

Green Plains Renewable Energy, Inc.  
Form DEF 14A  
April 03, 2014  
[Table of Contents](#)

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant                       Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**GREEN PLAINS RENEWABLE ENERGY, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

- 2) Aggregate number of securities to which transaction applies:
  
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- 1) Amount Previously Paid:
  
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**Table of Contents**

April 3, 2014

Dear Shareholder,

You are cordially invited to attend the 2014 Annual Meeting of Shareholders of Green Plains Renewable Energy, Inc. to be held at 10:00 a.m., Central Time, on Wednesday, May 14, 2014 at the Omaha Marriott located at 10220 Regency Circle, Omaha, Nebraska.

A Notice of Annual Meeting of Shareholders, Proxy Statement containing information about matters to be acted upon, Proxy Card and 2013 Annual Report are enclosed.

Please use this opportunity to take part in the affairs of your company. Whether or not you plan to attend the Annual Meeting of Shareholders, please complete, date, sign and return the accompanying Proxy Card in the enclosed postage-paid envelope, or vote via the Internet or telephone. Please refer to the enclosed Proxy Card for instructions on voting via the Internet or telephone or, if your shares are registered in the name of a broker or bank, please refer to the information forwarded by the broker or bank to determine if Internet or telephone voting is available to you. If you attend the Annual Meeting of Shareholders, you may revoke the proxy and vote in person.

On behalf of the Board of Directors, we appreciate your continued interest in your company.

Sincerely,

Wayne B. Hoovestol

*Chairman of the Board of Directors*

**Table of Contents**

**PRELIMINARY PROXY**

**GREEN PLAINS RENEWABLE ENERGY, INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**to be held on May 14, 2014**

The 2014 Annual Meeting of Shareholders (the "Annual Meeting") of Green Plains Renewable Energy, Inc. (the "Company") will be held at 10:00 a.m., Central Time, on Wednesday, May 14, 2014 at the Omaha Marriott located at 10220 Regency Circle, Omaha, Nebraska, for the following purposes:

1. To elect two directors to serve three-year terms that expire at the 2017 annual meeting;
2. To approve an amendment to the Company's Articles of Incorporation to change the name of the corporation from Green Plains Renewable Energy, Inc. to Green Plains Inc.;
3. To approve features related to the issuance of common stock upon conversion of the Company's 3.25% Convertible Senior Notes due 2018, including flexible settlement;
4. To approve the Company's Umbrella Short-Term Incentive Plan;
5. To approve the material terms of the performance goals under the Company's 2009 Equity Incentive Plan, as amended, for purposes of Internal Revenue Code Section 162(m);
6. To cast an advisory vote to approve the Company's executive compensation; and
7. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors recommends a vote "For" both nominees in Proposal 1 and a vote "For" Proposals 2, 3, 4, 5 and 6.

The foregoing items are more fully described in the accompanying Proxy Statement. The Company has fixed the close of business on March 20, 2014 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. Each share of the Company's common stock is entitled to one vote on all matters presented at the Annual Meeting. Dissenters' rights are not applicable to these matters.

## Edgar Filing: Green Plains Renewable Energy, Inc. - Form DEF 14A

**Important Notice Regarding the Availability of Proxy Materials for Shareholder Meeting to be held on May 14, 2014.** Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent shareholders the Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 14, 2014 with instructions for accessing the proxy materials and voting via the Internet (the Notice ). The Notice was mailed on or about April 3, 2014. The Notice also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose. **This Notice, the Proxy Statement and our 2013 Annual Report may be accessed at [www.edocumentview.com/GPRE](http://www.edocumentview.com/GPRE).**

**Table of Contents**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, WE URGE YOU TO VOTE YOUR SHARES VIA THE TOLL-FREE TELEPHONE NUMBER OR OVER THE INTERNET, AS PROVIDED IN THE ENCLOSED MATERIALS. IF YOU REQUESTED A PROXY CARD BY MAIL, YOU MAY SIGN, DATE AND MAIL THE PROXY CARD IN THE ENVELOPE PROVIDED.**

By Order of the Board of Directors,

Michelle S. Mapes

*Corporate Secretary*

Omaha, Nebraska

April 3, 2014

**Table of Contents**

**GREEN PLAINS RENEWABLE ENERGY, INC.**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**to be held on May 14, 2014**



