



AgFeed Industries, Inc.

Whistleblower Policy

Pursuant to Section 301 of the U.S. Sarbanes-Oxley Act of 2002, the Audit Committee (the “**Audit Committee**”) of AgFeed Industries, Inc. (the “**Company**”) has adopted this whistleblower policy. The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Employees and other interested persons may submit a good faith complaint regarding accounting or auditing matters of the Company as further described below, and employees of the Company may submit such information without the fear of dismissal or retaliation of any kind. The Audit Committee will oversee the treatment of all complaints concerning Accounting Matters (as defined below).

To facilitate the reporting of complaints, the Audit Committee has established the following procedures for (a) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, “**Accounting Matters**”) and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable Accounting Matters.

Purpose:

The Company has adopted this policy in order to:

- Cause violations to be disclosed before they can disrupt the business or operations of the Company, or lead to serious loss;
- Promote a climate of accountability with respect to the Company’s accounting, internal accounting controls and auditing matters; and
- Ensure that no individual feels at a disadvantage for raising legitimate concerns.

This policy provides a means whereby individuals may safely raise, internally and at a high level, serious concerns and disclose information that the individual believes in good faith relate to Accounting Matters.



Submitting Complaints:

- Employees and other interested persons with concerns regarding Accounting Matters may report their concerns to the Chairman of the Audit Committee.
- Employees may forward complaints regarding Accounting Matters on a confidential and anonymous basis to the Chairman of the Audit Committee.
- All complaints should be submitted (a) by email to: van@adirondackpartners.com, or (b) in writing to either of the following addresses:

AgFeed Industries, Inc.
North American Headquarters
100 Bluegrass Commons Blvd., Suite 310
Hendersonville, Tennessee 37075 USA
Attention: Chairman of the Audit Committee
(Submitted pursuant to the Whistleblower Policy)

- OR -

AgFeed Industries, Inc.
Asian Headquarters
Rm. A1001-1002, Tower 16, Hengmao Int'l Center,
333 S. Guangchang Rd.,
Nanchang, Jiangxi
P.R.C. 330003
Attention: Chairman of the Audit Committee
(Submitted pursuant to the Whistleblower Policy)

Complaints may be submitted in Chinese or English, and the Company will translate each complaint as appropriate. In lieu of the Chairman of the Audit Committee, the Audit Committee may, as it deems appropriate from time to time, direct another person to receive and screen complaints regarding Accounting Matters.



Scope of Complaints:

Complaints reported under this policy may relate to any Accounting Matters, including, without limitation, the following:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- Fraud or deliberate error in the recording and maintaining of financial records of the Company;
- Deficiencies in or noncompliance with the Company's internal accounting controls;
- Misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- Deviation from full and fair reporting of the Company's financial condition.

Treatment of Complaints:

- Upon receipt of a complaint, the Chairman of the Audit Committee or other designee will (a) determine whether the complaint actually pertains to Accounting Matters and (b) when possible, acknowledge receipt of the complaint to the sender.
- The Chairman of the Audit Committee or other designee may enlist employees of the Company and outside legal, accounting and other advisors, as appropriate, to conduct an investigation of a complaint.
- Complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by the Chairman of the Audit Committee or such other persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent allowed by law, consistent with the need to conduct an adequate investigation.
- All investigations will be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt.



- Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.
- Neither the Company nor any officer, employee, contractor, subcontractor or agent of the Company will discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of his or her employment as a result of any lawful actions of such employee with respect to (a) good faith reporting of complaints regarding Accounting Matters or (b) participating in investigations or legal proceedings concerning violations of law, in each case to the extent provided in Section 806 of the Sarbanes-Oxley Act of 2002.

Factors Considered in Investigating Complaints:

In conducting any investigation with respect to a complaint, the Company will pay due regard to:

- The fairness to any individual named in an anonymous complaint;
- The seriousness of the issue raised in the complaint;
- The credibility of the information or allegations in the complaint, with allegations that are conclusory or that do not have a specific factual basis most likely receiving less credence; and
- The ability to ascertain the validity of the complaint and to appropriately resolve it without the assistance and cooperation of the individual making an anonymous complaint.

Reporting and Retention of Complaints and Investigations:

The Chairman of the Audit Committee or other designee will maintain a log of all complaints, tracking their receipt, investigation and resolution and will prepare a periodic summary report thereof for the full Audit Committee. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.



Compliance with Applicable Law and Other Matters:

In the event any one or more of the provisions contained in this policy is for any reason held to be invalid, illegal or unenforceable in any respect under applicable law, that invalidity, illegality or unenforceability will not affect any other provisions set forth in this policy, and this policy will be construed as if the invalid, illegal or unenforceable provision had never been contained in this policy.

Protection to Whistleblowers:

This policy and the related procedures offer protection from retaliation to individuals who make any complaint with respect to, or that could give rise to, Accounting Matters; provided the complaint is made (a) in good faith, (b) in the reasonable belief of the individual making the complaint that the conduct or matter covered by the complaint could give rise to an Accounting Matter and (c) pursuant to the procedures contained in this policy.

The term “good faith,” as used in this policy, means that the reporting individual has a reasonably held belief that the complaint made is true and has not been made either for personal gain or for any ulterior motive.

No complaint that satisfies these conditions will result in any retaliation or threat of retaliation against the reporting individual by the Company or any officer, employee, contractor, subcontractor or agent of the Company. Any such acts of retaliation against a reporting individual will be treated by the Company as a serious violation of Company policy and could result in dismissal.

Unsubstantiated Allegations:

If a reporting individual makes a complaint in good faith pursuant to this policy and any facts alleged therein are not confirmed by a subsequent investigation, no action will be taken against the reporting individual. In submitting complaints, reporting individuals should exercise due care to ensure the accuracy of the information reported. If, after an investigation, a complaint is found to have been made for malicious or frivolous reasons or otherwise not submitted in good faith, the person making the complaint could be subject to disciplinary action. Where alleged facts reported pursuant to this policy are found to be without merit or unsubstantiated, (a) the conclusions of the investigation will be made known to both the reporting individual, unless such individual submitted the complaint on an anonymous basis, and to the person(s) against whom



any allegation was made in the complaint, and (b) the allegations will be dismissed and all documentation and information related thereto will be removed from the Company's records.

This policy is approved by the Audit Committee and will be posted on the Company's website.

Signed by: _____
John A. Stadler
Chief Executive Officer
AgFeed Industries, Inc.