

**GOLDEN GROWERS COOPERATIVE
TRADING SERVICE OPERATIONAL MANUAL
EFFECTIVE: August 27, 2013**

I. Purpose and Overview

Pursuant to the Trading Service Agreement dated effective as of September 1, 2009, incorporated by reference to this Operational Manual, Golden Growers Cooperative (“Golden Growers”) and FNC Ag Stock, LLC (“FNC”), and all buyers and sellers utilizing the Trading Service, hereby agree to the following rules and procedures for the trading of membership units in Golden Growers (the “Units”), and delivery of all necessary agreements and documents for the effective trading and transfer of Units.

Golden Growers must limit trading to preserve its favorable pass-through tax status. As a result, members will generally only be allowed to sell their Units through the Trading Service. Transfers that are not made through the Trading Service will be null and void, unless they are private transfers as defined by applicable IRS Regulations.

Brokers and dealers may not use the Trading Service to purchase or sell Units for the accounts of others.

There is no charge to buyers or sellers to register or post Units on the Trading Service; however, sellers will be charged a commission for completed transactions which is described below. Interested buyers and sellers should carefully read and follow the instructions provided below.

II. Terms and Conditions of Use

1. Golden Growers is not listed on a national securities exchange or other regulated securities market.
2. The information set forth on the Trading Service does not consist of firm quotes, but rather merely lists the names, addresses and telephone numbers of interested sellers and buyers, the number of units offered or desired to be purchased, and the price at which the proposed transaction would occur. Golden Growers will not assure that any particular transaction will occur as to any particular number of units or at any particular price. All the transactions must be executed independent of Golden Growers or any of its affiliates.
3. This Manual may be revised from time to time at the discretion of Golden Growers and in coordination with FNC. The most current version of the Manual will always be available on Golden Growers' website, upon request to Golden Growers or by link on www.fncagstock.com.
4. Buyers and sellers should confirm that they are referring to the most current version of this Manual when using the Trading Service.
5. All applicable state and federal securities laws, including registration requirements, apply to any offer made or transaction consummated using the Trading Service.
6. “Two-sided quotes” in which a person indicates a bid to buy at one price and an offer to sell at another price are prohibited.

7. Any person that is a broker-dealer or an associated person of a broker-dealer or who has a state securities license is responsible for identifying that fact.
8. By accessing the service, the buyer and seller of the units agree to fully indemnify, defend and hold harmless Golden Growers and its directors, employees, agents and members from any and all claims arising out of or related to transactions including Units appearing on the Trading Service.
9. The Units appearing on the Trading Service are illiquid and inherently risky. Therefore, a prospective buyer must understand that he/she/it must be able to withstand the total loss of the value of the Units.
10. The Units listed on the Trading Service are not endorsed by any regulatory authority. Any representation to the contrary is a criminal offense.
11. The appearance of Units on the Trading Service does not constitute an offer to sell nor solicitation of an offer to buy securities by Golden Growers.

III. Trading Periods

Sellers may post offers to sell Units (also referred to as the “ask price”) and buyers may post offers to purchase Units (also referred to as the “bid price”) on the Trading Service during any business day of the year. Offers to sell will be matched with offers to purchase on a rolling, daily basis after an offer to sell has been posted for at least 15 days. Trades will be completed four times a year on the first day of each quarter beginning on January 1, April 1, July 1 and October 1. Trades will be coordinated upon final notification of approval by Golden Growers. All proposed transfers are subject to approval by the Board of Directors of Golden Growers in accordance with its Bylaws and transfer policies. The Board of Directors will consider transfer requests quarterly and any approved transfers will be effective on the first day of the calendar quarter following approval.

IV. General Rules and Procedures

1. Questions about the Trading Service. Questions regarding registration, buying and selling Units on the Trading Service should be directed to FNC as follows:
Telephone: (701) 780-2828
Fax: (701) 757-0889
Website: www.fncagstock.com
2. Questions about Golden Growers and Member Information. Questions regarding Golden Growers should be directed to Golden Growers as follows:
Telephone: (701) 281-0468
Fax: (701) 203-8411
E-mail: scotts@goldengrowers.com
Main Contact: Scott Stofferahn
3. Access to Offers to Sell or Purchase. Interested buyers and sellers may contact FNC for purposes of buying and selling Units as follows:
Telephone: (701) 780-2828
Physical FNC Ag Stock, LLC
Address: 4050 Garden View Drive, Suite 103
Grand Forks, ND 58201

Offers to sell or purchase Units shall be posted to the Trading Service only after the submission to FNC of a fully competed Listing Agreement. FNC shall provide information to interested parties concerning all offers to sell or purchase Units posted to the Trading Service as of the day of the inquiry. FNC shall provide such information, either orally or in writing, within a reasonable period of time following such request.

