



National Grain and Feed Association

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AMENDMENTS RATIFIED BY THE MEMBERSHIP

In accordance with NGFA's Bylaws, Active and Affiliated Association members voted by electronic ballot to ratify amendments to NGFA's Bylaws, Rail Arbitration Rules and Trade Rules.

Bylaws Amendments

Amendments to the NGFA Bylaws were approved by the NGFA Board of Directors and proposed to the NGFA Membership for ratification to clarify 1) the election of NGFA directors and officers may occur electronically and separately from the annual business meeting; and 2) the annual business meeting for its other purposes may be conducted virtually.

These ratified amendments are as follows *[additions underlined/deletions stricken-through]*:

Article IV. Membership Meetings and Action

Section A. Annual Meeting: The annual meeting of the Members of this corporation for the election and appointment of officers and directors, for a presentation on the activities and financial condition of the corporation by the President and Treasurer of the corporation, and for such other business as may properly come before the meeting, shall be held in a manner and at such place, date and time as may be determined by the corporation. ...

Section C. Notice of Meetings: Written notice, stating the manner, place, date, and time of the meeting shall be mailed or distributed by electronic means not less than 10 days nor more than 40 days before the date of the meeting to each Member qualified to vote. Notice of an annual meeting must include a description of any matter(s) to be considered at the meeting for which the Act requires Member approval. Notice of a special meeting must include a description of all matters for which the meeting is called.

Article VI. Board of Directors

Section D. Board Composition, Election, and Terms of Office: ...

(2) Appointed Directors: Each Affiliated Association Member shall be eligible to appoint one director ("Appointed Directors") provided that each such appointee satisfies the requirements as specified in Section C of this Article, and provided that each Affiliated Association Member meets the requirements as fixed by the Board with respect to the right to make such appointment. ~~The Affiliated Association Member shall provide notice of such appointment at least ten (10) days prior to the annual meeting of Members.~~ Each Appointed Director shall serve at the discretion of the Affiliated Association Member that appointed such Appointed Director.

Section E. Regular Meetings: A regular meeting of the Board shall be held following the election of the Board ~~at the annual meeting of~~ by the Members, and no additional notice of the Board meeting shall be required. The Board may designate or provide by resolution the time and place for holding other regular meetings, without additional notice.

Section L. Vacancies: Any vacancy occurring in the Board because of the death, resignation, or disqualification of an Elected Director, may be filled by the appointment of a new director by the Chairman for the unexpired term. Any vacancy occurring in the Board because of an increase in the number of elected directors may be filled by appointment by the Chairman; such directors so appointed shall serve until the next annual election by ~~meeting of~~ the Members. Any vacancy occurring on the Board because of the death, resignation, or disqualification of an Appointed Director shall be filled by the Affiliated Association originally appointing said Appointed Director.

Article VII. Officers

Section C. Appointment of Certain Officers; Terms of Office: The President, the Secretary, and the Treasurer shall be appointed by the Board at the regular meeting of the Board following the annual election of the Board by meeting of the Members, and if not so appointed, then said officers shall be appointed by the Executive Committee. The Board and the Executive Committee have the right to appoint said officers for a period of more than one year but not more than three years.

Article IX. Committees

Section B. Arbitration Appeals Panel: (1) ~~Within 30 days following the close of the annual meeting of the Members,~~ The Chairman of the corporation shall appoint 12 persons who are officers, partners or employees of Members eligible to arbitrate disputes before the corporation, who shall serve ~~until the date of the next annual meeting,~~ as members of the arbitration appeals panel. The Chairman of the corporation shall also appoint from this panel a permanent chairman of the arbitration appeals panel.

Section C. Nominations Committee: At least ten days prior to the election of the Board ~~any annual meeting of the Members,~~ the Chairman of the corporation shall appoint a Nominations Committee, whose duty it shall be to recommend to the membership ~~at the annual meeting~~ the names of persons to be elected to office. The Chairman of the corporation shall designate one individual to serve as chair of the Committee.