**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING</u>	1
<u>Introduction</u>	1
<u>Electronic Access to Proxy Materials</u>	1
<u>Record Date, Outstanding Shares and Quorum</u>	1
<u>Proxy Voting and Revocability of Proxies</u>	1
<u>Broker Non-Votes</u>	2
<u>Expenses and Methods of Solicitation</u>	3
<u>Vote Required</u>	3
<u>INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	3
<u>Board of Directors</u>	3
<u>Director Independence</u>	3
<u>Board Meetings, Directors Attendance and Shareholder Communications</u>	3
<u>Board Committees</u>	4
<u>Board Diversity</u>	5
<u>Director Qualifications</u>	5
<u>Code of Ethics</u>	6
<u>Role in Risk Oversight</u>	6
<u>Board Leadership Structure</u>	6
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	7
<u>Election of Directors</u>	7
<u>Nominees for Election at the 2014 Annual Meeting</u>	7
<u>Continuing Directors with Terms Expiring in 2015</u>	8
<u>Continuing Directors with Terms Expiring in 2016</u>	9
<u>DIRECTOR COMPENSATION</u>	9
<u>EXECUTIVE OFFICERS</u>	10
<u>EXECUTIVE COMPENSATION</u>	12
<u>Compensation Discussion and Analysis</u>	12
<u>Compensation Committee Report</u>	17
<u>Summary Compensation Table</u>	17
<u>Grants of Plan-Based Awards</u>	19
<u>Outstanding Equity Awards at Year-End</u>	20
<u>Option Exercises and Stock Vested</u>	20
<u>Potential Payments upon Termination or Change in Control</u>	20
<u>Compensation Committee Interlocks and Insider Participation</u>	25
<u>Compensation Risk Assessment</u>	25
<u>EQUITY COMPENSATION PLANS</u>	25
<u>PRINCIPAL SHAREHOLDERS</u>	26
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	27
<u>Policies and Procedures Regarding Related Party Transactions</u>	27
<u>Related Party Transactions</u>	27
<u>PROPOSAL 2 APPROVAL OF AN AMENDMENT TO THE GREEN PLAINS RENEWABLE ENERGY, INC. ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE CORPORATION</u>	28
<u>Text of Amendment</u>	28
<u>PROPOSAL 3 APPROVAL OF FEATURES RELATED TO THE ISSUANCE OF COMMON STOCK UPON CONVERSION OF THE COMPANY \$ 3.25% CONVERTIBLE SENIOR NOTES DUE 2018, INCLUDING FLEXIBLE SETTLEMENT</u>	29
<u>Background</u>	29
<u>Accounting Effect on Reported Financial Results</u>	30
<u>Reason for Shareholder Approval</u>	30

**Table of Contents**

	<b>Page</b>
<u>PROPOSAL 4 APPROVAL OF THE COMPANY S UMBRELLA SHORT-TERM INCENTIVE PLAN</u>	31
<u>PROPOSAL 5 APPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER THE COMPANY S 2009 EQUITY INCENTIVE PLAN, AS AMENDED, FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 162(m)</u>	31
<u>Summary of the 2009 Equity Incentive Plan</u>	32
<u>PROPOSAL 6 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	37
<u>INDEPENDENT PUBLIC ACCOUNTANTS</u>	38
<u>Fees</u>	38
<u>Pre-Approval of Audit and Non-Audit Services</u>	38
<u>Availability of Accountants</u>	38
<u>AUDIT COMMITTEE REPORT</u>	39
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	39
<u>OTHER MATTERS</u>	40
<u>Annual Report</u>	40
<u>Shareholder Proposals</u>	40
<u>Discretionary Authority</u>	41
<u>APPENDIX A UMBRELLA SHORT-TERM INCENTIVE PLAN</u>	A-1
<u>APPENDIX B 2009 EQUITY INCENTIVE PLAN, AS AMENDED</u>	B-1

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**Table of Contents**

**INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING**

**Introduction**

This Proxy Statement is being furnished to holders of Green Plains Renewable Energy, Inc. (the Company) common stock, \$0.001 par value per share (the Common Stock), in connection with the solicitation by and on behalf of the Board of Directors (the Board) of the Company of proxies to be used at the 2014 Annual Meeting of Shareholders of the Company (the Annual Meeting) to be held at 10:00 a.m., Central Time, on Wednesday, May 14, 2014 at the Omaha Marriott located at 10220 Regency Circle, Omaha, Nebraska, and any adjournment or postponement thereof. The purpose of the Annual Meeting is to elect two directors; to approve an amendment to the Company's Articles of Incorporation to change the name of the corporation to Green Plains Inc.; to approve features related to the issuance of Common Stock upon conversion of the Company's 3.25% Convertible Senior Notes due 2018, including flexible settlement; to approve the Company's Umbrella Short-Term Incentive Plan (the Umbrella Plan); to approve the material terms of the performance goals under the Company's 2009 Equity Incentive Plan, as amended (the Plan); to cast an advisory vote to approve the Company's executive compensation; and transact such other business as may properly come before the meeting. This Proxy Statement, the Notice of Annual Meeting of Shareholders, the accompanying Proxy Card and our 2013 Annual Report are first being made available to shareholders entitled to vote at the Annual Meeting on or about April 3, 2014.

