

CORN PLUS

Summary of Corn Delivery Program for FY2016

1. **New UMDA.** The new Board-approved Uniform Marketing and Delivery Agreement (UMDA) is being sent out to members and bondholders in July 2015, and will be posted on the membership section of the CORN PLUS website.
2. **Open 12-month Delivery Period.** The new UMDA provides for an open, 12-month delivery period to coincide with our fiscal year (October 1 – September 30 of following year). Under the new UMDA open, 12-month delivery system:
 - There will be no trimester delivery schedules or average trimester pricing;
 - Members market their corn to CORN PLUS when they want and how they want, by contracting to deliver and sell corn to CORN PLUS through our authorized procurement agent Sitos Grain;
 - The price you receive for your corn that you market to CORN PLUS is the contract price that you agree to with Sitos Grain;
 - All corn sold and delivered to our authorized procurement agent Sitos Grain at the Ethanol Plant during the 12-month delivery period will be applied to your corn commitment for that 12-month delivery period.
 - You are also eligible for additional payments on the committed corn delivered by you or on your behalf through the pool in accordance with the CORN PLUS Articles and Bylaws. See UMDA Paragraph 8.b and 8.d.
3. **Automatic Pool Enrollment.** If you do not deliver corn to CORN PLUS during the 12-month delivery period, you are *automatically* in the pool for the delivery period; there is no additional paperwork, up-front payment, etc. to be placed in the pool. If you have not delivered your committed bushels by the end of the 12-month delivery period, the company will assess and invoice you a per bushel pool fee on all undelivered committed bushels. Charging this administrative fee or “pool” fee is provided for in the second paragraph of UMDA Paragraph 2 when a member does not deliver its committed corn.
4. **Pool Fee Cannot Exceed 1 cent per Committed Bushel.** The pool fee may not *exceed* 1 cent per committed bushel without the consent of the member; this means that the Board or the members cannot increase the pool fee above 1 cent per share without *your* consent. See UMDA paragraphs 8.e and 23.
5. **Committed Bushels.** Under the UMDA, the Board establishes the per share corn commitment annually, based on the number of shares outstanding and the estimated need for corn to be marketed and processed by CP for the upcoming year. See UMDA Paragraph 2. The committed number of bushels may not exceed one (1) bushel per share. Because we sold the bonds with the conversion feature, the Board will not know the number of shares outstanding for the upcoming fiscal year and processing period until mid-September. *Members will be notified of the per share corn commitment for FY16 in late September 2015, once the first conversion period for bondholders has ended.* Because we currently have 17,678,500 shares outstanding and do not expect to grind that many bushels in the upcoming fiscal year, the corn commitment will be less than one bushel per share. Example: 14,150,000 bushels expected to be ground divided by

17,678,500 shares outstanding would equate to a corn commitment of .80 bushels per share. Assuming corn commitment of .80 bushels per share, then 10,000 shares = 8,000 committed bushels.

6. **Freight.** Under UMDA Paragraph 8.c., the Board, under policies of uniform application, *may* establish transportation allowances to be paid to Members for *actual* delivery of committed bushels. Transportation allowances on bushels delivered through the pool will not be entitled or eligible to receive transportation allowances/freight payments.
7. **FY 2016 Pool Fee.** For fiscal year 2016, the Board has established the pool fee at 1 cent (\$.01) *per committed bushel* (not per share). Example: for a member with a corn commitment of 8,000 bushels who did not physically delivery any of his corn commitment to the Ethanol Plant, the member would be assessed a pool fee on the last day of the fiscal year of \$80. Pool fees will invoiced following the close of the fiscal year, provided that the pool fee must be paid at time of transfer for members who sell shares during the fiscal year and who have not delivered their committed bushels with respect to those shares.
8. **No FY 2016 Freight Allowances.** For fiscal year 2016, the Board has not established freight allowances. No freight will be paid to members on delivery of committed bushels to CORN PLUS for fiscal year 2016.
9. **Entry into Marketing Agreement Required.** Under our Articles, entering into a uniform marketing agreement is a condition to membership at CORN PLUS. All members must sign and return the UMDA Signature Page to evidence their agreement to the new UMDA by September 30, 2015. The new UMDA will replace and supersede the old delivery agreement.
10. **Failure to Enter into New UMDA.** For members who do not sign and return the UMDA Signature Page by September 30, 2015 (and thus remain covered under the old corn sale and delivery agreement), the Board has not and will not allow or provide for pool delivery of your committed bushels under the old agreement. You will be required to deliver your committed bushels on a trimester basis and will receive average trimester pricing, per terms of the old agreement. The automatic pool only applies to those Members who have entered into and signed the new UMDA.
11. **Important Notice.** This summary only highlights selected provision of the new Uniform Marketing and Delivery Agreement or Board policies adopted for the FY2016 Corn Delivery Program, may not contain all of the information that is important to you, and does not modify, amend or alter the terms, conditions or provisions of the Uniform Marketing and Delivery Agreement (“UMDA”) or our Articles and Bylaws. We urge you to read the entire Uniform Marketing and Delivery Agreement and the CORN PLUS Articles and Bylaws carefully in order to understand your membership in CORN PLUS and your delivery obligations.
12. **UMDA, Articles, Bylaws Control.** In the event of any conflict between this summary and the UMDA or our Articles and Bylaws, the UMDA, Articles, and Bylaws shall control.

Approved by CORN PLUS Board of Directors
July 2015