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## Standards of Business Conduct and Response Program

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PREPARED BY: ANDE-LEGAL	Published: 7/11/2013	REVISED DATE: 2/04/2016
NATURE OF REVISION:	Reference numbers were update to provide consistency in policy	

### Purpose

This Policy was created to support the Company's commitment to protecting its revenue, property, reputation and other assets; to emphasize clearly the need for accurate financial reporting; and to define guidelines for the investigation and handling of any violation of this Policy, should it occur.

### Scope

This policy applies to all employees.

### Policy

The Company's Statement of Principles, Mission Statement, and this Standards of Business Conduct Policy and Response Program (the "Policy") set forth our commitment to conduct business with the highest ethical standards, and to work diligently to be a respected corporate citizen.

It is important that all employees clearly understand their responsibilities for conducting themselves in accordance with the policies and procedures that express the Company's ethical standards, as well as comply with all applicable governmental laws and regulations. By consistently applying the Company's high ethical standards to all of our business relationships, we will have a work environment that is conducive to individual and Company success.

Any violation of the Policy, however, will subject the employee to disciplinary action up to and including termination.

#### **I. Applicability**

This Policy applies to all employees of The Andersons, Inc. This includes all company directors, full-time, part-time, seasonal and other temporary employees.

#### **II. Standards of Business Conduct**

##### **A. Conflicts of Interest**

It is expected that all employees will place the interests of the Company ahead of their private interests in the performance of their duties. Any outside employment, investment, personal or



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family business must not conflict with the employee's employment with the Company. A conflict of interest would be something that could potentially influence the decisions an employee makes for the Company. The following is a non-exclusive list of Company policies that will assist in eliminating any actual or potential conflicts of interest:

- No employee or spouse or dependent of an employee may hold a "Significant Financial Interest" (as defined below) in a competitor, customer of, or supplier or service provider to the Company, unless the ownership is reviewed and approved in advance by the Chief Executive Officer of the Company. "Significant Financial Interest" means either 5% ownership or the ownership of \$50,000 or more of any competitor, customer of, or supplier or service provider to the Company. Any significant ownership must also be disclosed per this Policy. No employee or spouse, dependent, parent, or sibling of an employee may act as a supplier or service provider to the Company, unless this arrangement is reviewed and approved in advance by the Chief Executive Officer of the Company and disclosed as provided in Section III.B of this Policy.
- No employee may engage in any business activity as a director, officer, or agent on behalf of a competitor, customer of, or supplier or service provider to the Company, unless this arrangement is reviewed and approved in advance by the Chief Executive Officer of the Company and disclosed as provided in Section III.B of this Policy.
- No employee may engage in any business activity as an employee of a competitor, customer of, or supplier or service provider to the Company, unless this arrangement is reviewed and approved in advance by the Chief Executive Officer of the Company and disclosed.
- No employee may act as a broker or other intermediary for the benefit of a third party in transactions involving the Company or its interests.
- No employee may take personal advantage of a business opportunity that might be of interest to the Company unless the details of the opportunity are fully disclosed to the Chief Executive Officer of the Company and the Company elects not to pursue it.

If an employee is potentially involved in a conflict of interest situation, prompt and full disclosure must be made. . If it is unclear if a situation is a "conflict of interest" then it should be disclosed so that the appropriate corporate officer can make the determination.



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B. Supplier Relations

It is the Company's policy to deal fairly and objectively with suppliers, or potential suppliers, of goods and services. This policy includes, but is not limited to, the following procedures:

- Employees must deal with suppliers and other persons in a manner that avoids even the appearance of personal advantage. Employees may only accept gifts that are limited in value and form, are consistent with accepted industry and ethical practices, and about which public disclosure would not embarrass the Company. Gifts worth greater than \$100/year should not be accepted, however, if a particular situation leads to this being necessary, supervisor approval must be obtained and the gift must be disclosed as provided in Section III.B of this Policy. At no time may an employee accept any amount of cash or a cash equivalent (e.g., gift certificates or gift cards)
- Reasonable social outings with suppliers are acceptable as long as the event is not extravagant (value worth less than \$150 per person/ per year). If the outing is expected to cost the supplier more than this amount per person, then the outing must be approved in advance by the employee's supervisor. If a social outing involves an overnight stay paid for by the supplier, the appropriate corporate officer and/or the Chief Executive Officer of the Company must further approve this. Under no circumstances may an employee utilize a supplier or customer's facility or home for personal use.

C. Avoiding Improper Payments

All employees must strictly avoid any activity that could be construed to be a bribe, kickback, or payoff, including by adhering to the following policies:

- Payments or gifts to another business concern (or their agent), or to a political party or candidate for political office, to obtain or retain business for the Company or to receive favorable or preferential treatment are strictly prohibited.
- Gifts and entertainment may be provided for customers or potential customers only if they are limited in value and form, are consistent with accepted industry and ethical practices, and public disclosure of the facts would not embarrass the Company.
- Secret commissions, discounts, compensation or other payments to employees or agents of customers are prohibited.



