo.comToll-free Number: 866-689-1366

* Clearing Members must email this trade directive information to clearing@mgex.com . Please submit this trade directive between the hours of 8AM and 11AM CST.