

**As Adopted: December 13, 2007**  
**Effective Date: January 1, 2008**

**BIODIESEL SHARES TRANSFER POLICY**  
**SOYMOR COOPERATIVE**

This Biodiesel Shares Transfer Policy has been adopted by the Board of Directors of SoyMor Cooperative (“SoyMor”) to regulate the orderly transfer of the Series 2 Class A Preferred Shares (“Biodiesel Shares”) of SoyMor.

**1. Controlling Documents.** Any transfers of a member’s Biodiesel Shares must comply with SoyMor's Articles of Organization and Bylaws, as amended from time to time. All transfers of Biodiesel Shares must be completed in accordance with this Transfer Policy, as amended from time to time by SoyMor's Board of Directors.

**2. Permitted Transfers.** Biodiesel Shares may only be transferred as follows:

**a. Private Transfers.** Transfers will be allowed among parties if the transfer qualifies as a “private transfer” under the Treasury Regulations set forth at 26 CFR § 1.7704-1(e) as set forth in the attached **Exhibit A**, as it may be amended from time to time.

**b. Trading Service.** Transfers will be allowed through our third-party trading service, which is owned, operated, and maintained by Variable Investment Advisors, Inc. d/b/a AgStockTrade.com, a broker-dealer registered with the NASD and in the state of Minnesota, Iowa, South Dakota (the “Trading Service”).

The Trading Service will be accessible through and by telephone, Internet or in person and will permit buyers and sellers to buy and sell Biodiesel Shares of SoyMor on a periodic basis pursuant to specific rules and procedures mutually agreed upon between SoyMor and the broker-dealer operating the Trading Service. The specific rules and procedures for buyers and sellers for posting or listing Biodiesel Shares for sale or purchase, matching offers to sell and offers to buy, and the timing, payment and delivery of funds and sale documents shall be as set forth in the Trading Service Operations Manual attached as **Exhibit B** hereto, as it may be amended from time to time.

Buying and selling Biodiesel Shares on the Trading Service will be subject to the approval of SoyMor’s Board of Directors. The Board of Directors will endeavor to restrict the sum of the Biodiesel Shares traded on or through the Trading Service during any calendar year to not more than 10% of SoyMor’s total issued and outstanding Biodiesel Shares. If the aggregate Biodiesel Shares to be transferred on the Trading Service submitted for approval in any year would exceed this 10% limit, then the Board of Directors will only approve transfers up to the amount of such limit, unless a compelling reason exists to deviate from this policy.

Buyers and Sellers of Biodiesel Shares may trade on or through the Trading Service only for their own account, and brokers and dealers are not allowed to trade Biodiesel Shares of SoyMor for the accounts of others.

**3. Ownership Requirements; Minimum Increments.** A person must transfer or acquire a sufficient number of Biodiesel Shares so that upon completion of the transfer, each transferee, and the transferor, if the transferor continues to own Biodiesel Shares, has at least 5,000 Biodiesel Shares. In addition, members selling Biodiesel Shares must sell Biodiesel Shares in increments of no less than 1,000.

**4. Board Approval.** The Board of Directors will review all proposed transfers of Biodiesel Shares submitted for approval. The Board of Directors will have the right to approve or reject any such proposed transfer at its discretion.

**5. Transfer Agent.** The Board of Directors may designate a transfer agent to keep SoyMor's records of Biodiesel Shares ownership and to maintain and update other necessary membership records. All relevant information required to complete the transfer of Biodiesel Shares on SoyMor's books and records must be provided to the transfer agent. The transfer agent shall be responsible for verifying that all information and authorizations necessary under the Articles of Organization and Bylaws to complete a sale or transfer of Biodiesel Shares have been received, including the Board of Director's approval, and a determination has been made that the Biodiesel Shares are eligible for sale or transfer. If no transfer agent is designated by the Board of Directors, then SoyMor shall serve as its own transfer agent, and the Board of Directors shall carry out or delegate the duties of the transfer agent set forth herein.

**6. Effective Date.** All sales and transfers are effective upon the first day of the quarter following a match; provided, however, SoyMor's Board of Directors must first consent to the sale and 45 days must have expired from the time the offer to sell was posted to the Trading Service. If an offer to sell is posted within the last 45 days of a quarter and a match occurs prior to the end of that same quarter, the sale and transfer will not become effective until the first day of the quarter following the next quarter.

