

# **AVENTINE RENEWABLE ENERGY HOLDINGS, INC. CORPORATE GOVERNANCE GUIDELINES**

## **Role of the Board**

The primary responsibility of the board of directors (the “**Board**”) of Aventine Renewable Energy Holdings, Inc. (the “**Company**”) is to promote the best interests of the Company and its stockholders by overseeing the management of the Company’s business and affairs. Directors must exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. Directors must fulfill their responsibilities consistent with their fiduciary duty to stockholders, in compliance with all applicable laws and regulations.

When used herein, the “Board” may refer to the full Board, a duly authorized committee or to the independent members of the Board, as applicable and as the context requires, as may be required by or addressed in the applicable committee charter, required by the rules of any exchange on which the Company’s securities are listed or traded (collectively, the “**Exchange**”), or otherwise.

The Board’s general oversight responsibilities include:

- overseeing the conduct of the Company’s business generally
- reviewing and approving the Company’s fundamental operating, financial and other corporate plans, strategies and objectives and monitoring corporate performance related thereto
- evaluating the performance of the Chief Executive Officer (the “**CEO**”) and taking appropriate action when warranted
- ensuring appropriate attention is devoted to CEO and senior management succession plans
- approving policies of corporate conduct, including policies regarding compliance with applicable laws and regulations, maintenance of accounting, financial and other controls
- assessing the Company’s material risks
- evaluating periodically the overall effectiveness of the Board
- performing other responsibilities specifically prescribed by applicable laws and regulations and the Company’s Certificate of Incorporation and Bylaws.

## **Board Composition and Selection; Director Qualifications**

1. **Board Size.** The Board believes six members is an appropriate size based on the Company's present circumstances. The Board periodically evaluates whether a larger or smaller slate of directors would be preferable.

The size of the Board may be increased or decreased by a vote of at least 66⅔% of the directors. The Audit Committee periodically considers and recommends to the Board the appropriate size within these parameters based upon its assessment of the number of directors required to oversee the Company's business and affairs.

2. **Selection of Board Members.** Directors may be nominated by the Board or by stockholders in accordance with the Company's Bylaws. The Board will review all nominees for the Board, including proposed nominees of stockholders. In evaluating the suitability of candidates, the Board may take into account many factors, including the nominee's judgment, experience, independence, character, business acumen and such other factors as the Board concludes are pertinent in light of the current needs of the Board. The Board believes that its membership should reflect a diversity of experience, gender, race, ethnicity and age. The Board will select qualified nominees and review its recommendations with, if applicable, the full Board, which will decide whether to invite the nominees to join the Board. When evaluating the suitability of an incumbent director for nomination for re-election, the Board may also consider the director's past performance, including attendance at meetings and participation in and contributions to the activities of the Board. The Chairman of the Board should extend the Board's invitation to join the Board.
3. **Determination of Independence.** If required by the rules of the Exchange, a majority of the directors of the Board shall be independent. In making independence determinations, the Board will observe all applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder, and the listing standards of the Exchange, as they may from time to time be amended. The Board will also carefully consider all relevant facts and circumstances in making an independence determination. The Board shall annually review and determine the independence of each director. Board members have an affirmative obligation to promptly inform the Chief Executive Officer or Chief Financial Officer of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as "independent."
4. **Selection of Chairman and CEO; Lead Independent Director.** The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant circumstances. If the positions of CEO and Chairman of the Board are combined, the independent members of the Board may annually select an independent director to serve as Lead Director. Subject to the Company's Certificate of Incorporation and Bylaws, the Lead Director will have the authority to call meetings of the independent directors. Subject to the Company's Certificate of Incorporation and Bylaws, the Lead Director's duties include presiding at all meetings of the Board

at which the Chairman is not present, including executive sessions of the independent directors, serving as a liaison between the Chairman and the independent directors, approving the agenda, the supporting materials to be sent to the Board in preparation for meetings and the scheduling of Board meetings to ensure that there is sufficient time for discussion of all agenda items, and serving as a liaison between the Board and stockholders on investor matters. The Lead Director shall also be available for consultation and direct communication with major stockholders as appropriate.

5. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. However, to ensure that the Board remains composed of experienced and effective members, the Board will evaluate the qualifications and performance of each incumbent director before recommending the nomination of that director for an additional term.
6. **Other Directorships.** Due to the substantial time commitment required of directors, directors may serve on the boards of other public companies only to the extent that, in the judgment of the Board, such services do not detract from the director's ability to devote the necessary time and attention to the Company. A director should advise the Chairman of the Board in advance of accepting an invitation to serve on another public company board.
7. **Committees of the Board.** The Board has two standing committees: an Audit Committee and a Compensation Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the Company's Bylaws and the committee's charter.

Each of the standing committees will have its own written charter. The charter will set forth the responsibilities, duties and authorities of each committee, the qualifications and procedures of each committee and how the committee will report to the Board. Each committee member must satisfy the membership requirements set forth in the relevant committee charter. At least annually, each committee will conduct an evaluation of its performance and effectiveness, if required by the applicable committee charter, the rules of the Exchange or as deemed necessary or appropriate by the Board or such committee.

## **Board Meetings; Director Responsibilities**

1. **Board Meetings and Agenda.** The Board will hold regularly scheduled meetings at least four times a year and will hold additional meetings as necessary. The Chairman of the Board will set the agenda for each Board meeting, taking into

account suggestions from other members of the Board. Any director may raise a subject that is not on the agenda at any meeting.

Information relevant to a director's understanding of matters to be addressed at a Board or committee meeting will be provided sufficiently in advance of meetings to the extent practicable to allow directors to prepare for discussion of the items at the meeting.

Directors are expected to prepare for and attend all meetings of the Board and the committees on which they serve. Directors are encouraged to attend the Company's annual stockholder meeting.

2. **Access to Management and Advisors.** Directors have complete access to officers, employees and books and records of the Company, as necessary and appropriate.

Except as the Board may otherwise deem necessary or appropriate under the circumstances, the Board welcomes the regular attendance at Board meetings by senior management of the Company.

The Board and each committee may retain financial, legal or other independent advisors, at the Company's expense, as the Board or such committee deems necessary and appropriate, consistent with the terms of the applicable committee charter or the rules of the Exchange.

3. **Executive Sessions.** If required by the rules of the Exchange, non-management directors will meet in regular executive sessions without management present. The Chairman or, if required by the rules of the Exchange or if the Chairman is an employee of the Company, the Lead Director will act as the chair of the executive sessions of the non-management directors. At least one such meeting each year, if required, will be attended only by independent directors.
4. **Director Orientation and Education.** All new directors must participate in an orientation program, which should be conducted as soon as reasonably practicable after or at the meeting as a result of which such new director is elected. The orientation may include presentations by senior management to familiarize new directors with the Company's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, Code of Business Conduct and Ethics, Board procedures, principal officers and internal and independent auditors. The orientation program may also include visits to certain of the Company's facilities, to the extent practical. The Company will facilitate the participation of directors in relevant continuing education programs. All directors are invited to participate in the orientation and continuing education programs.
5. **Annual Performance Evaluations.** If required by the rules of the Exchange, the applicable committee charter or to the extent the Board deems necessary or

appropriate, at least annually, the Board and its committees will evaluate their performance and effectiveness.

6. **Succession Planning.** The Board shall regularly review leadership development initiatives and short- and long-term succession plans for the CEO and other senior management positions, including in the event of unanticipated vacancies in those offices.
7. **Director Compensation.** The form and amount of director compensation shall be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and then recommended to the Board for action. In determining compensation, the Compensation Committee may take into consideration the responsibilities of the directors and fees and other forms of compensation being paid by other corporations comparable to the Company.

Directors who are also employees of the Company or its subsidiaries receive no separate compensation for serving as directors or as members of Board committees.