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Policy Approved: 05/03/2018	FCA Regulations: 611.1151, 611.1153, 611.330,
FCA Approved: None Required	612.2130, 612.2135, 612.2140,
CoBank Review Completed: 04/07/2020	612.2145, 612.2160, 612.2165,
	612.2170, 612.2270, 620.1, 620.3, 620.6

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## I. POLICY

**Purpose:** The purpose of this policy is to ensure the integrity of the decision-making process with respect to board actions involving organizations and entities with which individual board members have a Business Transaction or Relationship and/or a Financial Interest.

**Objective:** The integrity of the board decision-making process will be maintained at all times in actuality as well as in appearance. Ensure director actual or apparent Conflicts of Interest are disclosed, evaluated and managed so that the integrity of the board decision-making process is protected.

**Principles/Practices to be Encouraged:** It is the policy of the bank that high ethical standards of industry, duty, loyalty, honesty, integrity, impartiality, and conduct are to be maintained at all times by directors. These high ethical standards of conduct are intended to ensure a proper business environment for directors and customers as well as maintain public confidence in the bank as well as in the Farm Credit System (the “System”) and each of its institutions. The avoidance of misconduct and Conflicts of Interest is indispensable to the maintenance of these standards.

It is the responsibility of each director to maintain high standards of industry, honesty, integrity, impartiality, and conduct at all times. To achieve these high ethical standards of conduct, directors shall observe, to the best of their abilities, the letter and intent of all applicable local, state, and federal laws. In addition, directors are expected to adhere to regulations, policy statements, instructions, and procedures of the Farm Credit Administration (the “FCA”) and CoBank, and shall exercise diligence and good judgment in carrying out their duties, obligations, and responsibilities.

A director’s failure to follow law, regulations, or CoBank requirements is a serious conduct matter as is a director’s failure to avoid and manage his or her Conflicts of Interest. When a Conflict of Interest exists or may be perceived to exist—with respect to specific actions, discussions, or reports involving the board—it will be the responsibility of the director involved to resolve the actual or apparent Conflict of Interest. Resolution of a Conflict of Interest may be achieved by a director reporting the matter to the board, recusing himself/herself from certain discussions or decisions, resigning from the board, or taking other appropriate steps.

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**Conduct Requirements:**

Directors are to conduct their official duties in a prudent and professional manner and avoid Conflicts of Interest as well as follow laws, regulations, policies, directives, and other guidelines that apply to CoBank. Directors are not to engage in activities which might impair their judgment or bring discredit upon themselves or the bank. Any possible violations of this section of the policy should be reported to the bank's Ethics, Compliance and Standards of Conduct Officer ("ECSOC Officer") or designee for further action.

- A. **Prohibited Conduct.** Certain types of activity or conduct are explicitly prohibited under FCA regulations and each gives rise to an actual or apparent Conflict of Interest. This prohibited conduct is specified in detail under section 612.2140 of FCA regulations and generally pertains to the following.
1. **Self-Dealing.** Directors shall not participate in deliberations that would affect their Financial Interests, or the Financial Interests of any Relative of the director, any person residing in the director's household, any business partner of the director, any Other Related Party or any Entity Controlled By the director or such other persons (alone or in concert), except those matters of general applicability that affect all stockholders/borrowers in a nondiscriminatory way.
  2. **Divulgence of Confidential Information.** Directors shall not divulge or make use of information not generally available to the public that is obtained as a director of the bank for matters not related to the performance of the director's official duties.
  3. **Special Advantage.** Directors shall not use the director's position to obtain or attempt to obtain special advantage, or favoritism for the director, any Relative of the director, any person residing in the director's household, any business partner of the director, any Other Related Party or any Entity Controlled By the director or such other persons (alone or in concert), any other System institution, or any person transacting business with CoBank, including borrowers and loan applicants.
  4. **Gifts or Bribery.** Directors shall not use the director's position or information acquired in connection with the director's position to solicit or obtain, directly or indirectly, any gift, fee, or other present or deferred compensation or for any other personal benefit on behalf of the director, any Relative of the director, any person residing in the director's household, any business partner of the director, any Other Related Party or any Entity Controlled by the director or such other persons (alone or in concert), any other System institution, or any person transacting business with CoBank, including borrowers and loan applicants. Directors shall not accept any gift, fee or other present or deferred compensation that is offered or could

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reasonably be viewed as being offered to influence official actions or to obtain information that the director has by virtue of serving on the board.