4. Non-firm Quotes. All offers to sell and purchase Units posted to the Trading Service shall be considered non-firm, meaning they are not binding until a contract has been signed by the seller and the buyer.
5. Communication of Offers to Purchase and Sell. Offers to purchase and sell Units must be communicated to a registered representative of FNC by telephone or in person no later than 5:00 pm (Central Time) of any business day, or by 3:30 pm when oral bidding will be required pursuant to paragraph 10 below (matching orders rules). Communication to FNC of said offers by e-mail, voice mail, or otherwise is prohibited.
6. Increments. Offers to sell and offers to purchase Units must be made in whole unit increments and a purchase price per Unit in whole dollars and cents. No offer to sell or purchase of partial or fractionalized Units may be posted to the Trading Service.
7. Waiting Period. An offer to purchase Units may not be accepted by the seller prior to the 15th calendar day after the offer to sell is posted to the Trading Service.
8. Modification of Offers. An offer to sell may be modified by the seller at any time, subject however to the restriction that an offer to purchase cannot be accepted by a seller prior to the 15th calendar day after the modified offer to sell is posted to the Trading Service. Said modification shall not alter or extend the 120-day maximum period the Units can be posted for sale by the Trading Service. If FNC communicates an offer to a seller to purchase and the offer to purchase is at a bid price equal to or in excess of the seller's ask price, and if the seller declines to accept the offer to purchase for the bid price, seller shall either set a new ask price (non-firm) or request cancellation of the offer to sell. If the seller sets a new ask price (non-firm), the seller's ask price shall not be eligible for acceptance until the 15th day after which the modified offer is communicated to FNC and posted to the Trading Service.
9. Cancellation of Offers. Sellers may cancel an offer to sell Units at any time prior to his/her/its acceptance of an offer to purchase. All offers to purchase (bids) may be cancelled by contacting FNC by telephone or in writing at any time prior to an agreement for sale being reached by seller and buyer (communication of an offer and acceptance).
10. Matching Order Rules. Matching of offers to sell and offers to purchase shall be governed according to the following rules:
 - a) An offer to sell shall not be eligible for matching and acceptance with an offer to purchase prior to the 15th calendar day of said offer to sell being posted to the Trading Service.
 - b) For multiple offers to purchase, the offer to purchase with the highest bid price shall have the first opportunity for matching.
 - c) For multiple offers to purchase which are at or exceed an asking price eligible for matching and which are posted between the 1st and 15th calendar day after an offer to sell has been posted to the Trading Service, FNC shall make reasonable efforts to contact all such bidders at the end of the

day of the 15th calendar day, and inform them of the multiple bids, at which time each bidder will be allowed to submit one final bid.

- d) For multiple offers to sell, the offer to sell with the lowest asking price posted to the Trading Service shall have the first opportunity for matching.
 - e) For multiple sellers at the same asking price, the seller who posted the offer to sell ownership units first in time has priority. For multiple buyers at the same bid price, a buyer who posted an offer to purchase first in time has priority.
 - f) After price and time, precedence is given to the seller or buyer with the largest order.
 - g) If priority cannot be established by price, timing or order quantity a prevailing seller or buyer is selected at the discretion of FNC.
11. Closing Date; Purchase Price. Closing of the sale of Units, at which time the net proceeds will be forwarded to the seller, shall not take place prior to the date the transfer has been approved by Golden Growers. The purchase price for each sale shall be the price agreed upon by the buyer and seller as reflected in the contract to be entered into by buyer and seller. No closing may occur less than 45 days after the offer to sell is posted on the Trading Service.
 12. Removal. Offers to sell and offers to purchase may be posted to and listed on the Trading Service for a maximum of 120 days. Any offer to sell or purchase that has not been matched at the end of the 120 days shall be removed from the Trading Service.
 13. Eligibility for Future Posting. A seller whose offer to sell has not been matched within 120 days, and consequently has been removed from the Trading Service, will not be eligible to post a new offer to sell until 60 calendar days have expired from the date of the previous offer to sell was removed from the Trading Service. Buyers will be eligible to repost any offer to purchase immediately after it is removed.