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D. Respecting Other Companies

All employees must respect other companies, their employees and their property. Specifically, all employees are expected to adhere to the following policies:

- Our industries are dynamic and ever changing. We must not collaborate — either formally or informally — with competitors to restrain competition in areas such as price, credit terms, discounts, service delivery, production capacity, product quality, or costs.
- All employees should respect the rights of authors and publishers of printed materials, audio and videotapes, and computer software. Copies of computer programs used at work may not be made for personal purposes, without permission, and unlicensed computer software may not be installed on Company computers.

E. Confidentiality

- The Company expects all employees to preserve the confidentiality of information obtained in the course of the Company's business. This requirement has implications both the Company's own business success, as well as under a variety of state and federal laws regarding securities trading, insider information, and fair dealing with investors. Additional information on confidentiality can be obtained from the Company's Disclosure, Material Information and Reg FD Policy. Inadvertent disclosures, such as those that might occur in social settings are prohibited.

F. Corporate Records

Employees should ensure that the books and records of the Company and its subsidiaries accurately and completely reflect all transactions. In addition:

- All reporting of accounting and operating data must ensure the integrity of corporate information. Corporate books and records must be maintained in accordance with the accounting principles and internal control procedures the Company has adopted.
- No payment on behalf of the Company may be made with the intention or understanding that part or all of such payment will be used for any purpose other than as described in the documents supporting it.



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G. Preservation of Company Assets

All Company employees are expected to respect and protect Company assets. This includes facilities, equipment, inventory, funds, services and intangibles (e.g., ideas, copyrights, etc.). In addition, all employees must abide by the following rules in order to preserve the Company's assets:

- At no time should Company assets be removed from the premises (unless for specific business use (e.g., a laptop computer or company car)). If a legitimate business purpose exists for assets to be removed, this must be documented and approved in advance by the employee's immediate supervisor.
- The Company's trade secrets, proprietary information, trademarks, patents and other intellectual property are among its most valuable assets. This information is not to be compromised through disclosure to competitors, customers, suppliers, family or friends, at any time, except as may be required in the ordinary course of business. Such property is to remain in the exclusive possession of the Company.

H. Fraud

In law, "fraud" generally involves an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or concealment of material facts. Fraud may be committed by an individual, a group of individuals, or by one or more organizations. Fraud is a violation of trust that, in general, refers to an intentional act committed to secure personal or business advantage.

While fraud can cover many activities, this Policy is directed primarily at financial matters that could be legally defined as fraud. Examples of "financial fraud" generally fall into four broad categories and may include, but are not limited to:

- **Misappropriation of Assets**
  - Forgery, alteration or misappropriation of checks, drafts, promissory notes or securities
  - Unauthorized, non-business acquisition, use, or disposition of funds, inventory, furniture, fixtures, equipment, records, or other assets
  - Embezzlement
  - Theft
  - Falsifying time sheets or payroll records, including, but not limited to, reporting hours not worked or a supervisor not allowing the reporting of all hours worked by hourly employees



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- Falsifying travel and entertainment expenses and/or utilizing company funds to pay for personal expenses
  - Fictitious reporting of receipts from suppliers or shipments to customers
  - Misappropriation of Company-owned computer hardware, software, data, or other records including company intangibles (e.g., proprietary information, trade secrets, patents, etc.)
  - **Fraudulent Financial Reporting**
    - Earnings management
    - Improper revenue recognition
    - Overstatement of assets
    - Understatement of liabilities
  - **Expenditures and Liabilities for Improper Purposes**
    - Bribery
    - Kickbacks
  - **Fraudulently Obtained Revenue and Assets**
    - Improper tax reporting

### **III. Response Program**

#### **A. General Policy to Ensure Compliance with all Standards of Business Conduct**

The Company will investigate any suspected acts of fraud, misappropriation, conflict of interest, other violation of this Policy or other similar irregularity. An objective and impartial investigation, as deemed necessary, will be conducted regardless of the position, title, length of service or relationship with the Company of any party who might be or becomes involved in or becomes/is the subject of such investigation.

Each Group/Division/area manager is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of any violation of this Policy and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

The Director, Internal Audit, with consultation and support from the appropriate management team, has the primary responsibility for overseeing the investigation of all activity as defined in this policy, as appropriate. The Director, Internal Audit will immediately notify the Chairman of the Audit Committee of the Board of Directors of any significant investigation regarding a



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potential violation of this Policy. Also, the Director, Internal Audit, will involve others within Human Resources, Legal and/or group management, as deemed appropriate.

Upon conclusion of the investigation, the results will be reported to the appropriate management representatives. All significant violations will be further reported to the entire Audit Committee. Lastly, quarterly updates of material violations, including, but not limited to, fraud, will be provided to the entire Audit Committee.

