

EXHIBIT B

BYLAWS

OF

MINNESOTA SOYBEAN PROCESSORS

**A COOPERATIVE ORGANIZED UNDER
MINNESOTA STATUTES, CHAPTER 308A**

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BYLAW I.
MEMBERSHIP

Section 1.01. Eligibility for Membership. Producers of agricultural products and associations of such producers who (i) are eligible to become a common stockholder of this cooperative and (ii) patronize this cooperative under uniform conditions as may be established by the Articles of Incorporation (the "Articles"), the Bylaws (the "Bylaws") or the Board of Directors (the "Board of Directors") of this cooperative may, upon the approval of the Board of Directors of this cooperative, become a member of this cooperative by:

- (a) becoming the holder of one (1) share of common stock of this cooperative; and
- (b) becoming the holder of a minimum number of shares of Class A preferred stock prescribed by the Board of Directors by the date established by the Board of Directors as the date on and after which holding such minimum number of shares of Class A preferred stock becomes a requirement of membership; and
- (c) entering into an uniform delivery and marketing agreement with this cooperative by the date established by the Board of Directors as the date on and after which entering into such agreement becomes a requirement of membership; and
- (d) receiving from this cooperative written notification and a copy of the consent bylaw providing for consent to take patronage distributions and per unit retains into income; and
- (e) meeting other membership criteria or requirements established from time to time by the Board of Directors.

Section 1.02. Termination of Membership. Membership in this cooperative may be terminated by the Board of Directors in their discretion if the Board of Directors determines that a member has:

- (a) become ineligible for membership for any reason;

- (b) failed to patronize this cooperative for a period of one year or more;
- (c) not paid any required membership fees;
- (d) died or ceased to exist as a legal entity and leaves no successor; or
- (f) the Board of Directors by resolution finds that a member has:
 - (1) intentionally or repeatedly violated any provision of the Articles, the Bylaws, or Board policies of this cooperative;
 - (2) taken actions that will impede this cooperative from accomplishing its purposes;
 - (3) takes or threatens actions that adversely affect the interests of this cooperative or its members;
 - (4) willfully obstructed any lawful purpose or activity of this cooperative; or
 - (5) breached any contract with this cooperative.

The Board of Directors may only terminate the membership of a member at a meeting of the Board of Directors, 20 days written notice of which was served upon the member alleged to be ineligible by United States Certified Mail. Said notice shall state with reasonable particularity the grounds upon which the member is alleged to be ineligible and such member shall be entitled to heard thereon at such meeting.

Section 1.03. Consequences of Membership Termination.

(a) In the event the Board of Directors shall find that any common stock of this cooperative has come into the hands of any person who is not eligible to own common stock or who has otherwise become ineligible for membership in this cooperative, the Board of Directors of this cooperative shall have the right, at its option, (i) to redeem the common stock at an amount equal to the value of the consideration for which the common stock was issued; or (ii) to convert the common stock into a nonvoting certificate of interest or other nonvoting equity credit at an amount equal to the value of the consideration for which the common stock was issued. Upon such redemption or conversion, such ineligible holder of common stock shall cease to be a member of this cooperative and shall cease to have voting rights in this cooperative. Further, upon such redemption or conversion, the Board of Directors shall have the right, but not the obligation, to terminate such ineligible holder's right and obligation to deliver agricultural products to this cooperative under any

contract with this cooperative; provided, however, that nothing herein or in any such contract shall give the ineligible holder any right to have such delivery rights and obligations so terminated.

(b) In exercising its right to redeem or to convert the common stock under the preceding paragraph, this cooperative may cancel the certificate or certificates of such common stock on its books in the event the holder fails to deliver the certificate or certificates evidencing such common stock to the cooperative. In the event this cooperative exercises its right to convert the common stock into a nonvoting certificate of interest or other nonvoting equity credit, this cooperative shall have no obligation to redeem such nonvoting equity interest, nor shall the holder of such interest have any right to demand the redemption thereof.