Section D. Trade Rules Committee: The Chairman of the corporation shall appoint thirteen or more persons to serve on a Trade Rules Committee: at least three as a subcommittee on feed rules, at least three as a subcommittee on grain rules, at least three as a subcommittee on barge rules, at least three as a subcommittee on barge freight trading rules, and one as a chairman. It shall be the duty of this Committee to consider the Trade Rules, and proposals for changes in or additions to such Trade Rules, and to report its recommendations to the membership ~~at the annual meeting~~ or to the Board.

Article XVI. Amendments

Section A: These Bylaws, the Trade Rules and the Arbitration Rules may be amended (1) by a two-thirds vote of the Members ~~present at any annual meeting at in~~ which a quorum participates is present; or (2) by a two-thirds vote of the Board ~~present at a meeting at in~~ which a quorum participates is present, subject to ratification by two-thirds of the Members ~~present at the next annual meeting at in~~ which a quorum participates is present. Any amendments to be proposed to the membership at an annual meeting shall be sent in writing to each Member entitled to vote at least 30 days prior to such annual meeting.

Rail Arbitration Rules Amendments

Amendments to the Rail Arbitration Rules were approved by the NGFA Board and proposed to the membership for ratification based upon the recommendation of the Rail Arbitration Rules Committee to increase the pre-occurrence damages cap for cases under the rules from \$400,000 to \$600,000.

These ratified amendments are as follows [*additions underlined/deletions stricken-through*]:

Rail Arbitration Rule 2. Matters to be Arbitrated

(F) A party shall not be obligated to arbitrate claims seeking more than \$600,000 ~~\$400,000~~ per occurrence, exclusive of interest and legal costs. ...

Trade Rules Amendments

Amendments to the Trade Rules were approved by the NGFA Board and proposed to the membership for ratification based upon recommendations by the NGFA Trade Rules Committee:

▪ **Degenderizing of the rules**

The Trade Rules Committee completed a comprehensive review of the rules to remove gender-specific terms and references (i.e., he/him/his). The committee's recommended amendments impacted each subset of the Trade Rules (Grain Trade Rules, Feed Trade Rules, Barge Trade Rules, Barge Freight Trading Rules, Secondary Rail Freight Trading Rules).

▪ **Secondary Rail Freight Trading Rules – open outcry; business day**

Based upon the findings of the task force that monitors this subset of the rules, the Trade Rules Committee concluded that references to "open outcry" sessions at the CBOT and "normal" business days and "full" sessions versus "partial" business days and sessions were outdated. The committee also recommended that Secondary Rail Freight Trading Rules 6 and 12 be consistent with the terms in Grain Trade Rule 30(A) and Feed Trade Rule 28(A).

The ratified amendments to the Trade Rules are as follows [*additions underlined/deletions stricken-through*]:

Grain Trade Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

(1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price (Therefore, a commission merchant to whom grain is consigned for sale is not a broker.)

(2) who receives a salary instead of a commission or brokerage.

(3) who acts for one principal to the exclusion of all others.

(C) A broker has the power to bind ~~his~~ the principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages ...

Rule 8. Sample Grain ...

Shipments rejected because of quality discrepancies shall be compared with the sale sample by either the inspection committee or some other duly authorized or agreed committee of the market in which such rejection is made, and the finding of said committee shall be final. If the finding is in favor of the Buyer, the Buyer shall at once notify the Seller by telephone. It shall then be the duty of the Seller to make satisfactory adjustment with the Buyer not later than 12 p.m. of the following business day. If not adjusted within this time frame, the shipment shall be subject to the order of the Seller and the Buyer shall buy-in for the account of the Seller, cancel, or extend the defaulted contract and notify the Seller of ~~his~~ the Buyer's action. ...

Rule 12. Grades Outside of Contract Terms

(A) Rail Shipments ...

(2) Origin Grades

Grain that is sold for delivery, origin inspection, shall be covered by an inspection certificate of the grade contracted. If the Seller wishes to apply grain that is not in accordance with the contract specifications, ~~he~~ the Seller shall notify the Buyer by rapid written communication, or by telephone confirmed by subsequent written communication. The Buyer shall immediately notify the Seller if ~~he~~ the Buyer will accept the grain and at what discount. ...

Rule 13. Condition Guaranteed on Arrival of Rail Cars

(A) ...

