

DEPARTMENT: CORPORATE**SOP# II-010**

Revision: 1.0

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Title: EXECUTIVE COMMITTEE

Policy: Alto Ingredients will have an operating Executive Committee to oversee and direct the strategic focus and direction of the Company and monitor and adapt execution of the day-to-day operations to maximize achievement of strategic plans.

Purpose: This policy establishes a formal mechanism whereby Executive Management fulfills its charter to 1) orchestrate appropriate strategic directions for the company, 2) monitor and direct execution of the strategy(s), and 3) adapt execution tactics to conform to changing circumstances and ongoing realities of the industry and business

Scope: This policy applies to the Executive Management of the Company and its subsidiaries and affiliates.

1.0 Overview

A crucial function of Executive Management is providing the strategic direction and vision for the Company. Another is to instill a “tone at the top” that balances and fosters, on the one hand execution of its vision in the face of the Company’s significant growth opportunities, while at the same time generating respect for and commitment to moving forward and operating the Company in an ethical and forthright way.

In order to promote realization of these sometimes competing objectives, Alto Ingredients will establish an Executive Committee to formalize the process that otherwise can become ad hoc and less effective in keeping abreast of all the many moving pieces of a fast growing company like Alto Ingredients. Further, the multiple location structure of Alto Ingredients demands equal attention to bringing disparately located executives together in a formal way to attend to important matters facing the Company. *Periodically having executives formally meet in “executive session” will bring discipline and focus that leads to consistent and positive communication that is vital to the Company’s continued success as it expands in size and resources.*

2.0 Organization, Membership and Meetings

The Executive Committee shall consist of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), and General Counsel. The CEO will function as the Chairman. Additional members of the Committee may be nominated by the Chairman of the Committee, subject to approval by the permanent members of the

Committee listed above. Additional members must be re-nominated and re-confirmed on an annual basis.

The Committee shall meet monthly and more often as it deems necessary to fulfill its charter. The Committee may, on an ad hoc basis, include other members of management and staff at its meetings as appropriate and circumstances dictate.

The Executive Committee shall maintain written minutes of its meetings, which minutes will be filed in the corporate minute book as a permanent record of its deliberations.

3.0 Focus and Philosophy

The Committee will serve as the primary architect and catalyst as well as director and monitor of the development and execution of the Company's business strategies. It will focus on issues and recommendations which further the Company's strategic planning and execution against its plans. The Committee will also integrate a strong code of ethics and employee conduct into its strategic goals and mission and set the example for the rest of the organization by adhering to high ethical standards of conduct.

The Executive Committee will communicate the Company's philosophy and "tone-at-the-top" to the rest of the organization and employee group through written communiqués, meetings and other means as necessary to assure everyone in the Company understands and conforms to the corporate philosophy.

4.0 Duties and Responsibilities

An important function of the Committee is to regularly communicate Company progress against its strategic plans to the Board and accordingly, following each monthly meeting the Committee will issue a report of findings, conclusions and recommendations to the Board.

4.1 Other duties and responsibilities include (but are not necessarily limited to):

- *Annually review and redirect as necessary the development and adoption of the Company's strategic plans.*
- *Review and benchmark the premises and mechanics utilized in implementing short and long term business strategies in light of changed industry and economic realities*
- *Based upon its review and assessment of the status of the Company's business strategy(s), recommend areas of improvement and direct action activities to specific managers for resolution and later report out to the committee*
- *Review all material transactions made during the period by the Company and which were designed to support the implementation of the business strategy to assess whether such transactions were consistent with the Company's strategic plans*

- *Review the effectiveness of delegated operational management authority and oversight and assess the performance of managers and executives against strategic plans and objectives and hold each accountable*
- *Institute recommendations for improvement and/or changes required on the part of managers and executives to fulfill their responsibilities*
- *Support the Board on an as requested basis, in the development and/or refinement of specific aspects of the Company's strategic plan(s).*
- *Review and assess the Company's Code of Ethics and governance matters*
- *Set the example for the Company in promoting a positive, effective and ethical "tone at the top"*
- *Review and assess policies relating to the Company's cash flow, cash management and working capital, shareholder and investor relations, share based compensation and share repurchases (if any) and investment and other activities related to the Company's treasury functions*
- *Consider and review adjustments to the Company's capital structure as required by changing circumstances and opportunities*
- *Assess and monitor the operational and financial aspects of insurance and risk management*
- *Designate the officers and employees of the Company who can execute documents and act on behalf of the Company in the ordinary course of business pursuant to previously approved corporate policies*
- *At least once annually, review and reassess the adequacy of the Committee Charter and recommend any proposed changes for approval.*
- *The Committee will also review its own performance, at least annually, for purposes of self-evaluation and to encourage the continuing improvement of the Committee in the execution of its responsibilities and memorialize its assessment as part of the permanent record of Committee activities.*