**Electronic Access to Proxy Materials**

Pursuant to rules adopted by the Securities and Exchange Commission (SEC), the Company is making this Proxy Statement and its 2013 Annual Report available to shareholders electronically via the Internet. On or before April 3, 2014, we mailed to our shareholders of record the

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 14, 2014 (the Notice). All shareholders will be able to access this Proxy Statement and our 2013 Annual Report on the website referred to in the Notice or request to receive printed copies of the proxy materials. Instructions on how to access the proxy materials on the Internet or to request a printed copy may be found in the Notice.

The Notice will provide you with instructions on how to view our proxy materials for the Annual Meeting on the Internet. The website on which you will be able to view our proxy materials will also allow you to choose to receive future proxy materials electronically by email, which will save us the cost of printing and mailing documents to you. If you choose to receive future proxy statements by email, you will receive an email next year with instructions containing a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

**Record Date, Outstanding Shares and Quorum**

The Company has fixed the close of business on March 20, 2014 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof (the Record Date). There were 37,408,024 shares of Common Stock outstanding at the close of business on the Record Date. Holders of record of the Company's Common Stock on the Record Date are entitled to cast one vote per share, exercisable in person or by properly executed proxy, with respect to each matter to be considered by them at the Annual Meeting.

The presence, in person or by properly executed proxy, at the Annual Meeting of the holders of a majority of the outstanding shares of Common Stock entitled to vote shall constitute a quorum. Proxies that are marked to withhold authority with respect to the election of directors and proxies for which no instructions are given will be counted for purposes of determining the presence of a quorum.

**Proxy Voting and Revocability of Proxies**

Common Stock, represented by the proxies received pursuant to this solicitation and not timely revoked, will be voted at the Annual Meeting in accordance with the instructions indicated in properly submitted proxies.

## **Table of Contents**

If no instructions are indicated, such shares will be voted as recommended by the Board. If any other matters are properly presented to the Annual Meeting for action, the person(s) named in the enclosed form(s) of proxy and acting thereunder will have discretion to vote on such matters in accordance with their best judgment. Broker non-votes and abstentions are not treated as votes cast for purposes of any of the matters to be voted on at the meeting.

A holder of Common Stock who has given a proxy may revoke it prior to its exercise by providing written notice of revocation or a later-dated proxy to the Secretary of the Company at any time before the closing of the polls at the meeting, or by voting in person at the meeting. Any written notice revoking a proxy should be sent to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 450 Regency Parkway, Suite 400, Omaha, Nebraska 68114. Attendance in person at the Annual Meeting does not itself revoke a proxy; however, any shareholder who attends the Annual Meeting may revoke a previously-submitted proxy by voting in person.

Computershare Trust Company, N.A. is the transfer agent and registrar for our Common Stock. If your shares are registered directly in your name with the Company's transfer agent, with respect to those shares, you are considered the shareholder of record or a registered shareholder and these materials were sent to you directly by the Company. If you are a shareholder of record, you may vote in person at the Annual Meeting.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and that organization should have forwarded these materials to you. As the beneficial owner, you have the right to direct your broker, bank or nominee holding your shares how to vote and are also invited to attend the Annual Meeting. Please refer to the information forwarded by your broker or bank for instructions on how to direct their vote. However, since you are not a shareholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a legal proxy from the shareholder of record.

If you are a registered shareholder, there are four ways to vote:

By going to the Internet website indicated on the Proxy Card or voting instruction card and following the instructions provided (you will need the control number that is included in the Notice of Internet Availability of Proxy Materials);

By calling the toll-free telephone number indicated on the Proxy Card or voting instruction card (you will need the control number that is included in the Notice of Internet Availability of Proxy Materials);

By signing, dating and returning the Proxy Card if you request to receive your proxy materials by mail; or

By written ballot in person at the Annual Meeting.

Your shares will be voted as you indicate. If you do not indicate your voting preferences, the appointed proxies will vote your shares For both nominees in Proposal 1 and For Proposals 2, 3, 4, 5 and 6.