If the Buyer fails to ascertain and report the condition and official grade as provided above, ~~he~~ the Buyer shall waive all rights under the guarantee for that portion of the contract. Diversion of the shipment by the Buyer to a point beyond the original destination shall constitute an acceptance of the grain and a waiver of the guarantee. ...

(C) ...

If the Buyer is unable to unload, recondition and salvage the grain as requested by the Seller, ~~he~~ the Buyer shall immediately notify the Seller of this fact. The Seller shall then dispose of the shipment. The Buyer shall then elect either to cancel the affected portion of the contract or request a replacement shipment. ...

Rule 15. Rail Weight Settlements ...

(D) ...

For rail grain which is unloaded at export terminals, the unloading Buyer shall notify the original shipper or, at shipper's option, ~~his~~ the shipper's designated agent of the final unload weights by telephone or rapid written communication within two (2) business days of unload. The unloading Buyer shall send the original weight certificate or duplicate copy thereof to the original shipper or designated agent within five (5) business days of unload, accompanied by a statement covering the cost of weighing charges. The original shipper or designated agent shall make final settlement with the original weight certificate or duplicate copy. All invoices are due and payable upon presentation....

Rule 19. Routing of Rail Grain

(A) Grain that is sold delivered shall be deliverable via any railroad at the discretion of the Seller, unless otherwise agreed at the time of sale. If such shipments are routed by the Buyer, the carrier becomes the Buyer's agent, and the Seller's liability for routing ceases when ~~he~~ the Seller furnishes bill of lading in accordance with the Buyer's instructions.

Rule 21. Drafts

(A) **Margins**

If sales are made on destination terms, the Seller shall leave ample margin in ~~his~~ the Seller's drafts to provide for possible variations in weights, grades or other quality factors.

(B) **Overdrafts**

If an overdraft has been made on a grain shipment, and has been discovered before the draft is paid, the Buyer shall elect either to pay the overdraft for account of the Seller, or to request the Seller to reduce ~~his~~ the Seller's draft to the proper amount.

If the Buyer elects to pay the overdraft for account of the Seller, or if drafts are paid and an overdraft is not discovered until final accounting is rendered, the Seller shall reimburse the Buyer on demand for the full amount of said overdrafts.

Rule 22. Payment That Is Conditioned on Presentation of Original Drafts and/or Invoices

...

Sight drafts or invoices are subject to payment on presentation to the Buyer or ~~his~~ the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, and/or delivery order and, if applicable, original weight and inspection certificate(s).

Rule 26. Contracts Made Subject to "Embargoes," "Strikes" or "Cars" ...

(E) It shall be the duty of the Seller to notify the Buyer by rapid written communication, or by telephone confirmed by subsequent written communication, on or before the expiration of the contract, of ~~his~~ the Seller's inability to make the shipment or delivery within the contractual specifications. If the Seller fails to notify the Buyer as above, the embargo, strike and/or car clause shall be void.

Rule 28. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~ the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then, at once elect either to: ...

If the Seller fails to notify the Buyer of ~~his~~ the Seller's inability to complete ~~his~~ the contract, as provided above, the liability of the Seller shall continue until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. In such case it shall then be the duty of the Buyer, after giving notice to the Seller to complete the contract, at once to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~ the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then, at once elect either to: ...

If the Buyer fails to notify the Seller of ~~his~~ the Buyer's inability to complete ~~his~~ the contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...

Feed Trade Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

(1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price. (Therefore, a commission merchant to whom feed is consigned for sale is not a broker.)

(2) who receives a salary instead of a commission or brokerage.

(3) who acts for one principal to the exclusion of all others.

(C) A broker has the power to bind ~~his~~ the principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages. ...

Rule 9. Routing of Rail Feed

(A) Feed that is sold delivered shall be deliverable via any railroad at the discretion of the Seller. If such shipments are routed by the Buyer, the carrier becomes the Buyer's agent, and the Seller's liability for routing ceases when ~~he~~ the Seller furnishes bill of lading in accordance with the Buyer's instructions. ...

