

Modified Date: June 17, 2014

EXHIBIT B

SOUTH DAKOTA SOYBEAN PROCESSORS, LLC

TRADING SERVICE OPERATIONS MANUAL

This Trading Service Operations Manual may be revised from time to time in the discretion of SDSP and in coordination with VIA. The most current version will always be available on SDSP's website, upon request to SDSP or by link on VIA's website. Buyers and Sellers should confirm that they are referring to the most current version of this Operating Manual when using the trading service.

SOUTH DAKOTA SOYBEAN PROCESSORS, LLC
TRADING SERVICE SUMMARY

The following is a summary of the basic provisions of a trading service for members and non-members of South Dakota Soybean Processors, LLC (SDSP) to buy and sell capital units of SDSP. This is not a complete description of all the material aspects of the trading service. You should read the entire Operating Manual carefully before buying or selling SDSP capital units on the Trading Service.

- SDSP has engaged Variable Investment Advisors, Inc. (VIA) to operate a Trading Service for SDSP capital units.
- To trade SDSP capital units you must be registered on the trading service.
- Registration and trading may be done by contacting VIA by telephone at (605) 361-8230 or toll-free at (800) 859-3018, or on VIA's website at www.AgStockTrade.com.
- To buy or sell capital units, you must indicate the price and number of capital units you desire to buy or sell. All offers must meet or exceed a minimum of 1,000 capital units and be completed in increments of 250 capital units, except for a Seller liquidating all of his or her capital units in which case the offer to sell may be completed in less than 1,000 capital units. All posted offers to sell and offers to buy are non-firm and non-binding until a match has been made or a sale is acknowledged in writing.
- The offer to sell or asking period runs continuously throughout the year,
- The offer to buy or bidding period runs continuously throughout the year.
- An offer to sell will be matched with an offer to buy; provided, however, the offer to sell cannot be matched unless it has been posted for at least 15 days. Once an offer to sell is matched with an offer to buy, a Sale Confirmation and Contract will be sent to the Buyer and Seller.
- Within 15 days of the match, Buyer must (i) submit the entire purchase price to an independent Escrow Agent and (ii) sign and return to SDSP's Transfer Agent the Sale Confirmation and Contract, and if the Buyer is a new member, a signature page agreeing to be bound by SDSP's Operating Agreement and a \$200.00 administrative processing fee, or the sale will be voided.
- Within 15 days of the match, Seller must sign and return to SDSP's Transfer Agent the Sale Confirmation and Contract, and capital units certificate(s), or the sale will be voided.
- Following the later of the approval of the sale by the Board of Managers, or a date that is at least 45 days subsequent to the date that Seller posted the capital units for sale, the Escrow Agent will disburse to Seller the net sale proceeds, less retention of a 2% escrow and commission fee.

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- There is a 2,500 capital unit minimum ownership requirement. Offers will be matched even if a Seller is left with less than 2,500 capital units or if a Buyer has fewer than 2,500 capital units following the purchase. If either event occurs, a Seller or Buyer must purchase additional capital units to meet the 2,500 capital unit minimum, or sell all capital units, within 240 days, or SDSP will have the right, pursuant to SDSP's Operating Agreement, to redeem Seller's or Buyer's capital units for a price of \$0.20 per capital unit.
- Offers to sell that have not been matched within 120 days after being posted will be removed from the Trading Service. A Seller whose offer to sell has received no matching bids within this 120 day period will be subject to a 60 day waiting period before any new offer to sell is posted to the Trading Service.
- Offers to buy will remain on the Trading Service until matched or renewed by Buyer.
- Brokers and dealers may not use the trading service to purchase or sell capital units for the accounts of others.

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Purpose and Overview.

South Dakota Soybean Processors, LLC (SDSP) has engaged Variable Investment Advisors, Inc. (VIA) to provide a trading service for members and non-members to buy and sell SDSP capital units. The trading service is part of SDSP's Capital Units Transfer System. The Trading Service will be maintained and operated as part of Variable Investment Advisors, Inc.'s Alternative Trading System (Trading Service), which is registered with the United States Securities & Exchange Commission (SEC). VIA is a registered broker-dealer with the SEC, National Association of Securities Dealers and various states.

