

NEWS RELEASE

Lynch Livestock Enhances Compliance Efforts, Commits to Making Pork Producers Whole

Lynch Livestock enacts company-wide initiatives, hires new management, and ensures fair compensation for pork producers

Waucoma, Iowa July 26, 2021 – Lynch Livestock, Inc. has reaffirmed its commitment to first-rate customer service by establishing new compliance initiatives and compensating pork producers who were underpaid due to the actions of certain employees. On or about January 27, 2021 the U.S. Department of Agriculture (USDA) received a complaint that employees at Lynch Livestock, Inc. were manipulating the scale and issuing false tickets at one of the company's hog buying stations. As a result, some pork producers received artificially low payments for their hogs.

Upon receiving this report, Lynch Livestock immediately took the following actions:

- Investigated the alleged violations and self-reported the violations to the USDA.
- Fully cooperated with the USDA during the agency's investigation.
- Terminated the employees who manipulated the scales and issued false tickets.
- Implemented additional employee training.
- Established an internal whistleblower process.

Lynch Livestock, Inc. is committed to making pork producers whole. Under a new settlement with the USDA, the company has paid a civil penalty and restitution of \$445,626, which has already been distributed to pork producers who were underpaid for their hogs.

As a further safeguard against future violations, Lynch Livestock, Inc. has hired Dan Sutherland to lead the organization going forward. "Dan Sutherland has a long history in the industry and deep experience in matters of compliance," said Gary Lynch at Lynch Livestock. "Although this situation arose due to the actions of a few employees at one buying station, we take this matter very seriously. We have already made great strides in establishing new processes and procedures to empower employees and ensure producers receive fair compensation. We expect Dan will not only help us move forward with these initiatives, but also help Lynch Livestock innovate further in this area."