Rule 14. Rail Demurrage and/or Additional Charges

The Seller shall be liable for any demurrage and/or additional charges accruing on feed billed to "shipper's order" or "delivery order" when such charges can be shown to have accrued by reason of the inability of the Buyer, through act of the Seller or ~~his~~ the Seller's agent, to get possession of the bill of lading and/or other documents necessary to furnish disposition and also providing Buyer notifies Seller on date of arrival that such documents are unavailable to Buyer.

Rule 17. Condition Guaranteed Upon Arrival ...

(C) ...

If the Buyer is unable to handle as requested, it shall be ~~his~~ the Buyer's duty to notify the Seller of this fact at the time ~~he~~ the Buyer notifies the Seller of the shipment's condition and the Seller shall dispose of the shipment and shall, at the Buyer's option, either cancel the affected portion of the contract or make a replacement shipment. ...

Rule 19. Default on the Shipping Schedule and/or the Contract Shipping Period

(A) Default by the Seller: When the Seller finds ~~that he is~~ the Seller to be in default on the shipping schedule, and/or the contract shipping period, ~~he~~ the Seller shall notify the Buyer at once by telephone confirmed by subsequent written communication.

Upon receipt of such notice, the Buyer shall, within twenty-four (24) hours thereafter, advise the Seller by telephone confirmed by subsequent written communication which of the following options ~~he~~ the Buyer elects to exercise: ...

If the Seller fails to notify the Buyer of ~~his~~ the Seller's default, the liability remains in force until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. The Buyer shall notify the Seller at once by telephone confirmed by subsequent written communication and within twenty-four (24) hours thereafter, advise the Seller by telephone confirmed by subsequent written communication, which of the options (1) or (2) or (3) above ~~he~~ the Buyer elects to exercise.

If the Seller defaults on the contract, ~~he~~ the Seller is liable for all reasonable costs and expenses as shall have been incurred to and including the day the Buyer elects one of the three options.

(B) Default by the Buyer: When the Buyer finds ~~that he is~~ the Buyer to be in default on the shipping schedule and/or the contract shipping period, ~~he~~ the Buyer shall notify the Seller at once by telephone confirmed by subsequent written communication.

Upon receipt of such notice, the Seller shall, within twenty-four (24) hours thereafter, advise the Buyer by telephone confirmed by subsequent written communication which of the following options ~~he~~ the Seller elects to exercise: ...

If the Buyer fails to notify the Seller of ~~his~~ the Buyer's default, the liability remains in force until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. The Seller shall notify the Buyer at once by telephone confirmed by subsequent written communication and within twenty-four (24) hours thereafter, advise the Buyer by telephone confirmed by subsequent written communication which of the options (1) or (2) or (3) above ~~he~~ the Seller elects to exercise.

If the Buyer defaults on the contract ~~he~~, the Buyer shall be liable for all the reasonable costs and expenses as shall have been incurred to and including the day the Seller elects one of the three options.

Rule 25. Drafts

(A) Margins

If sales are made on destination terms, the Seller shall leave ample margin in ~~his~~ the Seller's drafts to provide for possible variations in weights, grades or other quality factors.

(B) Overdrafts

If an overdraft has been made on a feed shipment, and has been discovered before the draft is paid, the Buyer shall elect either to pay the overdraft for account of the Seller, or to request the Seller to reduce ~~his~~ the Seller's draft to the proper amount. ...

Rule 26. Payment That Is Conditioned on Presentation of Original Drafts and/or Invoices

...

Sight drafts or invoices are subject to payment on presentation to the Buyer or ~~his~~ the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, and/or delivery order and, if applicable, original weight and inspection certificate(s).

Barge Trade Rules

Rule 6. Weights ...

(F) In the event any portion of the barge cargo is not unloaded at the receiving elevator or at the receiving point, the unloading Buyer must notify ~~his~~ the Seller and the shipper within twenty-four (24) hours, or as soon thereafter as practicable.

Rule 12. Payment of Original Drafts and/or Invoices

Sight drafts or invoices are subject to payment on presentation to the Buyer or ~~his~~ the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, a certificate of cargo insurance where applicable, and any other loading documents required by the contract.