SDSP must limit trading to preserve SDSP's favorable pass-through tax status. As a result, members will only be allowed to sell their capital units through the Trading Service, except for private transfers. Transfers that are not made through the Trading Service will be null and void, unless they qualify as a private transfer and are approved by the Board of Managers. Members should review the provisions of the Capital Units Transfer System on SDSP's website or by link from VIA's website www.AgStockTrade.com for further guidance.

Brokers and dealers may not use the trading service to purchase or sell capital units for the accounts of others.

To use the Trading Service, interested Buyers and Sellers must first register on the Trading Service. They may make an offer to buy or sell a certain number of capital units at a price they choose by posting such information on the Trading Service. Sellers may post offers to sell their capital units at an "ask" price at any time of the year. Buyers may post offers to buy capital units at a "bid" price at any time of the year. Buyers' and Sellers' bid and ask prices are *non binding* when posted and will be matched according to the rules set forth below. The purchase price will be the bid price of the matching offer to buy. The exchange of the purchase price and capital unit certificates will be handled through an independent Escrow Agent and a designated Transfer Agent. There is no charge to Buyers or Sellers to register or post capital units on the Trading Service; however, Sellers will be charged an escrow and commission fee for completed transactions, and new members will be charged an administrative processing fee, all of which are described below. Interested Buyers and Sellers should carefully read and follow the instructions provided below.

General Rules and Procedures.

1. Access to the Trading Service.

a. Registering and Trading. Interested Buyers and Sellers may contact VIA for purposes of registering, buying and selling capital units as follows:

- Telephone (605) 361-8230 or 1-800-859-3018
- Personal visit to VIA's Sioux Falls' Office located at 4305 South Louise Avenue, Suite 101A, Sioux Falls, South Dakota 57106
- Direct interface with VIA's website (www.AgStockTrade.com)
- Direct interface with SDSP's website (www.sdsbp.com/) which provides a direct link to VIA's website.

b. Questions about the Trading Service. Questions regarding registration, buying and selling on the trading service and the Escrow Agent should be directed to VIA as follows:

Telephone: (605) 361-8230
Fax: (605) 362-5819
E-mail: gwilson310@aol.com
Main contact: Greg Wilson

c. Questions about SDSP and Member Information. Questions regarding SDSP, the Operating Agreement, and membership information, should be directed to SDSP as follows:

South Dakota Soybean Processors, LLC
PO Box 500
Volga, South Dakota 57071
Telephone: (605) 627-6138
Fax: (605) 627-5869
E-mail memberinfo@sdsbp.com
Main Contact: Lucas Uecker

d. Escrow Information. Questions regarding escrow arrangements, payments, electronic transfers and related matters should be directed to the Escrow Agent as follows:

First State Bank
PO Box 129
Wilmot, South Dakota 57279
Telephone: (800) 555-7556
Fax: (605) 938-4571
E-mail Toddwsb@tnics.com
Main Contact: Todd Berndt

2. Registering on the Trading Service.

a. Generally. All Buyers and Sellers must be registered on the Trading Service to review posted bid and ask prices or to make offers to buy or sell capital units. Buyers and Sellers must follow the instructions on the Trading Service to register. There is no charge to register on the Trading Service.

b. Registration. Interested Buyers and Sellers must register before they can post an offer to buy or sell capital units on the Trading Service, but they may review the current listings of offers to buy and sell on VIA's website without registration. Buyers and Sellers can register by contacting VIA in person, by telephone or via the Trading Service website, as listed above.

- Required Information. Buyers and Sellers will be required to select a username and password and provide the name of the Buyer or Seller, contact information (address, telephone number and email) and certain banking information (name of bank, banker, etc).
- Updating Registration Information. Buyers and Sellers may update their registration information or change their passwords by following the instructions provided on the Trading Service website or by contacting VIA in person or by telephone.

