

MGP INGREDIENTS, INC.

CHARTER OF

HUMAN RESOURCES AND COMPENSATION COMMITTEE

I. PURPOSE

The purposes of the Human Resources and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of MGP Ingredients, Inc. (the “Company”) are to oversee the Company's compensation philosophy and programs and assess whether they establish appropriate incentives for senior management, recommend to the Board the compensation of the Company's chief executive officer (“CEO”) and other senior executive officers, recommend bonus systems for key employees and the scope and type of compensation plans for management personnel, administer equity based compensation plans and oversee executive searches.

II. COMPOSITION

The Committee will consist of three or more members of the Board, each of whom the Board has determined is “independent” under applicable rules of the Securities and Exchange Commission and the corporate governance listing standards of the NASDAQ Stock Market. Specifically, a director on (or being considered for service on) the Committee shall not be considered “independent” if he or she (i) is an officer or employee of the Company or any subsidiary thereof or (ii) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary (apart from compensation paid for services as a director or fixed compensation under a retirement plan (including deferred compensation) for prior service and that is not contingent on continued service). In considering independence, consideration shall be given as to whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company in such a way as would impair the director's judgment as a member of the Committee. If a member of the Committee ceases to be “independent” for reasons beyond the member's reasonable control, the Company may cure the deficiency by the earlier of its next annual meeting or one year from the occurrence of the event that caused the director no longer to be independent, provided that the Company has at least 180 days from such event to regain compliance.

Each member of the Committee shall also be a "non-employee" director as defined in Rule 16b-3(b)(3) promulgated under the Securities Exchange Act of 1934, as amended (the “Act”) and an "outside" director as defined under Section 162(m) of the Internal Revenue Code. Any member of the Committee shall automatically cease to be a member at such time as a person ceases to qualify as a "non-employee" or "outside director,” as so defined, and any vote cast by such person while so disqualified to act shall be deemed a nullity and shall not adversely affect any vote or action taken pursuant to the affirmative votes of a majority of the remaining members of the Committee who at such time were not so disqualified.

The members of the Committee will be appointed and removed by the Board. Unless a Committee chairperson is elected by the full Board, the members of the Committee may designate a Committee

chair by majority vote of the full Committee membership. The Committee is governed by the same rules regarding meetings, quorum and voting requirements as are applicable to the Board.

III. MEETINGS

The Committee will meet at least once annually, or more frequently as circumstances dictate. Meetings may be called at the request of the Chairman of the Board, the Committee Chairman, a majority of the members of the Committee or the CEO. Minutes of each meeting will be compiled by the Company's Secretary or other designee of the Committee Chair. Action may be taken by unanimous written consent. The Committee may form and delegate authority to subcommittees or members of the Committee when appropriate. The Committee is authorized to adopt other rules of procedure not inconsistent with any provision of this Charter, Articles of Incorporation and Bylaws of the Company and the laws of the State of Kansas.

IV. RESPONSIBILITIES AND DUTIES

The following are the duties and responsibilities of the Committee:

1. The Committee will review and approve goals and objectives relevant to CEO and senior executive compensation and annually evaluate performance in light of such goals and objectives.
2. The Committee will make recommendations to the Board with respect to the compensation of the CEO and other senior executive officers.
3. The Committee will make recommendations to the Board with respect to incentive-compensation of key employees and management personnel, equity based plans that are subject to Board approval and any related policies.
4. The Committee will review the scope and type of compensation plans and programs for management personnel and will assess how such plans and programs and related policies may affect the Company's risk profile and structure them with a view to providing incentives for management to make decisions that are risk-appropriate.
5. The Committee will review all executive searches.
6. The Committee will administer the Company's equity based incentive plans and director stock plans.
7. The Committee will annually review its own performance and policies and procedures.
8. The Committee will review and approve contributions to the Company 401K plan, monitor the Company's health care plan and monitor negotiations of union contracts.
9. The Committee will assist management in preparing disclosures in the Company's annual proxy statement to shareholders (including the Compensation Discussion and Analysis section, if required under the Act and applicable securities laws, in which event the Committee shall be responsible for

making recommendation to the Board that such section be included in such proxy statement or annual report on Form 10-K) and other reports with respect to compensation matters and the Committee's policies and procedures. Specifically, the Committee will produce an annual "Compensation Committee Report," as defined in Item 407(e)(5) of Regulation S-K under the Act, for inclusion in the proxy statement for the annual meeting, if and as required under the Act and applicable securities laws.

10. The Committee has authority to retain or obtain the advice of any compensation consultants, legal counsel and other compensation advisors ("Advisors") it so chooses, and the Committee has responsibility for the appointment, compensation and oversight of the work of those Advisors. While there is no requirement that an Advisor be deemed independent, the Committee shall act consistently with applicable law, including Nasdaq rules, and only engage Advisors after assessing the following factors:

- o the provision of other services to the Company by the Advisor's employer;
- o the fees received from the Company by the Advisor's employer, as a percentage of the total revenue of the employer;
- o the policies and procedures of the Advisor's employer that are designed to prevent conflicts of interest;
- o any business or personal relationship of the Advisor with a member of the Committee;
- o any stock of the Company owned by the Advisor; and
- o any business or personal relationship of the Advisor or the Advisor's employer with an executive officer of the Company.

The Committee may, however, exempt certain categories of Advisors from these assessments, namely in-house legal counsel and any Advisor whose role is limited to (i) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is available generally to all salaried employees or (ii) providing information that is not customized for a particular company or is customized based on parameters that are not developed by the Advisor, and about which the Advisor does not provide advice.

The Committee is not required to implement or act consistently with the advice or recommendations of any Advisor that it retains.

11. The Committee shall perform such other duties as may be delegated to the Committee by the Board.

V. RESOURCES AND AUTHORITY

The Committee will have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of Advisors, special counsel and other experts or consultants as it deems appropriate, without seeking approval of the Board or management.