

AGVANTIS, INC.
WHISTLEBLOWER PROGRAM AND PROCEDURES

226

This program is established by the Audit Committee of AgVantis, Inc. (“AgVantis”) for receiving and handling issues related to accounting, financial reporting, internal accounting controls, auditing matters, or fraud. Every Farm Credit System institution must have an effective internal control process as required by Farm Credit Administration (FCA) Regulation 12 CFR 618.8430, and a whistleblower program can be a key part of the process. A whistleblower program provides ways to confidentially report complaints or tips about a violation of law, regulation, or policy, as well as fraud, corruption, or operational weaknesses, for investigation and resolution. It provides a method for the confidential, anonymous submission by employees or vendors of AgVantis of concerns regarding questionable accounting, auditing matters or fraud. It is designed to provide a means of collecting employee or vendor concerns, improving internal communication, and collecting information regarding emerging issues. Its implementation contributes to AgVantis’ overall system of internal controls, and it is most effective when both internal parties (for example, directors, officers, and employees) and external parties (for example, shareholders, vendors, and others) can report a complaint, misconduct, or tip for corrective action.

If an employee has a concern related to other workplace issues, AgVantis has created procedures that allow for such issues to be handled in an appropriate, professional, and lawful manner. For general workplace issues, employees should use the Open Communications and Workplace Grievances Policy in the Employee Handbook. If an employee has a concern about unlawful discrimination and/or harassment, AgVantis has established special procedures which should be followed to report and address these issues according to applicable law and regulation. Those reporting procedures are set forth in the Harassment Policy in the Employee Handbook.

AgVantis’ whistleblower program and procedures are authorized and structured, in part, according to FCA Regulations 12 CFR 618.8430, 12 CFR 612.2170(b), and 12 CFR Part 612, subpart B, and FCA Information Memorandum entitled “Whistleblower Programs” dated July 9, 2015.

Protection

This program enables any and all parties internal and external to AgVantis wishing to bring issues related to accounting, financial reporting, internal accounting controls, auditing matters or fraud to the attention of the Audit Committee to remain confidential and anonymous. There will be no reprisal, retaliation or adverse action taken against any (internal or external) party who, in good faith, reports or assists in the investigation of a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action. The program provides a mechanism for parties who report their concerns to receive a response to their issue while maintaining their anonymity. Disclosure of concerns or reporting issues under this program is encouraged.

Accessibility

AgVantis will provide a toll free telephone “hotline” number to all employees and vendors, along with an internet website address. AgVantis will follow industry best practices and post a whistleblower link on all webpages of the AgVantis website. These communication avenues will be posted prominently on the “Members” area of the AgVantis website for all AgVantis

WHISTLEBLOWER PROGRAM AND PROCEDURES

employees. In addition, the “hotline” number and website will be posted on the bulletin boards in common areas within the facility readily accessible by employees and on-site vendors.

The organization retained by AgVantis to provide this service is Lighthouse Services. Lighthouse Services is an experienced, third-party whistleblower hotline provider that has built a program to provide for complete confidentiality and anonymity to those who disclose concerns or report an issue under this program.

Lighthouse Services personnel will answer the hotline twenty-four hours a day, seven days a week, 365 days per year. They produce a documented report from this conversation to enhance the confidentiality and anonymity of the communication. If a party chooses to submit a report utilizing the website, a secure and encrypted template can be accessed by simply entering AgVantis’ name.

When a report is filed with Lighthouse Services, an e-mail notification that a report has been filed will be sent to the AgVantis Chief Executive Officer (CEO), AgVantis’ general counsel, Standards of Conduct Officer, and the Chairman of the Audit Committee. If any of these individuals are named in the filed report, they will be excluded from the notification. Only those individuals receiving a notification are able to access Lighthouse Services secure website whereby they will be able to view the report that has been filed.

Lighthouse Services’ system provides a mechanism for a party who files a report to learn what resulting action was taken in an anonymous manner. If the authority receiving and handling the complaint so chooses, a response can be filed on Lighthouse Services’ website accessible only to the individual who filed the report.