3. Posting Offers.

a. General Rules. Registered users may post offers to buy or sell by contacting VIA in person, by telephone or via the VIA website, as listed above. If logging into the website, provide the information requested when prompted. If posting by telephone or in person, provide the information requested to the VIA representative and he or she will enter the information into the Trading Service. There is no charge to post offers to buy or sell.

- Bid/Ask Prices. Buyers are required to post a bid price, and Sellers are required to post an ask price. The "bid" price is the price the interested Buyer is willing to pay to purchase capital units. The "ask" price is the lowest price at which the interested Seller is willing to sell Seller's capital units. If there is a match between an offer to buy and an offer to sell, the purchase price will be the bid price of the offer to buy.
- Non-Firm Offers. All posted offers to sell and offers to buy are *non firm and non binding*, meaning that capital units posted for sale by Sellers are only matched and settled with Buyers' posted bids at the time the parties sign the Sale Confirmation and Contract described below.
- Waiting Period. An offer to sell will not be matched with an offer to buy, unless the offer to sell has been posted for at least 15 days following the date such offer to sell was posted. Any modification of an offer to sell activates an additional 15 day waiting period.

- **Multiple Offers.** Buyers and Sellers may make multiple offers to buy or sell capital units at different prices. The Buyer or Seller cannot post multiple offers and pick the best one that matches, nor can any Seller post more capital units for sale than he or she owns.
- **Increments.** All posted offers to sell and offers to buy must meet or exceed a minimum of 1,000 capital units and be completed in increments of 250 capital units, except for a Seller liquidating all of his or her capital units in which case the offer to sell may be completed in less than 1,000 capital units.
- **No Brokers/Dealers.** Buyers and Sellers may not use a broker-dealer or other representative to post offers or make trades on their behalf through the Trading Service. Buyers and Sellers may only post offers and make trades for their own accounts.

b. Posting to Sell Capital Units. Interested Sellers should contact VIA by telephone or in person and follow the instructions given by the VIA representative or login to the VIA website, register and proceed as follows:

- **Sell Now.** After logging in, select “Sell Now” and provide the information requested. Sellers must provide the following information to sell capital units:
 - Select “South Dakota Soybean Processors” as the company’s capital units to sell.
 - State Number of Capital Units for Sale, which must meet or exceed a minimum of 1,000 units and be completed in increments of 250 units, except for a Seller liquidating all of his or her capital units in which case the offer to sell may be completed in less than 1,000 capital units. Note that the Trading Service will split the capital units listed for sale if a Buyer match occurs for less than all of Seller’s capital units posted for sale.
 - State the Ask price Per Capital Unit.
 - Confirm that Seller is not a broker or dealer, and that Seller is selling for Seller’s own account and not on behalf of others.
 - Confirm that the capital units are owned by Seller, that they have not been previously transferred or sold, and that there are no liens or claims thereon, except where the lien holder has given its written consent to transfer. (If the Seller has pledged his or her capital units to secure a loan or other obligation, Seller will need the written consent of the lender to sell the capital units.)
 - Confirm that Seller has read and understands and agrees to the rules of the Trading Service as set forth in this Operations Manual.
 - Confirm that Seller will surrender the capital units certificates, if Seller’s capital units are sold through the Trading Service.
 - Confirm the accuracy of the information posted.

- Verification. When a Seller posts capital units for sale, VIA will notify SDSP's Transfer Agent of the posting for the purpose of verifying ownership of the capital units, and determining that all capital units are qualified to be sold. The SDSP Transfer Agent will in turn notify VIA of Seller's eligibility to sell and transfer the listed capital units and will verify whether any waiting period applies. A 60 day waiting period applies from date of de-listing, if Seller previously posted capital units for sale that did not sell within the 120 day posting period.
- 2,500 Unit Minimum. All SDSP members are required to hold a minimum of at least 2,500 capital units. Offers will be matched even if a Seller is left with less than 2,500 capital units, or if a Buyer has fewer than 2,500 capital units following a purchase. If either event occurs, a Seller or Buyer must purchase additional capital units to meet the 2,500 capital unit minimum, or sell all capital units, within 240 days, or SDSP will have the right, pursuant to SDSP's Operating Agreement, to redeem Seller's or Buyer's capital units for a price of \$0.20 per capital unit.