## **Broker Non-Votes**

Broker non-votes occur when nominees, such as brokers and banks holding shares on behalf of the beneficial owners, are prohibited from exercising discretionary voting authority for beneficial owners who have not provided voting instructions at least ten days before the Annual Meeting date. If no instructions are given within that time frame, the nominees may vote those shares on matters deemed routine by the New York Stock Exchange. On non-routine matters, nominees cannot vote without instructions from the beneficial owner, resulting in so-called broker non-votes. Broker non-votes are not counted for the purposes of determining the number of shares present in person or represented by proxy on any voting matter. All proposals are considered non-routine.

## **Table of Contents**

### **Expenses and Methods of Solicitation**

The Company will bear the expense of soliciting proxies. In addition to the use of the mail and Internet, proxies may be solicited personally, or by telephone or other means of communications, by directors, officers and employees of the Company and its subsidiaries who will not receive additional compensation therefor. The Company will reimburse banks, brokerage firms and nominees for their reasonable expenses in forwarding proxy solicitation materials to beneficial owners of shares held of record by such banks, brokerage firms and nominees.

### **Vote Required**

The affirmative vote of a plurality of the votes cast at the Annual Meeting by the holders of the Common Stock, assuming a quorum is present, is required to elect each director. The two persons receiving the greatest number of votes at the Annual Meeting shall be elected as directors. Since only affirmative votes count for this purpose, broker non-votes or votes withheld will not affect the outcome of the voting on Proposal 1. The affirmative vote of a majority of the votes cast at the Annual Meeting by the holders of the Common Stock, assuming a quorum is present, is required to approve Proposals 2, 3, 4, 5 and 6. Since only votes cast count for this purpose, broker non-votes and abstentions will not affect the outcome of the voting on Proposals 2, 3, 4, 5 or 6.

## **INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

### **Board of Directors**

Pursuant to a shareholders' agreement entered into in connection with the October 2008 merger with VBV LLC and its subsidiaries (the Shareholders' Agreement), as long as Wilon Holdings, S.A. (Wilon) owns at least 2.5% of the Company's outstanding Common Stock, it will have the right to designate one individual, currently Alain Treuer, to be nominated for election as a director. Except for the Wilon nominee, the directors will be nominated for election by the Board of Directors or the shareholders in accordance with the Company's bylaws and Nominating and Governance Committee procedures, as outlined below.

The Board consisted of ten members, divided into three groups, until the resignation of a director in March 2012 whose term would have expired at the 2014 Annual Meeting and the unexpected death of Gary Parker in February 2014 whose term would have expired at the 2016 annual meeting. The Board intends to fill these vacancies as soon as it identifies qualified candidates willing to serve in this capacity. One group of directors is elected at each annual meeting of shareholders for a three-year term. Each year a different group of directors is elected on a rotating basis. Jim Anderson and Wayne Hoovestol are up for re-election at the 2014 Annual Meeting (to serve until the 2017 annual meeting or until their respective successors shall be elected and qualified). The terms of Jim Barry, Todd Becker, Brian Peterson and Alain Treuer (the Wilon nominee) expire at the 2015 annual meeting. The terms of James Crowley and Gordon Glade expire at the 2016 annual meeting.

### **Director Independence**

A director is independent if, in the opinion of the Board, he or she has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and otherwise satisfies the independence requirements of applicable Nasdaq Stock Market (NASDAQ) rules. The Board has reviewed the independence of its current directors and nominees and found that, except for Mr. Becker due to his current position with the Company, each of them is independent.

### **Board Meetings, Directors' Attendance and Shareholder Communications**

The Board held four meetings during 2013. Meetings were conducted via teleconference or in person. No incumbent director attended fewer than seventy-five percent (75%) of the aggregate of Board meetings and

## **Table of Contents**

committee meetings held on which an incumbent director served during this period. The Company's policy is to encourage, but not require, Board members to attend annual shareholder meetings. All Board members attended the 2013 annual meeting.

Shareholders who would like to send written communications to the Board may do so by submitting such communications to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 450 Regency Parkway, Suite 400, Omaha, Nebraska 68114. The Board suggests, but does not require, that such submissions include the name and contact information of the shareholder making the submission and a description of the matter that is the subject of the communication. Ms. Mapes will then furnish such information to the Board or appropriate committee of the Board for review.

## **Board Committees**

The Board has standing Audit, Compensation, and Nominating and Governance Committees.

