

# ADVANCED BIOENERGY, LLC

## Risk Management Committee Charter

*As Ratified on July 21, 2016*

### PURPOSES

The purpose of the Risk Management Committee (the "Committee") of the board of directors (the "Board") of Advanced BioEnergy LLC (the "Company") is to assist the Board in assessing and managing the risks associated with managing the Company's processing margin and the purchase and sale of commodities required in connection with or produced as a result of the Company's production of ethanol.

### ORGANIZATION AND COMPOSITION

The Committee shall consist of

- (a) the Vice President of Marketing and Risk Management of the Company;
- (c) the Chief Executive Officer of the Company;
- (d) two directors appointed by and serving indefinitely at the discretion of the Board; and
- (e) one director appointed by the Board who will serve a rotating term of twelve months. The director filling this rotational position shall not have been a member of the Committee in the preceding twelve months and may be removed and replaced prior to the end of the term at the discretion of the Board.

The Board shall designate one member to serve as Chairperson. The Chairperson shall be responsible for presiding over meetings and assisting in the preparation of meeting agendas.

The Committee shall work with the Executive Risk Management Subcommittee (the "Subcommittee") as provided herein. The Subcommittee shall consist of

- (a) the CEO of the Company;
- (b) the Vice President of Finance; and
- (c) the Vice President of Marketing and Risk Management of the Company.

The Committee shall have the authority to delegate any of its responsibilities to other subcommittees as the Committee deems appropriate.

### PRINCIPAL RESPONSIBILITIES

The principal responsibilities of the Committee shall be to

- (a) establish a credit policy for the sale of by-products to farmers and feeders and review the policy at least annually.
- (b) establish the Company's hedging, processing margin, open commodity position, and corollary commodities position policies.

- (c) designate limitations on the authority of the Subcommittee and individual officers to operate in accordance with the Company's hedging, processing margin, and open commodity position policies.
- (d) review and approve any proposed action that would otherwise violate the Company's hedging, processing margin, or open commodity position policies, or exceed the Subcommittee or officer's authority to operate in accordance with those policies.
- (e) review with the Board at least annually the Company's hedging, processing margin, open commodity position, and corollary commodities position policies to ensure that such policies are prudent in light of the Company's size and financial capacity.
- (f) appoint a member of the Committee who is also a member of the Board to receive and review trade confirmations.
- (g) regularly monitor the Company's compliance with its hedging, processing margin, open commodity position, and other risk management policies to obtain reasonable assurances from management that the Company's risk management policies are being adhered to.
- (h) provide to the Board at least once each fiscal quarter
  - (i) a summary and outlook of conditions in commodities, energy, and financial markets that influence operational risks confronting the Company, and
  - (ii) a statement that quantifies and summarizes the Company's open commodities, futures contract, hedged, and basis positions.
- (i) review and approve any request made by a member of the Subcommittee to establish a personal commodity trading account or to make any trades under such an account. Only Committee members who are also members of the Board shall have the authority to approve such requests.
- (j) review, consult with management, and make recommendations to the Board with respect to any other areas of special risk relating to the Company's operations.
- (k) review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.
- (l) annually perform a self-evaluation and an evaluation of the Subcommittee and report findings to the Board.
- (m) undertake such other responsibilities as may be delegated by the Board to the Committee from time to time.

The principal responsibilities of the Subcommittee shall be to

- (a) evaluate and regularly report to the Committee on conditions in commodities, energy, and financial markets that may influence operational and financial risks confronting the Company.

- (b) prepare a weekly report to provide to the Committee quantifying and commenting on the Company's open commodities, futures contract, hedged, and basis positions, and discussing such other information as may be helpful to the Committee.
- (c) review and make recommendations to the Committee with respect to any other areas of special risk relating to the Company's operations.
- (d) review and approve or disapprove the Company's engagement of any brokerage firm.
- (e) undertake such other responsibilities as may be delegated by the Committee to the Subcommittee from time to time.

#### **OUTSIDE ADVISERS AND SEARCH FIRMS**

The Committee shall have the authority to retain such outside counsel, experts, and other advisers as it determines appropriate to assist it in the full performance of its functions. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any outside counsel, experts and other advisers retained by the Committee.

#### **MEETINGS**

The Committee shall meet at least quarterly and the Subcommittee shall meet at least weekly. All meetings of the Committee and Subcommittee shall be held pursuant to the By-laws of the Company with regard to notice and waiver thereof, and written minutes of each Committee meeting shall be duly filed in the Company's corporate records. A majority of the members of the Committee or Subcommittee shall constitute a quorum, respectively.

#### **RESOURCES**

The Company shall provide the Committee and the Subcommittee the resources necessary to discharge the duties and responsibilities of each.