c. Posting to Buy Capital Units. An interested Buyer should contact VIA by telephone or in person and follow the instructions given by the VIA representative, or login under the username and password that Buyer has established, and proceed as follows:

- Buy Now. After logging in, select "Buy Now" and provide the information requested. Buyers must provide the following information to purchase units:
 - Select "South Dakota Soybean Processors" as the company whose capital units are to be bought.
 - State Number of Capital Units Bidding to Buy, which must meet or exceed a minimum of 1,000 units and be completed in increments of 250 units.
 - State the Price Per Capital Unit being bid.
 - Those placing buy offers have the option to enter a maximum price per Unit you are willing to bid if someone is bidding against you. This allows you to continue bidding without constant site observation. (Only the person placing a maximum bid offer will see this information.)
 - It should be noted that if two or more potential buyers are placing bids on the same sell offer, and one of the bidders has placed a maximum bid that meets or exceeds all other visible sell offers, this offer will be given priority in the event of a "tie" buy offer.

- In the event that a bid is entered between 4:58 – 5:00 p.m., “Extended Bidding” will apply. Online bidding will be extended in rolling two minute increments, if bids continue to be entered. Once two minutes has elapsed with no additional bids, a match will occur if the winning bid is equal to or greater than the Sellers asking price.
- Confirm that Buyer is not a broker or dealer, and that Buyer is buying for Buyer's own account and not on behalf of others.
- Confirm that Buyer has read and understands and agrees to the rules of the Trading Service as set forth in this Operating Manual.
- Confirm that Buyer will pay the purchase price, if Buyer is successful in purchasing capital units.
- 2,500 Unit Minimum. All SDSP members are required to hold a minimum of at least 2,500 capital units. A Buyer does not need to acquire 2,500 units at a single price. It is recommended that Buyer, as a new member, make multiple bids at various prices aggregating at least 2,500 units; however, Buyer's purchases will be completed even if the aggregate number of units that are matched with offers to sell totals at least 2,500 capital units. If Buyer is a new member, and if Buyer purchases fewer than 2,500 capital units, Buyer has an additional 240 days within which to purchase additional capital units aggregating in total at least 2,500 capital units, or SDSP will have the right, pursuant to SDSP's Operating Agreement, to redeem Buyer's capital units for a price of \$0.20 per capital unit.

d. Publication of Posted Information. Upon confirmation of posted information, VIA will publish on its website and maintain in printed form the information posted by Buyers and Seller regarding the number of capital units desired to be bought or sold and the bid or ask price per capital unit. All Buyers' and Sellers' information will be published anonymously.

e. Notices. Notices will generally be provided by e-mail only. If no e-mail is provided, notices will be sent by U.S. mail to the address provided upon registration.

4. Matching/Closing the Sale.

a. Bidding period. Sellers may post capital units for sale at any time of the day, week or year, though a 15 day waiting period will apply until matching can effectively occur. Buyers may post a bid to buy capital units for sale at any time during the day, week or year, and no waiting period will apply before matching can effectively occur.

b. Matching. At 5:00 pm Central Time of any day, Sellers' ask prices and Buyers' bid prices will be matched under the following matching rules, conditions and guidelines:

- Matching occurs when an offer to buy has been posted at a bid price that is equal to or exceeds a Seller's posted ask price.
- Price will be given priority over time at which an offer to buy or sell is posted, unless other conditions stated herein apply.
- The lowest offer to sell will be matched with the highest bid price.
- If multiple bid prices exceed an ask price, the highest bid price has priority over other bids.
- If multiple bid prices are identical, the bid posted first in time has priority over other bids.
- If multiple ask prices are posted at identical ask prices, the ask price posted first in time has priority.