### *Audit Committee*

The Audit Committee, which was established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act), is comprised of four directors, all of whom meet the independence standards of NASDAQ and the SEC. Audit Committee members are Jim Anderson, James Crowley, Gordon Glade and Brian Peterson, with Mr. Crowley serving as Chairman. Mr. Crowley has been determined to be an audit committee financial expert as defined in Rule 407(d)(5) of Regulation S-K. During 2013, the Audit Committee held seven meetings via teleconference or in person. The Audit Committee Charter, which is reviewed, revised and updated on an annual basis, is posted on the Company's website at [www.gpreinc.com](http://www.gpreinc.com).

The function of the Audit Committee, as detailed in its charter, is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices, and the quality and integrity of the financial reports of the Company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors and Company management.

### *Compensation Committee*

The Compensation Committee is comprised of three directors, all of whom meet the independence standards of NASDAQ. Compensation Committee members are Jim Anderson, Jim Barry and Alain Treuer, with Mr. Treuer serving as Chairman. During 2013, the Compensation Committee met six times via teleconference or in person. The Compensation Committee Charter is posted on the Company's website at [www.gpreinc.com](http://www.gpreinc.com).

The Compensation Committee establishes the Company's general compensation policy and, except as prohibited by law, may take any and all actions that the Board could take relating to compensation of directors, executive officers, employees and other parties. The Compensation Committee's role is to (i) evaluate the performance of the Company's executive officers, (ii) set compensation for directors and executive officers, (iii) make recommendations to the Board on adoption of compensation plans, and (iv) administer Company compensation plans. When evaluating potential compensation adjustments, the Compensation Committee solicits and considers input provided by the Chief Executive Officer relating to the individual performance and contribution to the Company's overall performance by executive officers and other key employees.

Pursuant to its charter, the Compensation Committee is empowered to hire outside advisors as it deems appropriate to assist it in the performance of its duties. The Compensation Committee has sole authority to retain or terminate any compensation consultants or advisors and to approve their fees. For additional information on the Compensation Committee's role, its use of outside advisors and their roles, as well as the Committee's processes and procedures for the consideration and determination of executive compensation, see Executive Compensation Discussion and Analysis.

## **Table of Contents**

### *Nominating and Governance Committee*

The Nominating and Governance Committee is comprised of three directors, all of whom meet the independence standards of NASDAQ. Nominating and Governance Committee members are Jim Barry, Gordon Glade and Wayne Hoovestol with Mr. Barry serving as Chairman. Gary Parker had served as a member of the Nominating and Governance Committee until his death in February 2014. Mr. Hoovestol was appointed to the committee in February 2014. During 2013, the Nominating and Governance Committee met two times. The Nominating and Governance Committee Charter is posted on the Company's website at [www.gpreinc.com](http://www.gpreinc.com).

The function of the Nominating and Governance Committee, as detailed in its charter, is to recommend to the Board the slate of director nominees for election to the Board and to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings. The Nominating and Governance Committee has established certain broad qualifications in order to consider a proposed candidate for election to the Board. The Nominating and Governance Committee will also consider such other factors as it deems appropriate to assist in developing a Board and committees that are diverse in nature and comprised of experienced and seasoned advisors. These factors include judgment, skill, diversity (including factors such as race, gender or experience), integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

### **Board Diversity**

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by shareholders, the Nominating and Governance Committee considers criteria that include the candidate's integrity, business acumen, age, experience, commitment, diligence, conflicts of interest and ability to act in the interests of all shareholders. Moreover, the Nominating and Governance Committee considers the value of diversity of experience on the Board, taking into account the current Board membership, in the director identification and nomination process. The Nominating and Governance Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The Nominating and Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Company believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

### **Director Qualifications**

Presented below are biographies of each director nominee and continuing director containing information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating and Governance Committee and the Board to determine that the person should serve as a director for the Company.

It is the policy of the Nominating and Governance Committee to consider candidates recommended by security holders, directors, executive officers and other sources, including, but not limited to, third-party search firms. Security holders of the Company may submit recommendations for candidates for the Board. All recommendations shall be submitted in writing to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 450 Regency Parkway, Suite 400, Omaha, Nebraska 68114. Such submissions should include the name, contact information, a brief description of the candidate's business experience and such other information as the person submitting the recommendation believes is relevant to the evaluation of the candidate. The Nominating and Governance Committee will review all such recommendations. For candidates to be considered for election at the next annual shareholder meeting, the recommendation must be made in accordance with and within the time frame set forth in the Company's bylaws and described below under "Shareholder Proposals."