Complaint Investigation

Within 48 hours of receipt of a submitted report, the AgVantis CEO, Standards of Conduct Officer or the Chairman of the Audit Committee will acknowledge through Lighthouse Services’ website the receipt of the report. Depending on the nature of the report submitted under this program, the AgVantis CEO, AgVantis’ general counsel, Standard of Conduct Officer, and the Chairman of the Audit Committee will determine the appropriate investigative course of action and/or response to the individual filing the complaint. If the report involves one of these individuals, the remaining three will determine the appropriate course of action and/or response. AgVantis will also consider the Standards of Conduct Officer’s role as outlined in FCA Regulation 612.2170(b) for investigating complaints received against directors and employees of AgVantis. If only the Chairman of the Audit Committee is notified of a report, the Chairman of the Audit Committee will confer with the Vice Chairman to determine the appropriate course of action. AgVantis will also maintain protocols to keep the FCA informed of complaints and tips received and investigative efforts and, if there is any known or suspected criminal violation, AgVantis will follow FCA Regulation 12 CFR Part 612, subpart B, and make a criminal referral. Based upon the nature or severity of the report, AgVantis may engage a qualified external advisor to conduct or assist with conducting any investigation.

Coordination with CoBank

In the event that the AgVantis Audit Committee through this program or other means identifies issue(s) related to accounting, financial reporting, internal accounting controls, auditing matters or fraud, that have potential impact on CoBank, ACB, the CoBank District, or System Certifications and Reporting, said issue(s) will be reported to the CoBank Standards of Conduct Official. If the nature of the complaint so warrants, the Chairman of the CoBank Audit

WHISTLEBLOWER PROGRAM AND PROCEDURES

Committee will be notified and included in determining the appropriate course of action and/or response.

Audit Committee Oversight

Any reports received under this program will be reviewed with the Audit Committee by the CEO, AgVantis' general counsel, and/or Chairman of the Audit Committee in executive session at the Committee's next meeting; however, the Audit Committee review will be conducted without any subjects of the complaint present during the discussion. The Audit Committee will also be notified if there were no items to report since its last meeting.

Access to Lighthouse Services' system for the CEO, AgVantis' general counsel, Standards of Conduct Officer, and the Chairman of the Audit Committee is set at the "audit committee" level. Individuals at this level receive a direct notification from Lighthouse Services each time their access level is changed. This control provides for monitoring of access changes made by the CEO in the role of client administrator on Lighthouse Services' system.

Administration and Evaluation

Administration of this program, including contracting with Lighthouse Services and coordinating the implementation of this service, will be the responsibility of the CEO. A report on Whistleblower activity shall be included as an agenda item and provided at least quarterly at the meetings of the Board of Directors. AgVantis will provide a reminder of the Whistleblower program to its employees each quarter through either a written or verbal communication process.

The Whistleblower Program will be included in AgVantis' Audit Plan. Audit testing will consider all significant aspects of the Whistleblower Program, including the reliability and responsiveness of Lighthouse Services' system. Per the AgVantis Audit Plan, Lighthouse Services system will be tested periodically to ensure it adequately supports this program and whether, among other things, reports are directed to the appropriate individuals, including the exclusion of an individual named in a complaint, and whether the program's document retention procedures continue to satisfy all applicable laws and regulations. The results of this testing will be reported to the Audit Committee. The Audit Committee will arrange for independent evaluations of the Whistleblower Program should internal audit personnel ever be involved in administering the program.

AgVantis will, at least annually, continue to provide periodic, formal training to new and existing Board members and employees to ensure they fully understand their crucial role in maintaining the ongoing existence of a healthy, ethical culture of compliance. Training will promote awareness of the Whistleblower Program, provide information on reporting processes, and address what should be reported. Furthermore, training will emphasize confidentiality to ensure Board members and employees understand how the process works and protects anonymity. Additionally, AgVantis will ensure that external parties are aware of how to report complaints or tips by including information and links on the AgVantis' website or in other documents sent to vendors.