Drafting or invoicing may be made with the type of inspection certificate stipulated in the contract. If a federal appeal inspection was requested and the federal appeal inspection does not meet the requirements of the contract, the Buyer may reject the application. If the Buyer has not paid the draft or invoice, ~~he~~ the Buyer may reject it. If the Buyer has paid the draft or invoice, the Seller shall reimburse the Buyer on demand for the full amount paid on the draft or invoice.

Barge Freight Trading Rules

Rule 3. Brokers ...

- (B) A person, firm, or electronic trading platform is not a broker:
- (1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price. ...
 - (C) A broker has the power to bind ~~his~~ principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.
 - (D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages. ...

Rule 10. Release Instructions ...

- (B) Notice of Release after Unloading:
- (1) The Consignee or ~~his~~ the Consignee's agent shall give the Barge Operator or ~~his~~ the Barge Operator's agent notice of release by telephone, confirmed to the Barge Operator in writing by the end of the next business day, when a barge is unloaded and ready to be picked up. In order to release a barge as of 0700 hours the barge must be unloaded prior to 0700 hours and notice of release be given by 1100 hours.
 - (2) For Saturday, Sunday and legal holiday unloading, barges shall not be considered to be released unless:
 - (a) the Consignee or ~~his~~ the Consignee's agent gives the Barge Operator or ~~his~~ the Barge Operator's agent pre-advice on the preceding business day, or
 - (b) the Consignee or ~~his~~ the Consignee's agent contacts the Barge Operator or ~~his~~ the Barge Operator's agent by telephone on a Saturday, Sunday or legal holiday and releases the barge(s) by 1100 hours that day, confirmed to the Barge Operator in writing by the end of the next business day.

Rule 14. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~ the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then at once elect to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~ the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then at once elect to: ...

If the Buyer fails to notify the Seller of ~~his~~-the Buyer's inability to complete ~~his~~-the contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...

Secondary Rail Freight Trading Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

(1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price. ...

(C) A broker has the power to bind ~~his~~ principals only to the extent of ~~his~~-the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds ~~his~~-the broker's authority is liable for any resulting damages. ...

Rule 9. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~-the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~-the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then, at once elect either to: ...

If the Seller fails to notify the Buyer of ~~his~~-the Seller's inability to complete ~~his~~-the contract, as provided above, the liability of the Seller shall continue until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. In such case it shall then be the duty of the Buyer, after giving notice to the Seller to complete the contract, at once to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~-the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~-the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then, at once elect either to: ...

If the Buyer fails to notify the Seller of ~~his~~-the Buyer's inability to complete ~~his~~-the contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...

Secondary Rail Freight Trading Rules Amendments – open outcry; business day

Rule 12. Definitions

(A) Business Day

~~(1) For the purpose of these rules, a "normal business day" shall be defined as the hours from 8 a.m. to 5 p.m. in Chicago, Illinois, USA excluding Saturday, Sunday and legal holidays when the Chicago Board of Trade open outcry as a full session.~~

~~(2) A "partial business day" shall be defined as the hours from 8 a.m. to 12 p.m. in Chicago, Illinois, USA, excluding Saturday, Sunday and legal holidays when the Chicago Board of Trade open outcry has a partial session.~~

~~(3) Wherever the term "holiday" or "legal holiday" appears in these rules, or in a contract, it shall mean those scheduled holidays observed by the Chicago Board of Trade, Chicago, Illinois, USA.~~

For the purpose of these rules, a "business day" shall be defined as the hours from 8 a.m. to 5 p.m. in Chicago, Illinois, USA excluding Saturday, Sunday and legal holidays. Wherever the term "holiday" or "legal holiday" appears in these rules, or in a contract, it shall mean those scheduled holidays observed by the Chicago Board of Trade, Chicago, Illinois, USA.

Rule 6. Advice of Schedules ...

(B) Application Process for Non-Shuttle Freight:

(1) The Buyer, by verbal communication, shall furnish car placement order information to the Seller no later than: 2 p.m.

~~(a) 2 p.m. on normal business days.~~

~~(b) 12 p.m. on partial business days.~~

~~(c) 2 p.m. on order deadline day.~~