V. Trading, Payment and Transfer Procedures

1. Placing Offers to Sell. To be eligible to sell Units, the seller and FNC must sign a Listing Agreement authorizing FNC to seek a buyer for Units. The Listing Agreement will specify and include the following:
 - Name, address, and telephone number of the interested seller, social security number, date of birth, occupation, and employer name and address;
 - Number of ownership Units offered for sale;
 - Price at which ownership Units are offered for sale;
 - Expiration date;
 - Listing date;
 - Responsibilities and obligations of seller and FNC;
 - Obligation of FNC to secure 100% of purchase price;
 - Sales commission rate and minimum commission.
2. Placing Offers to Purchase. Prospective buyers who desire to place an offer to purchase may contact FNC in person or by telephone. An offer to purchase may be made at the lowest listed asking price or any other price. Two-sided quotes in which a person indicates a bid to buy at one price and sell at another are prohibited.

3. Communication of Offer to Purchase to Seller. Once an offer to purchase is made that equals or exceeds the asking price of one or more listed offers for sale, the eligible offer to purchase is communicated to the seller having the lowest asking price for readily available Units in accordance with the matching order rules as described above. FNC will use reasonable efforts to contact eligible sellers; however, if FNC is unable to make contact with a seller within a reasonable time according to its best judgment, FNC will communicate said offer to the next eligible seller. After communication of an offer to purchase to seller, if an offer to purchase is at or above the posted asking price, seller has the option to accept or reject the offer to purchase.
4. Transfer Application.
 - a) Upon verbal agreement for sale between a buyer and seller, FNC will generate and send buyer a contract for sale, a Unit transfer request, and other documents required from time to time by Golden Growers.
 - b) Buyer shall be obligated to fully execute and return said contract for sale to FNC within 10 days of receipt, together with an earnest money deposit equal to 100% of the accepted purchase price (check made payable to FNC Ag Stock, LLC (“Escrow Agent”), an executed [Uniform Member Agreement](#), and an executed [Annual Delivery Agreement](#).
 - c) Upon receipt of the items described above, FNC will immediately deposit the earnest money into a non-interest bearing escrow account at FNC Ag Stock, LLC (“Escrow Agent”) and forward the contract for sale and [General Transfer Request Form](#) to the seller for signature.
 - d) Seller shall execute and return the contract for sale to FNC within ten (10) days of the date after receipt, together with an executed [General Transfer Request Form](#).
 - e) In the event the seller previously granted a lender a security interest in the Units, the seller shall provide proof of the lender’s consent to the sale and any related payoff instructions, at the time the contract for sale is returned to FNC. At the time of closing the Units must be free and clear of all liens and encumbrances.
 - f) Seller must complete yearly corn delivery obligations prior to a transfer being approved by the Golden Growers Board of Directors. Method A obligations must be delivered to the plant. Method B obligations require the seller to include the \$0.02/bushel agency fee to Golden Growers with required transfer documentation.
5. Notification. Upon receipt of the fully executed documents from the seller and funds from the buyer, FNC shall forward the contract for sale, the executed [Uniform Member Agreement](#), the executed [Annual Delivery Agreement](#), the executed [General Transfer Request Form](#) and other related documents, to Golden Growers. Golden Growers shall thereafter submit the proposed transfer to its Board of Directors for consideration and notify FNC when the proposed transfer has been approved or denied by the Board of Directors.
6. Closing of Sale. If the transfer is approved by the Board of Directors of Golden Growers, FNC shall direct the Escrow Agent to transfer the sale proceeds (purchase price minus commission) to the seller on the closing date (see below). On or shortly following the closing date, Golden Growers will notify the seller and buyer that the transfer has been completed. If any liens or restrictions on the Units prevent the consummation of the sale, FNC shall direct the Escrow Agent to refund the entire amount deposited to the buyer within ten (10) business days of receipt of notification of such determination.
7. FNC’s Commission. Prior to the Escrow Agent’s transfer of the sale proceeds to the seller, the Escrow Agent shall deduct an amount representing the sales’ commission and transfer such commission to FNC. The commission will be Three Percent (3%) of the purchase price of the Units, but in no event less than Two Hundred Fifty Dollars (\$250.00) or more than Seven Thousand Five Hundred Dollars

(\$7,500.00). In the event the transfer fails to close due to the actions of the Seller or the Seller's failure to remove liens or encumbrances, the commission shall nevertheless be due to FNC. In the event the transfer fails to close due to the actions of the Buyer, or the failure of Golden Growers to approve the transfer, then no commission shall be due to FNC.

8. Trade Closing Date. All sales and transfers shall be closed effective as of the first day of the calendar quarter following the transfer approved by Golden Growers; provided that such closing may not occur within less than 45 days following the listing of the Units with the Trading Service.
9. Limitation on Transfers. No more than 10% of Golden Growers' outstanding Units may be traded through the Trading Service in any calendar year. If the 10% limit is reached, no further trading will be permitted until the next calendar year. Transfer requests will be handled by Golden Growers on a first come first served basis.