6. Acquisition of Bank-Owned or Affiliated Association-Owned Property. Directors shall not knowingly acquire, except by inheritance or through public auction or open competitive bidding available to the general public, any interest in real or personal property (including any Mineral Interest) that was owned by the bank or any of its affiliated associations within the preceding 12 months and that had been acquired by such institution as a result of foreclosure or similar action. The provisions of this paragraph shall also apply to any such property that has been acquired by an unincorporated business entity (“UBE”) formed and/or invested in by the bank or an affiliated association to manage and acquire collateral for distressed loans in accordance with FCA regulations on UBEs.
  7. Business Transactions with Bank Borrowers and Customers. Directors shall not borrow from, lend to, or become financially obligated with or on behalf of a director, employee, or agent of the bank or any of its affiliated associations or any borrower or loan applicant of the bank unless (1) the transaction is with a Relative or any person residing in the director's household; (2) the transaction is undertaken in an official capacity in connection with CoBank's discounting, lending, or participation relationships with OFIs and other lenders; or (3) the ECSOC Officer determines, pursuant to policies and procedures adopted by the board, that the potential for conflict is insignificant because the transaction is in the Ordinary Course of Business or is not Material in amount and the director does not participate in the determination of any matter affecting the Financial Interests of the other party to the transaction except those matters affecting all stockholders/borrowers in a nondiscriminatory way.
  8. Violation of Standards of Conduct Policy. Directors shall not violate this Director Standards of Conduct policy.
  9. Purchase of Systemwide Obligations. Directors shall not purchase Systemwide obligations unless they are (1) part of an offering made available to the general public; and (2) purchased through a dealer or dealer bank affiliated with a member of the selling group designated by the Federal Farm Credit Banks Funding Corporation or purchased in the secondary market.
- B. Political Activity. In addition, certain activities are subject to the various laws and regulations governing political activity by CoBank directors. To ensure full compliance with these laws and regulations, CoBank directors:
1. Shall not engage in personal political activity on CoBank time;

2. Shall not engage in any activity that would suggest that such director's personal political activity is undertaken on behalf of or at the direction of CoBank;
  3. Shall not use any CoBank facility for any political activity without first seeking and receiving specific permission from the ECSOC Officer;
  4. Shall not engage in Lobbying a Covered Legislative or Executive Branch Official or a member of their staff while on CoBank time, without the prior approval of the bank;
  5. Shall not give a gift of any kind to a Covered Legislative or Executive Branch Official or a member of their staff, regardless of the pre-existing relationship, without prior approval from the ECSOC Officer. This gift ban does not include a personal campaign contribution;
  6. Shall ensure that all expressions, communications, and correspondence relating to a candidate for public or elected office are done in their personal capacity and not in their capacity as CoBank directors; and
  7. Shall inform the Board Chair, ECSOC Officer, or General Counsel of any request by an employee seeking support for their candidacy for public or elected office.
- C. Certain Business Transactions and Relationships: Directors may engage in Business Transactions or Relationships, directly or indirectly, with (a) any borrower, loan applicant, director, or employee of the bank; or (b) any or borrower, loan applicant, director, or employee of any affiliated association; or (c) any persons transacting business with the bank or any affiliated association, including OFIs or other lenders having an access or participation relationship with the bank or any affiliated association provided that: (i) such transaction or relationship does not create a Conflict of Interest; and (ii) such transaction or relationship is undertaken in the Ordinary Course of Business.
- D. CoBank Preferred Stock: Directors and Relatives may not acquire CoBank preferred stock or of any System institution in the CoBank district. This prohibition shall not apply to an indirect acquisition through mutual funds or other arrangements where individual control cannot be exercised or to acquisitions by inheritance. Acquisitions by inheritance by a bank director or Relative must be promptly disclosed as defined in this policy, recusal actions taken where appropriate and a reasonable holding and divestiture plan must be developed for approval by the board.

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- E. Managing Actual and Apparent Conflicts of Interest (Recusal): Directors must recuse themselves from any deliberations on a specific matter when they have an actual or apparent Conflict of Interest. The board must also immediately cease deliberations of a specific matter when a director with an actual or apparent Conflict of Interest is present. It is the responsibility of each director and the full board to be aware of any actual and apparent Conflicts of Interest to ensure Recusals are appropriately invoked and Conflicts of Interest are managed in a manner that does not compromise the board's decision making process. The board and individual directors may seek a Recusal determination from the General Counsel or the ECSOC Officer as needed when specific matters arise.
- F. Noncompliance Penalties: The FCA may impose civil money penalties on individual directors and CoBank, and take other supervisory actions, if directors fail to disclose and manage actual or apparent Conflicts of Interest. CoBank is required to report to FCA any noncompliance with FCA disclosure and conduct regulatory requirements.
- G. Termination of Prohibited Acts: A current or newly elected director who is involved in a transaction or relationship which is prohibited under this policy and directive shall be provided a reasonable opportunity to terminate the activities, as determined by the ECSOC Officer in consultation with the Governance Committee of the Board.

