

## **HIGHWATER ETHANOL, LLC WHISTLEBLOWER POLICY**

### **Procedures for the Submission of Complaints or Concerns Regarding Accounting, Internal Accounting Controls or Auditing Matters**

The Sarbanes-Oxley requires our Audit Committee to establish procedures for: (a) the receipt, retention, and treatment of complaints received by Highwater Ethanol, LLC (the “Company”), regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by employees of the Company and others, on a confidential and anonymous basis, good faith concerns regarding questionable accounting or auditing matters. In accordance with these requirements, the Audit Committee has adopted the following procedures.

### **Scope of Matters Covered by This Policy**

This Policy relates to concerns or complaints relating to any questionable accounting matters including, without limitation, the following:

- Fraudulent, misleading or deliberately erroneous accounting or auditing practices;
- Deficiencies in or non-compliance with the Company’s internal accounting controls;
- Fraud, misrepresentation or deliberate error in the recording, preparing and/or maintaining of the Company’s financial records, financial statements, audit reports or public filings;
- Fraud in or deviation from the full and fair reporting of the Company’s financial condition;
- Violations of the Company’s Code of Ethics that relate to or involve questionable accounting or auditing practices or internal accounting controls;
- Violations of state or federal law that relate to or involve questionable accounting or auditing practices or internal accounting controls; and
- Violations of Company policies relating to accounting or auditing practices or internal accounting controls.

## **Submission of Accounting Complaints or Concerns**

The Company has an open door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, our supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and management personnel are required to report suspected violations of the Company's Code of Ethics to the Audit Committee Chairman, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Company's open door policy, individuals should contact the Audit Committee Chairman directly. Acts of wrongdoing may be disclosed in writing, by telephone or in person. The current contact information for the Audit Committee Chairman is as follows:

Ron Jorgenson  
33689 Cty Rd. 4  
Jeffers, MN 56145  
Phone: (507) 822-0824

In order to facilitate a complete investigations, employees should be prepared to provide as many details as possible, including a factual description of the questionable practice or behavior, the names of any persons involved, the names of possible witnesses, dates, times, places, and any other available details.

## **Confidential Submission of Complaints and Concerns**

The Company encourages all employees with complaints or concerns to come forward with information. The Company prohibits retaliation against employees raising concerns. Nonetheless, if an employee feels more comfortable doing so, reports may be made confidentially and/or anonymously. Any employee wishing to make a confidential anonymous submission should address his or her concerns in writing and forward the same to the Audit Committee Chairman in a sealed envelope marked with the legend "CONFIDENTIAL SUBMITTED PURSUANT TO THE WHISTLEBLOWER POLICY OF HIGHWATER ETHANOL, LLC." In order to remain confidential and anonymous the employee should not include his or her name or return address on the envelope or written submission. Additionally, the employee should type the submission. The submission should be factual rather than speculative and should contain as much specific information as possible to allow for a proper assessment. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

If the complaint involves a member of the Audit Committee or the complainant is affiliated with the Audit Committee, the complainant may submit a complaint to the Company's outside legal counsel. The current contact information for the Company's outside legal counsel is as follows:

Miranda Hughes  
666 Grand Ave Suite 2000  
Des Moines, Iowa 50309-2510  
Phone: (515) 242-2400  
Fax: (515) 323-8576  
E-mail: [hughes@brownwinick.com](mailto:hughes@brownwinick.com)

### **Acting in Good Faith**

Anyone filing a complaint or concern regarding accounting, internal accounting controls, auditing matters or an alleged violation or suspected violation of the Company's Code of Ethics must be acting in good faith.

### **Audit Committee Assessment and Actions with Respect to Accounting Complaints or Concerns**

The Audit Committee Chairman shall at least quarterly, or more frequently in his or her discretion, provide a summary of any such complaints to the Audit Committee and to the Company's outside legal counsel.

The Audit Committee Chairman has the responsibility to ensure that complaints, which are not required to be reported to the Audit Committee pursuant to this policy or pursuant to the Sarbanes-Oxley Act, shall be handled in the appropriate fashion and shall not be referred to the Audit Committee. Examples include complaints regarding age, race, or sexual discrimination and health or safety violations.

The Audit Committee will consider each matter reported to it and as appropriate, investigate the complaint and take any necessary and appropriate corrective and disciplinary actions.

The Audit Committee Chairman will determine who should lead the investigation, and whether to use an independent third party of an employee of the Company.

The investigator will prepare a report of findings and recommendations based on the result of the investigation. Copies of the report will be provided to the Audit Committee. If the findings indicate the complaint has validity, the Audit Committee will determine the action required, which could include disciplining the responsible person(s), and/or establishing new processes to prevent further violations. The Audit Committee Chairman will discuss the findings with the Company's outside legal counsel to determine whether public disclosure or disclosure to outside agencies and/or reporting to the full Board of Governors, is necessary or appropriate.

### **No Retaliation**

The Company will not discharge, demote, threaten, harass, or discriminate against or tolerate any of the foregoing, any person based upon any lawful action of such person with respect to good faith reporting pursuant to this Policy or otherwise as specific in Section 806 of the Sarbanes-Oxley Act of 2002. Similarly the Company will not discharge, demote, threaten, harass, or

discriminate against, or tolerate any of the foregoing, any person who refuses to carry out a directive in furtherance of such activities. Claims of acts of retaliation should be submitted to the Audit Committee Chairman who will initiate a confidential investigation.

### **Access to Reports and Records and Disclosure of Investigation Results**

All reports and records associated with accounting complaints are considered confidential information and access will be restricted to member of the Audit Committee, the Company's outside legal counsel, and employees of the Company or third parties involved in investigating a complaint as contemplated by these procedures. Access to reports and records may be granted to other parties at the discretion of the Audit Committee. Complaints and any resulting investigations, reports, or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any company policy in place at the time.

### **Retention of Records**

The Audit Committee shall retain as part of the records of the Audit Committee any such complaints or concerns, and the reports of any investigation, for a period of no less than three (3) years.