**7. Bundling of Equity Rights.** Upon any consummation of a transfer under this Policy, the buyer shall succeed to any entitlement of the seller that is based on patronage of the seller (or any predecessor owner of the transferred interest) *including undistributed patronage dividends* with respect to transactions occurring prior to the effective date of the transfer, written notices of allocation, unit retains and any residual claim to distributions out of capital reserves or in liquidation, dissolution and winding-up of the Cooperative under the Cooperative's Bylaws or Transfer Policy, in proportion to and to the extent such entitlements relate to delivery obligations associated with the transferred capital stock. Upon the effective date of the transfer, any such entitlements shall vest automatically in the buyer by operation of the Company's Bylaws or Transfer Policy, without reversion or impairment of the entitlement as a result of such transfer, without any requirement of action or execution of documents by any of the parties thereto. Notwithstanding the transfer of entitlements, the seller must report as taxable income any patronage dividends distributed with respect to patronage transactions occurring prior to the

effective date of the transfer and such amounts will be reflected in information returns filed by Cooperative with state and federal taxing authorities.

As Adopted: \_\_\_\_\_, 2007

Effective Date: \_\_\_\_\_, 2007

## EXHIBIT A

### PRIVATE TRANSFER INSTRUCTIONS SOYMOR COOPERATIVE

All private transfers of Series 2, Class A Preferred Stock (“Biodiesel Shares”) must be conducted in accordance with these Private Transfer Instructions, SoyMor’s Transfer Policy and SoyMor’s Articles of Organization and Bylaws, as they may be amended from time to time, and such other policies and procedures as SoyMor’s Board of Directors may adopt from time to time.

Parties may transfer Biodiesel Shares amongst if the transfer qualifies as a “private transfer” under the Treasury Regulations set forth at 26 CFR § 1.7704-1(e). All other transfers must be made through the Trading Service that will be operated by a third-party broker-dealer.

**1. Private Transfers.** “Private transfers” include but are not limited to the following transfers:

- Transfers in which the basis of the Biodiesel Share is determined by reference to the transferor’s basis, such as a gift, or is determined under Section 732 of the Internal Revenue Code;
- Transfers at death, including transfers from an estate or testamentary trust;
- Transfers between members of a family, as defined in Section 267(c)(4) of the Internal Revenue Code;
- Transfers involving distributions from retirement plans qualified under Section 401(a) of the Internal Revenue Code or an individual retirement plan; or
- “Block” transfers, which are defined as transfers by a Biodiesel Shareholder and any related person as defined in Sections 267(b) and 707(b)(1) of the Internal Revenue Code in one or more transactions during any 30 calendar-day period, of Biodiesel Shares which in the aggregate represent no more than 2% of the total interests in partnership capital or profits.

**2. Transfer Procedures.** All private transfers shall be completed in accordance with the following procedures:

a. The holder of Biodiesel Shares must complete and submit to the Board of Directors:

- i. a completed Request To Transfer Form, or Bid Exemption Form;
  - ii. a member administrative fee of \$100 for each transferee that is not already a member;
  - iii. an executed Membership Application for each transferee that is not already a member;
  - iv. copies of all relevant documents that the Board of Directors may request to determine if the transfer qualifies as a private transfer; and
  - v. if the Biodiesel Shares have been pledged as collateral security for a loan or other obligation, the lender must confirm in writing the lender's consent to transfer the Biodiesel Shares.
- b. The Board of Directors will determine whether the transfer qualifies as a private transfer and complies with all the other requirements of these Private Transfer Instructions, the Biodiesel Shares Transfer Policy, the company's Articles of Organization and Bylaws, and other policies and procedures of SoyMor.
  - c. If the transfer qualifies as a private transfer, the Board of Directors will do or direct its transfer agent to complete the transfer of the Biodiesel Shares on SoyMor's books and records.
  - d. If the transfer does not qualify as a private transfer, or comply with the other requirements of these Private Transfer Instructions, the Biodiesel Shares Transfer Policy, the company's Articles of Organization and Bylaws, and other policies and procedures of SoyMor, the Board of Directors will notify the transferor that the transfer does not qualify and return to the transferor the documents identified in subsection (a) above, but not the administrative fee.