## **Table of Contents**

The Nominating and Governance Committee will evaluate whether an incumbent director should be nominated for re-election to the Board or any committee of the Board upon expiration of such director's term using the same factors as described above for other Board candidates. The Nominating and Governance Committee will also take into account the incumbent director's performance as a Board member. Failure of any incumbent director to attend at least seventy-five percent (75%) of the Board meetings held in any year of service as a Board member will be viewed negatively by the Nominating and Governance Committee in evaluating the performance of such director. The Nominating and Governance Committee recommended that both of the incumbent directors whose terms of office expire at the 2014 Annual Meeting be included on the ballot for re-election as directors for a three-year term expiring at the 2017 annual meeting. This recommendation was based on a review and evaluation of meeting attendance, knowledge of the industries in which the Company operates and overall contributions to the Board. Additionally, see Board of Directors above regarding the designation of a nominee by Wilson.

## **Code of Ethics**

The Board has adopted a Code of Ethics that applies to its Chief Executive Officer and all senior financial officers, including the Chief Financial Officer, principal accounting officer, other senior financial officers and persons performing similar functions. The full text of the Code of Ethics is published on the Company's website in the Investors Corporate Governance section. We intend to disclose future amendments to, or waivers from, certain provisions of the Code of Ethics on the Company's website within five business days following the adoption of such amendment or waiver.

## **Role in Risk Oversight**

The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate risk owner within the organization to enable it to understand the Company's risk identification, risk management and risk mitigation strategies. Additionally, the Board has approved and periodically reviews the Company's risk management policy, which specifically sets parameters of risk with respect to commodity and hedging positions. When a committee receives a report, the chairman of the relevant committee reports the discussion to the full Board during the committee reports portion of the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. The risk oversight structure has no effect on the Board's leadership structure.

## **Board Leadership Structure**

The Board does not have a policy on whether the same person should serve as both the chief executive officer and chairman of the board or, if the roles are separate, whether the chairman should be selected from the non-employee directors or should be an employee. The Board believes that it should have the flexibility to make these determinations at any given point in time in the way that it believes best provides appropriate leadership for the Company at that time. Over the last several years, the Company has had each of the following leadership structures, reflecting its circumstances at the time: separate non-employee Chairman and Chief Executive Officer (January 2009 to February 2009 and November 2009 to present); separate Chairman and Chief Executive Officer, with the Chairman being a member of the Company's management (March 2009 to November 2009); combined Chairman and Chief Executive Officer (October 2008 to December 2008); and separate non-employee Chairman and Chief Executive Officer (prior to October 2008). The Board believes that its current leadership structure, with Mr. Hoovestol, a non-employee serving as the Board Chairman, and Mr. Becker serving as the Chief Executive Officer, is appropriate given the experience of each individual. Mr. Becker is currently deemed not to be independent. The independent, non-executive members of the Board meet regularly in executive session. The Board, with guidance from the Nominating and Governance Committee, will periodically continue to review its leadership structure.



**Table of Contents**

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Election of Directors**

The Board is divided into three classes, with the members of each class serving three-year terms of office. This results in one class standing for election at each annual meeting of shareholders. The Nominating and Governance Committee recommended and the Board nominated for re-election Jim Anderson and Wayne Hoovestol, each to serve a term that expires at the 2017 annual meeting. There are currently two vacancies on the Board, one each among the group of directors with terms that expire at the 2014 and 2016 annual meetings. The Board intends to fill these vacancies as soon as it identifies qualified candidates willing to serve in this capacity.

Your Proxy Card will be used to vote for the election of the nominees unless you withhold the authority to do so when you submit your proxy. If no instructions are given, your shares will be voted for the two nominees. As explained above, the Company's directors are elected by the affirmative vote of the plurality of the shares present and entitled to vote. The two persons receiving the greatest number of votes at the Annual Meeting shall be elected as directors.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR BOTH NOMINEES**

**NAMED AS PART OF PROPOSAL 1.**

The following paragraphs set forth information about the nominees and the Company's continuing directors. All director biography information is as of April 3, 2014.

