

ADVANCED BIOENERGY, LLC
RELATED-PARTY TRANSACTION POLICY
(AS OF MARCH 16, 2012)

1. Transactions Subject to Policy

(a) This Related-Party Transaction Policy applies to any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which Advanced BioEnergy, LLC., its affiliates or subsidiaries (the “Company”) is a participant and in which a Related Party has a direct or indirect interest.

(b) In order for the transaction, arrangement or relationship to be subject to this policy, there must be a financial aspect to the transaction, which may, for example, involve payments between the Company and the Related Party or otherwise provide value to one of the parties.

2. Definitions

(a) “Related Party” includes:

- (i) all directors and executive officers of the Company;
- (ii) any nominee for director;
- (iii) any immediate family member of a director, nominee for director or executive officer of the Company; and
- (iv) any holder of more than five percent (5%) of the Company’s common stock, or an immediate family of such holder.

(b) “Immediate family members” include children, stepchildren, parents, stepparents, spouses, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and any other Party sharing a household (other than a tenant or employee).

(c) An “indirect” interest of a Related Party in a transaction includes a Related Party serving as an officer or employee of, or being a significant investor or equity holder in, an entity that is a party to a transaction with the Company.

3. Exemptions

(a) The following transactions are exempt from this policy:

- (i) payment of compensation by the Company to a Related Party for the Related Party’s service to the Company in the capacity or capacities that give rise to the person’s status as a “Related Party;” and
- (ii) transactions available to all employees or all unitholders of the Company on the same terms.

(iii) ordinary purchases and sales of commodities, including grain, between one of the Company subsidiaries and a producer or consumer at current market prices.

4. Approval of Related Party Transactions

(a) The Audit Committee of the Board of Directors of the Company (the “Committee”) must approve any Related-Party Transaction subject to this policy before commencement of the Related-Party Transaction.

(b) The Related-Party Transaction should be presented to the Committee by an executive officer of the Company requesting that the Committee consider the Related-Party Transaction at its next meeting.

5. Standards for Approval of Transactions

(a) The Committee will analyze the following factors, in addition to any other factors the Committee deems appropriate, in determining whether to approve a Related-Party Transaction:

- (i) whether the terms are fair to the Company;
- (ii) whether the transaction is material to the Company;
- (iii) the role the Related Party has played in arranging the Related-Party Transaction;
- (iv) the structure of the Related-Party Transaction; and
- (v) the interests of all Related Persons in the Related-Party Transaction.

(b) A Related-Party Transaction may be approved by the Committee only if the Committee determines that the Related-Party Transaction is beneficial to the Company and the terms of the Related-Party Transaction are fair to the Company.

6. Approval Process

(a) The Committee may, in its sole discretion, approve or deny any Related-Party Transaction.

(b) The Committee may condition Approval of a Related-Party Transaction upon the Company and the Related Party taking any or all of the following additional actions, or any other actions that the Committee deems appropriate:

- (i) requiring the Related Party to resign from, or change position within, an entity that is involved in the Related-Party Transaction with the Company;
- (ii) ensuring that the Related Party will not be directly involved in negotiating the terms of the Related-Party Transaction or in the ongoing relationship between the Company and the other persons or entities involved in the Related-Party Transaction;
- (iii) limiting the duration or magnitude of the Related-Party Transaction;

(iv) requiring that information about the Related-Party Transaction be documented and that reports reflecting the nature and amount of the Related-Party Transaction be delivered to the Committee on a regular basis;

(v) requiring that the Company have the right to terminate the Related-Party Transaction by giving a specified period of advance notice; or

(vi) appointing a Company representative to monitor various aspects of the Related-Party Transaction.