



Anti Fraud Policy and Response Program

Introduction

The Company's Statement of Principles, Mission Statement and Standards of Business Conduct set forth the Company's commitment to conduct business pursuant to the highest ethical standards. Application of these ethical standards through the oversight of the Board and its committees; management's practices; organizational structure; hiring and promotional practices; training and education; employee, customer, vendor and community relationships; and policies and procedures, such as the open-door and talk to the boss programs, will provide a work environment that is conducive to both individual and Company success.

Purpose

This Anti-Fraud Policy and Response Program ("Policy") has been 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 fraud, should it occur.

Applicability

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

Definition of 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

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- 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.
 - 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

General Policy and Responsibilities

1. It is the Company's intent to investigate any suspected acts of fraud, misappropriation 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.
2. 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 fraud, misappropriations 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.
3. The Internal Audit Manager, 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 Manager of Internal Audit will immediately notify the Chairman of the Audit Committee of any significant fraud investigation. Also, the Internal Audit Manager, will involve others within Human Resources, Legal and/or group management, as deemed appropriate.

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4. Upon conclusion of the investigation, the results will be reported to the appropriate management representatives. All significant instances of fraud will be further reported to the entire Audit Committee. Lastly, quarterly updates of fraud will be provided to the entire Audit Committee of the Board of Directors.
5. Where there are reasonable grounds to indicate that a fraud may have occurred, 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.

Procedures for Reporting

All Employees - Any employee who has knowledge of an occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall immediately notify the Internal Audit Manager, or Group President, or CEO, or Human Resources Department.

Managers - Upon notification from an employee of suspected fraud, or if the manager has reason to suspect that a fraud has occurred, the manager shall immediately notify the Internal Audit Manager, or Group President, or CEO, or Human Resources Department.

Another option for any employee is to report the issue directly to the confidential Ethics Hotline at (866) 864-4872.

Investigation

Upon notification or discovery of a suspected fraud, the Internal Audit Manager will promptly investigate the fraud. The Internal Audit Manager will make every effort 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 fraud warrants additional investigation, the Internal Audit Manager will notify management and the Audit Committee, as appropriate. When deemed necessary, the Internal Audit Manager shall coordinate the investigation with the appropriate law enforcement officials. Internal or external counsel will be involved in the process, as deemed appropriate.

It should be noted that there may be certain instances of fraud 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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Security of Evidence

Once a suspected fraud 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 fraud from having access to the records. The records must be adequately secured until the Internal Audit Manager obtains the records to begin the audit investigation.

Confidentiality

All participants in a fraud investigation 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.

Personnel Actions

If a suspicion of fraud 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.

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,

based to any extent upon the fact that the employee has reported an incident or participated in an investigation 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.