**Nominees for Election at the 2014 Annual Meeting**

JIM ANDERSON, 56, who has served as a director since October 2008, also serves on the Board's Audit and Compensation Committees. Mr. Anderson joined The Gavilon Group, LLC in March 2010 as Chief Operating Officer, Fertilizer. Prior to that, he served United Malt Holdings ( UMH ), a producer of malt for use in the brewing and distilling industries, as Chief Executive Officer and member of the board of directors from September 2006 to February 2010. Prior to that, beginning in April 2003, Mr. Anderson served as Chief Operating Officer / Executive Vice President of CT Malt, a joint venture between ConAgra Foods and Tiger Brands of South Africa. Mr. Anderson's experience in the agricultural processing and trading business includes serving as Senior Vice President and then President of ConAgra Grain Companies. His career also includes association with the firm Ferruzzi USA and as an Operations Manager for Pillsbury Company. Mr. Anderson has a Bachelor of Arts degree with a Finance emphasis from the University of Wisconsin - Platteville. The Board concluded that Mr. Anderson should serve as a director because of his commodity experience and agribusiness knowledge, which provides the Board with a relevant depth of understanding of the Company's operations.

WAYNE HOOVESTOL, 56, has served as a director since March 2006 and as Chairman of the Board since October 2008. Mr. Hoovestol served as the Company's Chief Operating Officer from January 2007 to February 2007, Chief Executive Officer from February 2007 to December 2008, and Chief Strategy Officer from March 2009 to November 2009. Mr. Hoovestol no longer is an employee of the Company. Mr. Hoovestol began operating Hoovestol Inc., a trucking company, in 1978. He is also President of Lone Mountain Truck Leasing, which he founded in 2005. Mr. Hoovestol became involved with the ethanol industry as an investor in 1995, and has served on the boards of two other ethanol companies. Mr. Hoovestol also served on the board of CapSource Financial, Inc., a truck trailer sales and leasing company, from May 2005 to March 2007. The Board concluded that Mr. Hoovestol should serve as a director because of his former leadership as chief executive officer, as well as the business perspective he brings to the Board through his ownership of other entities and investments in other ethanol companies.



## **Table of Contents**

### **Continuing Directors with Terms Expiring in 2015**

JIM BARRY, 47, who has served as a director since October 2008, also serves as Chairman of the Board's Nominating and Governance Committee. Mr. Barry was named Chief Investment Officer of the renewable power investment team within BlackRock, Inc. in February 2011. Prior to that, he served as Chief Executive Officer of NTR plc from June 2000 to February 2011 after serving as Assistant Chief Executive and General Manager, Development. Prior to joining NTR, he worked with Bain and Company, a global consulting firm, and in the investment banking division of Morgan Stanley International. Mr. Barry is on the Council of Patrons of Special Olympics Ireland and is a board member of The Ireland Funds. He also sits on a number of advisory boards related to activities at Harvard Business School and University College Cork. Mr. Barry has a Masters degree in Business Administration from the Harvard Business School and a Bachelor of Commerce degree from University College Cork. The Board concluded that Mr. Barry should serve as a director because of the proven leadership skills, energy industry expertise and international experience that he brings to the Board.

TODD BECKER, 48, who has served as President and Chief Executive Officer of the Company since January 2009, was appointed as a director in March 2009. Mr. Becker served as the Company's President and Chief Operating Officer from October 2008 to December 2008. He served as Chief Executive Officer of VBV LLC from May 2007 to October 2008. Mr. Becker was Executive Vice President of Sales and Trading at Global Ethanol from May 2006 to May 2007. Prior to that, he worked for ten years with ConAgra Foods in various management positions including Vice President of International Marketing for ConAgra Trade Group and President of ConAgra Grain Canada. Mr. Becker has over 25 years of related experience in various commodity processing businesses, risk management and supply chain management, along with extensive international trading experience in agricultural markets. Mr. Becker currently serves on the board of directors, including its compensation committee, for Hillshire Brands Company, a publicly-traded company. Mr. Becker has a Masters degree in Finance from the Kelley School of Business at Indiana University and a Bachelor of Science degree in Business Administration with a Finance emphasis from the University of Kansas. The Board concluded that Mr. Becker should serve as a director because he provides an insider's perspective about the business and the strategic direction of the Company to Board discussions. His extensive commodity experience and leadership traits make him an essential member of the Board.

BRIAN PETERSON, 50, who has served as a director since May 2005, was named to the Board's Audit Committee in March 2009. Mr. Peterson currently serves as President and Chief Executive Officer of Whiskey Creek Enterprises. Mr. Peterson served as Executive Vice President in charge of site development for the Company from 2005 to October 2008. Mr. Peterson was the sole founder and owner of Superior Ethanol LLC, which was acquired by the Company in 2006. For over twenty years, he has owned and operated grain farming entities which now include acreages in Iowa, Arkansas and South Dakota. Additionally, he built, owns and operates a beef feedlot in northwest Iowa. Mr. Peterson has a Bachelor of Science degree in Agricultural Business from Dordt College. The Board concluded that Mr. Peterson should serve as a director because of his ethanol and grain industry experience, which serves as an important resource to the Board.