Prior to the termination of activities, the director shall not be permitted to expand involvement in such prohibited activities.

**Required Certifications, Director Disclosures, Code of Ethics Acknowledgment and Confidentiality Agreement:**

- A. Annual Disclosure. Annually, each member of the board shall file a written and signed director disclosure form containing the disclosures required by this policy and by FCA regulations. Such disclosure shall include, among other things, Business Transactions or Relationships of the director, Relatives, household members, business partners, Other Related Parties or any Entity Controlled By the director or such persons (alone or in concert). The completed disclosure form or summary of the information contained therein shall be made available to the board, stockholders (as part of the director election process), ECSOC Officer, and other parties with a legitimate business interest in the bank. The disclosure form will be consistent with FCA regulations but directors shall also be required to provide information on professional background, relevant legal proceedings, customer relationships, other Business Transactions or Relationships, and relevant personal information, including information required to determine whether a director is independent (see Exhibit 1 for the CoBank Director Independence Statement). The disclosure form shall include certifications regarding the accuracy and completeness of the information provided by the director.

- B. Disclosure by Director Candidates. Each candidate for an elected, appointed or outside director position shall prepare and sign a director candidate disclosure form containing the disclosures required by this policy and by FCA regulations. The completed director candidate disclosure form or summary of the information contained therein shall be made available to the Election Officer, Nominating Committee and ECSOC Officer.
- C. Disclosure by New Directors. Each newly elected or appointed director shall prepare and sign a director disclosure form within 30 days after the election or appointment, unless disclosure had previously been made within 180 days of being a newly elected or appointed director.
- D. Semi-Annual Disclosure. At least semi-annually, the board Governance Committee shall review disclosure materials submitted by board members and provide a summary report to the board of all activities, transactions, or relationships involving board members that are actual or apparent Conflicts of Interest.
- E. Conflict of Interest Disclosure. Each member of the board who becomes or plans to become involved in a relationship, transaction or activity that is required to be reported under this policy or could constitute an actual or apparent Conflict of Interest shall promptly report such involvement in writing to the ECSOC Officer for a determination of whether the relationship, transaction or activity is, in fact, a Conflict of Interest.
- F. Code of Ethics. Annually, each director must sign an acknowledgment of the CoBank Director Code of Ethics and certification of compliance that supplements this Policy and Directive (see Exhibit 2).
- G. Confidentiality Agreement. Annually, each director must sign a CoBank Director Confidentiality Agreement that supplements this Policy and Directive (see Exhibit 3).
- H. Records Retention. All disclosure forms, Code of Ethics acknowledgments and Confidentiality Agreements, as well as any investigations and determinations and other evidence of compliance with applicable FCA regulations, shall be retained for a minimum of six years.

**Authorities Delegated:** The Chief Executive Officer, in consultation with the chairman of the board, shall designate an ECSOC Officer (this designation is attached as an exhibit to P/D 3-9) who shall review disclosure reports provided by directors, monitor compliance with this policy, and report any findings to the Chief Executive Officer. The ECSOC Officer shall make such further reports to FCA or others or take such actions as are required by FCA regulations.

Management shall also develop a process to make available to directors and director candidates FCA regulations related to standards of conduct and obtain director and director candidate acknowledgment that such regulations have been received and are understood.

**Authorities Retained:** The chairman of the board may seek to resolve Conflicts of Interest with individual board members. However, the board is responsible for making final determinations on all matters relating to Conflicts of Interest or conduct with respect to individual board members.

**Board Approval and Reporting Requirements:**

- A. CEO Reports. The Chief Executive Officer will bring to the attention of the chairman of the board, or the board Governance Committee, actual or apparent Conflicts of Interest identified by the ECSOC Officer. If necessary, the board Governance Committee shall recommend appropriate corrective action to the board, in consultation with the chairman of the board.
- B. ECSOC Officer Reports. On a semi-annual basis, the ECSOC Officer will report to the board about actual and apparent Conflicts of Interest that need to be managed. Annually, the ECSOC Officer will provide to the Governance Committee and the board for its review and acceptance, annual reports on director disclosure and on director independence. Annually, the ECSOC Officer will provide to the Governance Committee for its review and acceptance, any substantive changes to the disclosure form for board members and candidates.

