

**FUTUREFUEL CORP.  
POLICY FOR APPROVING TRANSACTIONS WITH RELATED PARTIES**

The following sets forth FutureFuel Corp.'s (the "**Company**") policy for approving transactions involving the Company (or one or more of the Company's subsidiaries) and a person related to the Company (or one or more of its subsidiaries) who has an interest, directly or indirectly, in such transaction. Any such transaction which exceeds the lesser of \$120,000 on an annual basis or for which the gross asset test, the profits test, the consideration test, or the gross capital test described below (as applicable) exceeds 1%, must be approved by a majority of the Company's board of directors (such majority to be computed without regard to the related party), in the reasonable exercise of their business judgment, as serving the best interest of the Company and its shareholders and whether the relationship should be continued or eliminated. On approving any such related party transaction, the Company must comply with all then applicable notice rules and regulations of the New York Stock Exchange ("**NYSE**") and the United States Securities and Exchange Commission, as well as all applicable laws.

**Gross Assets Test**

The gross asset test = the gross assets the subject of the transaction ÷ the gross assets of the Company. The "gross assets of the Company" means the total of the Company's fixed assets plus total current assets. These figures should be taken from the most recent consolidated balance sheet of the Company. The "gross assets the subject of the transaction" means:

- (i) in the cases of an acquisition of an interest in an entity which will result in consolidation of the entity's assets in the financial statements of the Company, or a disposal of an interest in an entity which will result in the entity's assets no longer being consolidated in the financial statements of the Company, the assets the subject of the transaction means the value of 100% of the entity's assets, irrespective of what interest is acquired or disposed;
- (ii) in the case of an acquisition or disposal which does not fall within the preceding clause (i), the assets the subject of the transaction means: (a) for an acquisition, the consideration paid plus any liabilities assumed; and (b) for a disposal, the book value of the assets attributed to that interest in the Company's last audited financial statements; and
- (iii) in the case of an acquisition of assets other than as described above, the assets the subject of the transaction means the book value of the assets.

**Profits Test**

The profits test = the profits attributable to the assets the subject of the transaction ÷ the profits of the Company. The "profits of the Company" means profits before taxes and extraordinary items as stated in the last annual consolidated financial statements of the Company. In the case of an acquisition or disposal of an interest in an entity of the type described in the immediately preceding clause (i), the "profits attributable to the assets the subject of the transaction" means 100% of the profits of the entity irrespective of what interest is acquired or disposed.

**Consideration Test**

The consideration test = the consideration ÷ the aggregate market value of all the Company's common stock (excluding treasury shares). The "consideration" means the sum of the cash plus the fair market value of property, if any, paid to the vendor. Where all or part of the consideration is in the form of

securities listed (or to be listed) on a securities exchange, the “consideration” attributable to those securities means the aggregate market value of those securities. If deferred consideration is, or may be, payable or receivable by the Company in the future, the consideration means the maximum total consideration payable or receivable under the agreement. The “aggregate market value of all the ordinary shares of the Company’s common stock (excluding treasury shares)” means the value of the Company’s common stock as reported on NYSE or another national exchange on the day prior to the date of the transaction.

### **Gross Capital Test**

The gross capital test = the gross capital of the company or business being acquired ÷ the gross capital of the Company. The “gross capital of the company or business being acquired” means the aggregate of: (i) the fair market value of the consideration paid; (ii) if a company, the fair market value of its shares and debt securities, if any, which are not being acquired; (iii) all other liabilities (other than current liabilities), including for this purpose minority interests and deferred taxation; and (iv) any excess of current liabilities over current assets. The “gross capital of the Company” means the aggregate of: (i) the aggregate market value of the Company’s common stock (excluding treasury shares); (ii) all other liabilities (other than current liabilities), including minority interest and deferred taxation; and (iii) any excess of current liabilities over current assets.

### **Definition of Related Party**

For purposes of this policy, a “related party” includes: (a) any person who is a director or officer of the Company or of any of the Company’s subsidiaries; (b) a shareholder owning more than 5% of the Company’s common stock; and (c) an associate of a person described in the immediately preceding clause (a) or (b), being: (i) the family of such a person; (ii) the trustees (acting as such) of any trust of which the individual or any of the individual’s family is a beneficiary; or (iii) any entity controlled by or under common control with such person.