

Appendix C

NEDAK ETHANOL, LLC

RELATED PARTY POLICY

The Board of Directors of NEDAK Ethanol, LLC (the "Company") hereby establishes the following Policy that must be followed prior to any transaction, arrangement, or relationship or series of similar transactions, arrangements or relationships, including any indebtedness or guarantee of indebtedness, with a Related Party (defined below) where the aggregate amount involved is expected to exceed \$120,000 in any calendar year. ("Related Party Transactions");

1. The Corporate Governance / Compensation Committee of the Board of Directors must review the material facts of any Related Party Transaction and approve such transaction. If advanced approval is not feasible, then the Audit Committee or the full Board must ratify the Related Party Transaction at its next regularly scheduled meeting or the transaction must be rescinded. In making its determination to approve or ratify, the Committee should consider such factors as (i) the extent of the Related Party's interest in the Related Party Transaction, (ii) if applicable, the availability of other sources of comparable products or services, (iii) whether the terms of the Related Party Transaction are no less favorable than terms generally available in unaffiliated transactions under like circumstances, (iv) the benefit to the Company, and (v) the aggregate value of the Related Party Transaction.
2. For purposes of this Policy and Procedure, "Related Party" means:
 - a. Any person who is or was an executive officer, director or nominee for election as a director (since the beginning of the last fiscal year); or
 - b. Any person or group who is a greater than 5% beneficial owner of the Company's voting securities;
 - c. Any immediate family member of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and anyone residing in such person's home (other than a tenant or employee); or
 - d. Any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 10% beneficial ownership interest.
3. The Company's staff shall collect and maintain a master list of all Related Parties and distribute that list to appropriate officers and employees so that such officers and employees may identify and bring forward any proposed Related Party Transactions.
4. No director of the Company may engage in any Board or Committee discussion or approval of any Related Party Transaction in which he or she is a Related Party; provided however, that such director must provide to the Committee or Board all material information reasonably requested concerning the Related Party Transaction.
5. All ongoing Related Party Transactions must be reviewed and approved annually by the Corporate Governance / Compensation Committee.
6. The following transactions are exempt from the definition of Related Party Transactions and are hereby deemed pre-approved ("Pre-Approved Transactions");
 - a. Any compensation paid to a director if such compensation is pursuant to the Board-approved standard compensation arrangements for directors;

- b. Any transaction with another company at which a Related Party's only relationship is as director and/or beneficial owner of less than a 10% equity interest of that company's shares;
 - c. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids, or any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;
 - d. Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;
 - e. Any transaction in which the Related Party's interest arises solely from the ownership of the Company's equity securities and all holders of the Company's equity securities received the same benefit on a pro rata basis (e.g. distributions);
 - f. Transactions available to employees generally;
 - g. Any transaction involving purchases of grain and sales of distillers grains by the Company from or to a Related Party if such purchase or sale is at the posted price or the price generally offered by the Company to non-Related Party grain producers and cattle feeders.
7. The Chairman of the Board has the authority to pre-approve or ratify (as applicable) any Related Party Transaction in which the aggregate amount involved is reasonably expected to be less than \$50,000.
8. In conjunction with implementing this Policy and Procedure, the Corporate Governance / Compensation Committee shall review any existing Related Party Transactions entered into during the last fiscal year and make a determination whether to ratify or rescind such transaction.
9. Each Director shall annually execute an acknowledgment that the Director understands and agrees with the terms of this Related Party Policy and the Company's Code of Ethics.

As adopted by the
Board of Directors of NEDAK Ethanol, LLC
on April 30, 2010