(c) Other than as provided in Section 1.03(a), the termination of membership or other action taken by this cooperative with respect to a member or the member's common stock shall not modify the obligations and liabilities of any holder thereof to this cooperative under any uniform marketing and delivery contract or other contract between the holder and this cooperative, nor impair the rights of this cooperative under such contracts.

BYLAW II. MEETINGS OF MEMBERS

Section 2.01. Annual Meetings. The annual meeting of the members of this cooperative shall be held at such time and place as shall be determined by the Board of Directors following the close of each fiscal year of this cooperative. The notice of the meeting shall state the date, place and hour of the meeting. The Secretary shall give notice of annual members' meetings in the manner prescribed herein. The officers of this cooperative must submit reports to the members at the annual meeting covering the business of this cooperative for the previous fiscal year that show the condition of this cooperative at the close of the fiscal year. At the annual meeting, the members shall elect directors of this cooperative for the terms of office and in the manner prescribed by the Bylaws and transact such other business as may properly come before the meeting pursuant to the cooperative's notice of the meeting or by or at the direction of the Board of Directors.

Section 2.02. Special Member Meetings.

(a) Special meetings of the members of this cooperative shall be held at the place specified in the notice of the meeting. The notice shall state the time, place and purpose of the special members' meeting. A special meeting of the members may be called by a majority vote of the Board of Directors, or upon the written petition of at least 20% of the members submitted to the President of this cooperative. The President shall give notice of a special members' meeting in the manner prescribed herein. In the event a special members' meeting is called by the written petition of members, the notice of the special members' meeting shall be given within ten (10) days from and after the date of the presentation of the members' petition, and the special members' meeting must be

held by thirty (30) days after the date of the presentation of the members' petition. No business shall be considered at a special members' meeting except as covered in the notice of the meeting.

(b) In order for a special member meeting to be called by a written petition of members pursuant to Section 2.02(a) or applicable law, the member or members sponsoring such petition must be in good standing and must deliver to the President of this cooperative not later than seventy-five (75) days nor earlier than one hundred twenty (120) days prior to the day that the petition is first circulated or sent to members a written statement containing: (i) a brief description of the business desired to be brought before the special meeting, the text of the proposal or business (including text of any resolutions proposed for consideration on and in the event that such business includes a proposal to amend the Articles of Incorporation or Bylaws of this cooperative, the language of the proposed amendment), reasons for conducting such business at the special meeting and any material interest in such business of such member or members sponsoring such petition, if any, or of any member on whose behalf the proposal is made; (ii) the name, address of such member or members sponsoring such petition as they appear on this cooperative's books; (iii) the class and number of shares of capital stock owned by such member or members sponsoring such petition and entitled to vote at the special meeting; (iv) a representation that the member or members sponsoring such petition is a holder of record of stock of the Cooperative entitled to vote at a special meeting and intends to appear in person at the special meeting to propose such business; and (v) the disclosure statement or other information, if any, that will accompany the petition to be circulated or sent to members. The petition and all information or statements that accompany the petition must not make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The cooperative may require the member or members sponsoring such petition to submit additional information as the cooperative may reasonably require to determine the eligibility or appropriateness of such proposal for action by the members or to otherwise provide adequate information for members to make an informed decision on whether or not to support the petition. The cooperative shall have the opportunity to provide information on the petition to the member or members sponsoring the petition under the same standards of disclosure, which information shall accompany the petition that is circulated or sent to the members. Petitions circulated or sent to members that do not meet the procedures set forth in this Section 2.2(b) or otherwise in accordance with the Bylaws shall not constitute valid petitions for the purpose of the calling of a special member meeting. Only such business as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.2(b) and otherwise in accordance with the Bylaws shall be conducted at a special meeting of members called by written petition of the members.

Section 2.03. Notice. Notice of all annual and special members' meetings shall be given by:

(a) publication in a legal newspaper published in the county of the principal place of business of this cooperative;

- (b) publication in a magazine, periodical, or other publication of this cooperative that is regularly published by or on behalf of this cooperative and circulated generally among members;
- (c) mailing the notice of the meeting to each member personally at the member's last known post office address, which for a member cooperative means notice mailed to the secretary of the member cooperative; or
- (d) otherwise providing notice in a manner prescribed by applicable law.