ALAIN TREUER, 41, who has served as a director since October 2008, also serves as Chairman of the Board's Compensation Committee. Mr. Treuer is Chairman and Chief Executive Officer of Tellac Reuert Partners (TRP) SA, a global Investment and Financial Consulting firm. He was appointed Chief Executive in 2004 and became Chairman in 2005. Mr. Treuer has also controlled Wilon Holdings, S.A. since 2006. Prior to joining TRP SA, he was Chairman of TIGC, a global telecommunications company that he founded in 1992 and sold in 2001. Mr. Treuer has a Masters degree in Business Administration from the Graduate School of Business at Columbia University in New York and a Bachelor of Economics degree from the University of St. Gallen in Switzerland. The Board concluded that Mr. Treuer should serve as a director because his business experiences, combined with his education and global acumen, allow him to provide unique operational insights to the Board.

## **Table of Contents**

### **Continuing Directors with Terms Expiring in 2016**

JAMES CROWLEY, 67, who has served as a director since October 2008, also serves as Chairman of the Board's Audit Committee. Mr. Crowley has been the Chairman and Managing Partner of Old Strategic, LLC since July 2006. His previous experience includes service as Chairman and Managing Partner of Strategic Research Institute, President of Global Investment and Merchant Banking at Prudential Securities, and investment banking at Smith Barney Harris Upham & Co. He currently serves on the board and is audit committee chair of Core Molding Technologies and has served on a number of educational and not-for-profit boards. Mr. Crowley has a Masters degree in Business Administration from the Wharton Graduate School of Business at the University of Pennsylvania and a Bachelor of Science degree in Business Administration from Villanova University. The Board concluded that Mr. Crowley should serve as a director because he qualifies as an audit committee financial expert, possessing the requisite education and business acumen, along with having served on other boards and as an audit committee chair of another company.

GORDON GLADE, 43, who has served as a director since December 2007, also serves on the Board's Audit and Nominating and Governance Committees. For more than the past five years, Mr. Glade has served as President and Chief Executive Officer of AXIS Capital, Inc., a commercial equipment leasing company. In addition, he is a current investor in several other ethanol companies. Mr. Glade also serves as Vice President and a director of the Edgar Reynolds Foundation and as a director of the Brunswick State Bank. Mr. Glade has a Bachelor of Science degree in both Accounting and Finance from Texas Christian University. The Board concluded that Mr. Glade should serve as a director because his business experience, including his experience as an investor in other ethanol companies, provides the Board with valuable perspective.

### **DIRECTOR COMPENSATION**

The Company, upon the recommendation of the Compensation Committee, compensates its directors through a retainer structure for knowledge of the Company and the industry in which it operates, serving in a stewardship role, preparing for and attending Board meetings and committee meetings, and serving as a committee chairman. During 2013, each non-employee director was paid \$65,000 for serving on the Board, including serving on Board committees. In addition, the Audit Committee chairman received \$20,000, the Compensation Committee chairman received \$10,000 and the Nominating and Governance Committee chairman received \$2,000. Additionally, individual deferred stock unit ( DSU ) grants were awarded equal to \$65,000 in value, as measured on the date of grant. Board members are also reimbursed for travel and other business-related expenses.

As an employee, Mr. Becker does not receive director compensation. See Summary Compensation Table for information on his compensation.

On May 10, 2013, the Company's non-employee directors each received a grant of 4,797 DSUs with an award value of \$65,000 pursuant to the Plan. The award vests after one year. However, shares of Common Stock are not issued pursuant to the DSU agreement until the third anniversary of the grant date. The directors have no voting rights with respect to the shares of Common Stock until their issuance.

The Compensation Committee retained Hay Group as an independent consultant during 2013 to evaluate the Company's non-employee director compensation program and provide recommendations for any appropriate changes to achieve market-competitiveness and consistency with recognized corporate governance best practices. After considering these recommendations, the Compensation Committee modified the compensation structure.

**Table of Contents**

The following table sets forth 2013 compensation for non-employee directors.

Name	Fees earned or paid in				Total
	cash	Stock awards	Option awards	All other comp.	
	(\$)	(\$) (1)	(\$) (1)	(\$)	
Wayne Hoovestol, Chairman	65,000	65,000	-	-	130,000
Jim Anderson	65,000	65,000	-	-	130,000
Jim Barry	67,000	65,000	-	-	132,000
James Crowley	85,000				