

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into on February 13, 2026, by and among the South Dakota Public Utilities Commission Staff ("Staff"); and The Scoular Company and Scoular Canada ULC, (collectively, "Scoular").

RECITALS

- A. Scoular is currently licensed to act as a grain buyer in the state of South Dakota for the 2025-2026 licensing year.
- B. On October 27, 2025, Staff received a 2025 audited consolidated financial statement from Scoular. The consolidated balance sheet exhibited financials not in compliance with ARSD § 20:10:12:15.
- C. SDCL § 49-45-25, requires a grain buyer to immediately notify the commission of the grain buyer's financial condition after becoming aware that the grain buyer is not in compliance with each financial standard, as set forth in administrative rule. This statute permits the Commission to assess a civil penalty of up to \$1,000 per day of violation, up to a maximum of \$20,000 per licensing period.
- D. Scoular failed to immediately notify the Commission of its non-compliant financial standards and was out of compliance for more than 20 days.
- E. Staff and Scoular believe a civil penalty of \$5,000 should be assessed against Scoular in resolution of this matter.
- F. Staff and Scoular acknowledge that they may have different reasoning for this agreed upon Settlement Agreement, and absent which, Staff could have filed a Complaint with the Commission and both Parties could have presented argument supporting their positions. This Settlement Agreement does not reflect the concession of any single issue, but a negotiated global agreement both Parties believe reasonable.
- G. Staff and Scoular desire to settle and compromise pursuant to the terms and conditions stated below.

NOW, THEREFORE, the parties agree as follows:

1. Scoular will pay to the Commission one, collective lump sum of five thousand dollars (\$5,000) (the "Payment") in full and final settlement of all claims asserted by the Commission related to the Action. The Payment shall be paid within thirty (30) days of receipt of a Commission order which approves this Settlement Agreement.
2. Except for claims arising under this Agreement, the parties, on behalf of themselves and all of their respective agents, employees, heirs, executors, administrators, officers, directors successors, assigns, guarantors and legal representatives, forever discharge and fully release one another, and all of their respective agents, employees, heirs, executors, administrators, officers, directors successors, assigns, guarantors and legal representatives, of and from all and any manner of action and causes of action, suits, debts, dues, accounts, covenants, contracts, agreements, judgments, claims, demands and liabilities whatsoever, in law or in equity, which against one another they ever had, now have or which their heirs, executors, administrators, legal representatives, successors or assigns or any of them hereafter can, shall or may have that are directly or indirectly related in any way to the Action.
3. The persons executing this Agreement warrant that (a) they have all necessary power and authority to enter into this Agreement, (b) all actions required to be taken to approve or authorize the execution and performance of this Agreement have been taken, and (c) the Agreement constitutes a valid and binding obligation enforceable in accordance with its terms.

4. This Agreement is governed by and construed according to the laws of the State of South Dakota. Exclusive jurisdiction and venue for the purposes of any litigation between or involving the parties will be in the state and federal courts located in South Dakota, and each party waives all claims that such a forum is inconvenient or that a more convenient forum can be found. This Agreement is the entire agreement between the parties and no prior or contemporaneous representation, promises, conditions, inducements, warranties, expressed or implied, oral or written, unless expressed herein, are binding or subsisting on the parties. All changes or amendments to this Agreement must be in writing and signed by the parties to be binding. This Agreement shall inure to the benefit of and shall be binding on the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns. This Agreement may be executed electronically, in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Recitals first stated above are true and incorporated by in this Agreement.

The parties have executed this Agreement on the date first stated above.

By South Dakota Public Utilities Commission:

Logan Schaeftbauer 03/02/2026
(Signature of Authorized Signer)

Logan Schaeftbauer
(Printed Name of Authorized Signer)

Staff Attorney - SDPUC
(Printed Title of Authorized Signer)

By The Scoular Company:

Andy Kenny
Andy Kenny (Feb 17, 2026 15:00:21 CST)
(Signature of Authorized Signer)

Andy Kenny
(Printed Name of Authorized Signer)

CFO
(Printed Title of Authorized Signer)

By Scoular Canada ULC:

Ron Bingham
Ron Bingham (Feb 17, 2026 21:43:44 CST)
(Signature of Authorized Signer)

Ron Bingham
(Printed Name of Authorized Signer)

President
(Printed Title of Authorized Signer)