Failure of a member to receive notice of an annual or special members' meeting shall not invalidate an action that is taken by the members at a members' meeting. The Secretary shall execute a certificate containing a correct copy of the mailed or published notice; the date of mailing or publishing the notice; and a statement that the notices were mailed or published as prescribed by Section 308A.611, subd. 5, or Section 308A.615, subd. 2. The certificate shall be made a part of the record of the meeting.

Section 2.04. Quorum. At any annual or special members' meeting, a quorum necessary for the transaction of business shall be ten percent (10%) of the total number of members if the cooperative has 500 or fewer members; or fifty (50) members if the cooperative has more than 500 members. In determining a quorum at a meeting, on a question submitted to a vote by mail, members present in person or represented by mail vote shall be counted. The attendance of a sufficient number of members to constitute a quorum shall be established by a registration of the members present in person or by mail ballot at the meeting. The registration shall be verified by the President and Secretary of this cooperative and shall be reported in the minutes of the meeting.

Section 2.05. Voting. Each member shall be entitled to only one vote, regardless of the number of shares of Class A preferred stock held by such member. A member's vote at a members' meeting must be in person or may be by mail if a mail vote is authorized by the Board of Directors. Voting by proxy and cumulative voting shall not be permitted; provided that the spouse of the member may vote on behalf of the member unless the member has indicated otherwise in writing to this cooperative. Members that are not individual persons must designate a representative (and may also designate an alternate representative) authorized to cast their vote in the affairs of this cooperative. The designation must be in writing, must be properly authorized by the member, and must be provided to the Secretary of this cooperative at or before the member meeting. The written designation will remain effective until it is superseded by a more recent written designation meeting the same criteria. Except where a higher percentage is specified in the Bylaws or required by applicable law, members shall take action on all matters submitted to them by the affirmative vote of a majority of the votes cast at a duly held meeting, either in person or by mail vote if a mail ballot has been authorized by the Board of Directors.

Section 2.06. Mail Vote. A member who is absent from a members' meeting may vote by mail on the ballot prescribed hereunder on any motion, resolution, or amendment that the Board of Directors submits for vote by mail to the members. The mail vote must be cast on a ballot that is in

the form prescribed by the Board of Directors, that contains the exact text of the proposed motion, resolution or amendment to be acted upon at the meeting, that contains spaces in which the member may indicate an affirmative or negative vote thereon, and that otherwise meets the requirements of Minnesota law. The ballot, when completed by an absent member and received by this cooperative in the manner prescribed by the Board of Directors, shall be counted as the vote of the member at the meeting.

Section 2.07. Order of Business. Insofar as practical, the order of business at the annual members' meeting and, where applicable, at all other meetings of the members shall be:

1. Registration of Members
2. Proof of Notice of Meeting
3. Reading of Minutes of Prior Meeting
4. Reports of Officers and Committees
5. Election of Directors
6. Unfinished Business
7. New Business
8. Adjournment

BYLAW III DIRECTORS

Section 3.01. Number, Qualifications and Terms of Office. The business and affairs of this cooperative shall be governed by the Board of Directors. The number of directors shall be established by the Board of Directors, having due consideration for equitable representation of the membership based on member representation of no less than one director for each 100 members, provided that the number of directors shall not be less than five (5) directors nor greater than twenty-one (21) directors, and provided that no resolution shall shorten the term of a director previously elected. All directors must be a member of this cooperative or an elected or appointed representative of a non-individual member of this cooperative. Except as otherwise provided herein, all directors shall serve three-year terms and until their successors are duly elected and qualified. Directors shall not be permitted to serve more than three, consecutive, full three-year terms. In order to preserve continuity of governance and the harmonious transition of the initial Board of Directors to the elected Board of Directors, the terms of the directors of the initial Board of Directors shall be staggered such that one-third of the directors (or as nearly as possible) shall be elected at the annual members' meeting following the date on which the Board of Directors determines that the initial membership in this cooperative has been established and at each annual meeting thereafter. The Board of Directors shall adopt a procedure to achieve the desired staggered effect prescribed by the Bylaws.

