



## GLACIAL LAKES CORN PROCESSORS

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PHONE: 605-882-8480 • FAX: 605-882-8982

June 11, 2020

Dear Valued Shareholder:

You are likely aware that one of the benefits of your ownership in Glacial Lakes Corn Processors (GLCP) is a freight incentive to deliver your committed bushels to one of our four locations (Watertown, Mina, Aberdeen, & Huron). As an added feature, the GLCP Board (Board) has, for some time, allowed third parties to deliver these bushels and receive the corresponding freight incentive. Over time, this feature grew well beyond the original intentions of the Board.

Recently, it was determined that the number of producers eligible to deliver under this arrangement should be limited. As a result, we have created a policy related not only to third party deliveries but to the delivery of membership bushels in general. The components of this policy, which went into effect on May 21, 2020, are set forth below:

- GLCP has established a freight incentive schedule for deliveries of committed bushels by its members.
- Freight incentives will be calculated and paid on member's committed bushels based upon a member's home farm address or point of origin of corn to the GLE facility at the time of delivery.
- Freight incentives will only be paid on deliveries related to the member's corn commitment. Bushels delivered in excess of the member's corn commitment will not be eligible for freight incentives.
- Deliveries made on a member's committed bushels by a third party will remain eligible for freight incentives under the parameters set forth in the GLCP Membership Freight policy.
- For purposes of the policy, and qualification for freight incentives, related parties of the member shall mean:
  - Spouse;
  - Parent (including step & in-laws);
  - Children (including step & adopted);
  - Grandparents (including step & in-laws)
  - Brothers and Sisters (including step, half & in-laws);
  - Nieces and Nephews;
  - Aunts and Uncles;
  - Members of a family farm, a family farm corporation or an authorized farm corporation member that is exempt from corporate farming restrictions under the SD corporate farming laws;
  - Nonprofit corporations that are engaged in farming and agricultural operations; and
  - Shareholders, investors, partners or other beneficial owners of non-individual memberships.

*(over)*

- Deliveries made on a member's committed bushels by non-related parties or commercial type entities such as elevators, licensed grain buyers, brokers, etc. will not be eligible for freight incentives.
- GLCP members will be required to identify and designate related parties in writing in order to comply with this policy. A Third-Party Delivery Form (attached) must be completed and on file designating the relationship or association by each third-party making deliveries. Until the aforementioned form is received, freight incentives cannot be paid.
- It is the responsibility of the member to notify GLE at the time of contracting for a third-party delivery in order for the delivery to be applied to their membership bushel commitment and to become eligible for freight incentives.
- Corn contracts will be issued in the member's name per the GLCP stock certificate and mailed to the corresponding address on file.
- Corn checks will be issued in the member's name followed by the third party's name. Lien holders for all parties will be included on the check. Payment will be mailed via US Post Office Mail unless other arrangements are made.
- GLCP reserves the right to accept or reject a member designation at its sole discretion.
- The Board reserves the right to review freight incentives and, at its sole discretion, eliminate, change, or modify, these benefits/programs either with or without notice.

We have also placed this policy and form on our website. If you have any questions, please contact our office at 605-882-8480 and ask for Penni or Marcy.

Sincerely,

**GLACIAL LAKES CORN PROCESSORS**

A handwritten signature in cursive script that reads "James A. Seurer".

James A. Seurer  
Chief Executive Officer