



GLACIAL LAKES CORN PROCESSORS

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October 1, 2015

To the Shareholders of Glacial Lakes Corn Processors:

In recent months, the Board of Directors and management of Glacial Lakes Corn Processors ("GLCP") have analyzed our business, revenues and income from the export of ethanol and feed products. As a result of that analysis, we have determined that it is in the best interest of our shareholders to form an Interest Charge-Domestic International Sales Corporation ("IC-DISC"). In short, we are separating our patronage-sourced income into two buckets: (1) income earned on export sales of the ethanol and feed products we produce and (2) income earned from domestic sales of the ethanol and feed products we produce.

In order to effect the IC-DISC structure, GLCP recently formed an IC-DISC and a Holding Company in a parent-subsiary structure underneath GLCP. The Holding Company (the "parent") holds 100% of the shares of common stock of the IC-DISC (the "subsidiary"). Effective October 1, 2015, the economic and financial interests of the Holding Company (represented by capital units) were distributed to GLCP shareholders in proportion to their share ownership/patronage as a Fiscal Year 2015 ("FY15") patronage dividend. In essence, we put the direct ownership of the Holding Company (and its wholly-owned IC-DISC subsidiary) in your hands in a "spin-off" transaction. This communication and information statement is your notification of the spin-off transaction. There is no action required on your part. Our new ownership structure is shown on the enclosed GLCP organization chart, with the new entities identified in the boxes on the right-hand side of the chart.

Why did we do this? In two words: **tax savings.** Income and dividends received by most of our shareholders from the IC-DISC will be taxed at significantly lower "qualified dividend" rates than the patronage income and dividends you now receive from GLCP, which is taxed as ordinary income. The IC-DISC structure could result in permanent tax savings (this is not simply a timing benefit) of up to 16% on the export income we earn. As you would expect, the IRS limits the amount of export income that can be shifted to an IC-DISC by an exporter. And earning income on the production of ethanol and feed products is a cyclical, commodity business, and we will have margin downturns in our industry that will reduce earnings across the board. However, we anticipate that our shareholders will collectively realize tax savings from the IC-DISC structure in excess of \$1.0 million annually, and potentially much more than that if we were to duplicate a year like Fiscal Year 2014 or 2015 just completed. Based on the significant tax savings we expect our shareholders to realize annually, the Board authorized management to implement the IC-DISC structure.

Effective October 1, 2015, GLCP shareholders now own two companies: GLCP and the Holding Company. GLCP shareholders will continue to receive all of the income allocations and dividends paid from both companies in proportion to GLCP shares owned, but the dividends will be paid by separate checks from GLCP and the Holding Company. In addition, the income and dividends from the Holding Company will be reported to you differently than the income and dividends from GLCP. On the export side, the Holding Company will pass through 100% of its dividend income from its IC-DISC subsidiary to GLCP shareholders on a Schedule K-1 (which will also show the distributions paid by Holding Company).

The income and dividends you receive on the GLCP side will continue to be reported to you as in the past on Form 1099-PATR.

To facilitate your ownership of the two companies, the collective ownership interests of the Holding Company are represented by the same number of “capital units” as we have shares outstanding of GLCP common stock. Effective October 1, 2015, each GLCP shareholder received one (1) capital unit of ownership in the Holding Company for every one (1) share of GLCP common stock owned. Importantly, the Holding Company capital units and the shares of GLCP common stock are “stapled” together, meaning that one cannot be transferred or sold without the other, and the transfer or sale of GLCP common stock will automatically include the same number of stapled capital units of the Holding Company. As before, our GLCP shares will continue to be available to buy or sell on the AgStock Trade.com website.

The Holding Company capital units are not certificated, but instead are registered on the books and records of the Holding Company, so you will not receive a unit certificate in connection with your ownership in the Holding Company. Since the Holding Company capital units are “stapled” to your GLCP common stock, any transfer of GLCP common stock will automatically transfer the identical number of Holding Company capital units. While your Board of Directors expects to follow the same timing on dividends paid for both the Holding Company and GLCP, there will be differences on allocations of income and payment of dividends for that income between the two companies for buyers and sellers of GLCP common stock with respect to income earned during months of September through December. This is due to the fact that the Holding Company and IC-DISC must file a tax return based on a December 31 (calendar year) tax year and GLCP files its tax returns based on its August 31 fiscal year. These differences are explained further in the enclosed Information Statement. For financial reporting purposes, however, management has determined that the financial results for both companies can be reported to you on a consolidated basis as of August 31 in a single financial report.

It is important to recognize that your investment in GLCP has not changed. You still own GLCP shares, you still have a corn delivery requirement, you still elect GLCP directors on a one-member, one-vote basis, and you may still transfer, sell or buy shares in the same manner. Through your ownership of GLCP and the Holding Company, you will still receive 100% of the dividends we pay out of our total patronage earnings. While we recognize that the IC-DISC transaction introduces some complexity into our ownership structure, we determined the anticipated substantial tax savings to our shareholders outweigh the complexity.

For more information about the IC-DISC transaction, you may obtain a copy of the full GLCP Information Statement including a Questions & Answers section at no charge to you by visiting our website at www.glaciallakesenergy.com or by contacting our office at 605-882-8480 or emailing us at mkohl@glaciallakesenergy.com to request an electronic copy or hard copy be sent to you. In addition, you may stop by the office to obtain a copy of the Information Statement or plan to attend our annual meeting in December where copies will be available. Thank you for your continued support!



James A. Seurer
Chief Executive Officer



Mark J. Schmidt
Board President