c. Sale Confirmation and Contract. As soon as practicable after the a match has been made, VIA will notify Sellers and Buyers with matched offers, by email or hard copy as necessary, of the match and send them a Sale Confirmation and Contract. The Sale Confirmation and Contract will include final matching information indicating the number of capital units being purchased or sold and the price per capital unit.

d. Escrow Fee. Seller must pay an escrow and commission fee equal to 2% of the total purchase price. The Escrow Agent will automatically deduct this fee from the purchase price proceeds to be distributed to Seller upon completion of the sale.

e. Administrative Fee for New Members. All new members of SDSP are required to pay a \$200.00 administrative fee. If a purchase is completed by a Buyer who is not already a member of SDSP, this fee must be delivered to the SDSP's Transfer Agent.

f. Execution, Delivery and Payment. Within fifteen (15) days after the match has been made, Seller and Buyer must notify VIA that either Seller or Buyer will not accept the match made, or both must sign and return the following items:

- Buyer – Payment and Documents.

Buyer must submit to the Escrow Agent the following:

- 100% of the purchase price by check or wire transfer.

Buyer must submit to SDSP's Transfer Agent the following:

- The Sale Confirmation and Contract signed by Buyer.
- The administrative fee of \$200.00, if Buyer is a new member of SDSP.
- SDSP's Operating Agreement signature page, if Buyer is a new member of SDSP.

- Seller – Documents. Seller must submit to SDSP's Transfer Agent the following:

- The Sale Confirmation and Contract signed by Seller.
- Seller's capital units certificate, signed by Seller on the reverse side. If Seller has a capital units certificate for more than the number of capital units being sold, SDSP's Transfer Agent will issue to Seller after the sale is completed a new certificate in the amount of Seller's remaining capital units.
- If Seller has misplaced Seller's capital units certificate, Seller will be required to execute an affidavit of lost certificate. Seller should contact the Transfer Agent to obtain the form of affidavit.
- A written confirmation from Seller's lender consenting to the transfer of the capital units, if the capital units have been pledged as collateral security for a loan or other obligation.

g. Escrow/Completion of Sale. The Escrow Agent will cash Buyer's check, or confirm receipt of funds transferred electronically, and hold all funds until all conditions for transfer have been fulfilled. Once the transfer conditions have been fulfilled, the Escrow Agent will deliver by check to Seller at Seller's registered address the proceeds from the sale, less the Escrow Agent's fee. Seller may have the net sale proceeds electronically deposited directly into a designated account for an additional fee by contacting the Escrow Agent. SDSP's Transfer Agent will deliver to Buyer a capital units certificate for the purchased capital units, and to Seller a capital units certificate for any capital units retained by Seller. If Buyer is a new member, the Transfer Agent will also deliver to SDSP Buyer's Operating Agreement signature page.

h. Trade Effective Date. All sales and transfers are effective upon the first day of the quarter following a match; provided, however, SDSP's Board of Managers 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.

i. Capital Account. Seller's entire capital account, or an amount proportionate to the number of capital units sold if less than all of Seller's capital units are sold, will be transferred to Buyer on SDSP's financial records. The capital account of a member is not necessarily proportionate to the capital accounts of all other members, because some capital accounts include retainage amounts held by members at the time of SDSP's conversion from a South Dakota cooperative to a South Dakota limited liability company.

j. Unmatched Offers. If a Seller's ask price is not matched with a Buyer's bid price within 120 days of posting of Seller's ask price, Seller's posting information will be removed from the Trading Service on the 120th day of posting and, after removal, Seller will not be permitted to repost an ask price for 60 days. Unmatched offers to sell at the end of the 120 day period will not automatically be listed again. To repost, Seller will need to take those steps required by the Trading Service.

k. Display of Offers. Bid and ask information submitted by Buyers and Sellers will be publicly displayed on the Trading Service website and available in printed copy. Sellers' and Buyers' identities are always anonymous. Registered users may review a printed copy of the offers to sell and buy submitted by contacting VIA. Completed sale information will be included in SDSP's newsletter and on its website. Posted ask and bid information from previous periods will be available for inspection at SDSP's administrative office.