Where there are reasonable grounds to indicate that a violation of this Policy may also have constituted illegal activity, the Company may report the incident to the appropriate authorities in order to pursue all legal remedies. Also, the Company will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender.

B. *Procedures for Reporting*

The Company continues to believe that a well-functioning open door policy that encourages free and open expression and feedback about any subject is a cornerstone of our human resource philosophy. The feedback and input of all employees on any issue is valued and important.

*All Employees* – In any case where an employee (i) has knowledge of any violation of any of the Standards of Business Conduct, (ii) has reason to suspect that a violation has occurred, or (iii) is required to disclose a "Significant Financial Interest" or other potential conflict of interest in accordance with Section II.A of this Policy, it is the employee's duty to disclose this information in a timely manner. Disclosure should be made utilizing e-mail or some other written format. All relevant information regarding the potential violation or disclosure obligation should be documented and disclosed to the employee's supervisor and the Director, Internal Audit. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall immediately notify the Director, Internal Audit and either the President of that employee's business group, the Chief Executive Officer of the Company or the Human Resources Department. In addition, certain members of company management will be required to complete an annual disclosure form with respect to potential violations of this Policy. Disclosures will be reviewed and approved by the Audit Committee and may be further reviewed by the Internal Audit Department.

*Managers* – In addition to complying with the reporting procedures applicable to all employees of the Company as outlined above, supervisors who perceive the existence of, or know the existence of, any violation of this Policy involving one of their employees (that has not been reported by the employee) have a responsibility to report the issue. In addition, upon notification from an employee of any violation of this Policy, or if the manager has reason to suspect that a violation has occurred, the manager shall immediately notify the Director, Internal Audit and either the President of that employee's business group, the Chief Executive Officer of the Company or the Human Resources Department.





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We also have an "Ethics Hotline" (866-864-4872) in place that can be utilized by employees to report issues. All items reported to the hotline will remain confidential and should be made anonymously at the discretion of the caller. Examples of items that can be reported on the hotline include:

- Questionable accounting or auditing matters, including such things as the recognition of revenue or expenses in the wrong period, and the over or understatement of sales, inventory, reserve balances, liabilities, etc.
- Any suspected fraud (e.g., misreporting of hours worked (payroll fraud), payment of personal expenses, misappropriation of cash, receivables, etc.)
- Conflicts of interest which are not believed to be appropriately reported
- Inappropriate relationships with vendors and/or suppliers
- Unauthorized removal of company assets from the premises or utilizing them for personal benefit
- Reporting of safety or human resource issues that you do not feel are being appropriately addressed through the Open Door Policy

If you prefer, confidential letters can also be submitted to: The Audit Committee Chairman, P.O. Box 336, Maumee, OH 43537.

C. Investigation

Upon notification or discovery of a suspected violation of this Policy, the Director, Internal Audit will promptly investigate the violation in conjunction with the Legal Department. Every effort will be made to keep the investigation confidential; however, from time to time other members of the management team will need to be consulted in conjunction with the investigation.

After an initial review and a determination that the suspected violation warrants additional investigation, the Director, Internal Audit will notify management and the Audit Committee, as appropriate.

It should be noted that there may be certain instances of a violation of this Policy that will be handled in the normal course of business that will not result in a separate "investigation" by the Internal Audit Department. An example of this would be an employee shoplifting within a retail store. The Retail Division already has clear procedures for how this would be handled and these procedures would be followed, as appropriate. For these cases, periodic communications will be made to the Internal Audit Department updating them of the cases noted and actions taken.





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D. Security of Evidence

Where appropriate, once a suspected violation involving fraud or other compromise of Company books and records is reported, immediate action to prevent the theft, alteration, or destruction of relevant records needs to occur. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the violation from having access to the records. The records must be adequately secured until the Director, Internal Audit and/or the Legal Department obtains the records to begin the audit investigation.

E. Confidentiality

All participants in an investigation of a violation of this Policy shall keep the details and results of the investigation confidential. However, as noted above, from time to time other members of the management team will need to be consulted in conjunction with the investigation.

F. Personnel Actions

If a suspicion of a violation of this Policy is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Human Resources and Legal Departments.

G. Whistle-Blower Protection

No employee of the Company, or person acting on behalf of the Company in attempting to comply with this policy shall:

- be dismissed or threatened to be dismissed,
- be disciplined or suspended or threatened to be disciplined or suspended,
- be penalized or any other retribution imposed, or
- be intimidated or coerced,

in each case based to any extent upon the fact that the employee has reported an incident or participated in an investigation in good faith and in accordance with the requirements of this Policy. Violation of this section of the Policy will result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation no action will be taken against the originator. If, however, individuals make malicious allegations, action may be considered against the individual making the allegation.