## II. MANAGEMENT DIRECTIVE

A. Dissemination of Regulations and Disclosure Materials

The ECSOC Officer or designee shall identify selected sections of relevant FCA regulations and bank policies that are pertinent to the operations of the bank and the conduct of the directors. The disclosure form shall contain an acknowledgment page for the board members and candidates to sign, acknowledging their receipt and understanding of the relevant FCA regulations and bank policies. The board secretary will make these materials available to board members and candidates for board positions and be responsible for collecting and filing the completed disclosure forms for the regulatory retention period.

To comply with Conflict of Interest and loan approval regulations, the board secretary or designee will provide copies or summaries of director disclosure materials to the board, the ECSOC Officer, and the bank's Chief Credit Officer.

**B. ECSOC Officer**

As may be appropriate, but at least semi-annually, the ECSOC Officer will review disclosure materials submitted by board members and candidates for board positions. As may be appropriate, but at least annually, the ESCOC Officer or designee shall review and update the disclosure form for board members and director candidates to, among other things, reflect changes in relevant FCA regulations.

**C. Management Reporting Requirements**

The ECSOC Officer will report to the Chief Executive Officer any activity, transaction, or relationship involving a board member that is a Conflict of Interest or that appears to be a Conflict of Interest. The Chief Executive Officer will bring all such cases to the attention of the individual board member, chairman of the board, and/or the board Governance Committee as appropriate. The ECSOC Officer will make such further reports to FCA or others or take such actions as are required by FCA regulations.

**III. DEFINITIONS**

Business Transaction or Relationship: A transaction or relationship of a person (or an Entity Controlled By the person) with another person or entity which involves: the purchase, sale, lease, ownership, or management of real or personal property; services as a real estate agent or broker; the sale or placement of insurance; sales barn activities; appraisal services; the borrowing or lending of money or other things of value; serving as an employee, director, or officer; providing or receiving financial, professional, or other services; and any other similar transaction. The term does not include relationships or transactions associated with personal, family, or household matters.

Conflict(s) of Interest: An actual or apparent Conflict of Interest exists when a person has a Financial Interest in a transaction, relationship, or activity that actually affects or has the appearance of affecting the director's ability to perform official duties and responsibilities in a totally impartial manner and in the best interest of CoBank when viewed from the perspective of a reasonable person with knowledge of the relevant facts.

Covered Legislative or Executive Branch Official: Members of Congress and congressional staff; executive branch officials serving in a confidential or policymaking role—typically schedule C and above. Career employees at the federal agencies are not considered covered officials.

Entity Controlled By: An entity in which the director, directly or indirectly, or acting through or in concert with one or more persons, (1) owns five percent or more of the equity of an entity; (2) owns, controls or has the power to vote five percent of more of any class of voting

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securities of an entity; or (3) has the power to exercise controlling influence over the management of policies of an entity.

Financial Interest: An interest in an activity, transaction, property, or relationship with a person or an entity that involves receiving or providing something of monetary value or other present or deferred compensation.

Lobbying: Preparation for or communication with Covered Legislative or Executive Branch Officials to influence legislation or executive branch action, including but not limited to the formulation, modification, or adoption of any federal program, policy, or position in the administration or execution of a federal program or policy (including the negotiation, award, or administration of a federal contract).

Material: When applied to a Financial Interest or transaction or series of transactions, means that the interest or transaction or series of transactions is of such magnitude that a reasonable person with knowledge of the relevant facts would question the ability of the person who has the interest or is party to such transaction(s) to perform his/her official duties objectively and impartially and in the best interest of the institution and its statutory purpose.

Mineral Interest: Any interest in minerals, oil, or gas, including, but not limited to, any right derived directly or indirectly from a mineral, oil, or gas lease, deed, or royalty conveyance.

OFI: Other financing institutions that have established an access relationship with CoBank under Section 1.7(b)(1)(B) of the Farm Credit Act of 1971, as amended.

Ordinary Course of Business: When applied to a Business Transaction or relationship, means: (1) a transaction or relationship that is usual and customary between two persons who are in business together; or (2) a transaction or relationship with a person who is in the business of offering goods or services that are the subject of the transaction or relationship on terms that are not preferential, i.e., not on the same terms as those prevailing at the same time for comparable transactions for other persons who are not directors of the bank.

Other Related Party: Any person with whom a director has a Business Transaction or Relationship, other than a Relative, household member or business partner of the director.

Relative: An individual and spouse and anyone having the following relationship to either: parents, spouse, son, daughter, sibling, stepparent, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, uncle, aunt, nephew, niece, grandparent, grandson, granddaughter, and the spouses of the foregoing.

Recuse/Recusal: The act of abstaining from participation in an official board action or deliberation due to an actual or apparent Conflict of Interest. Abstaining from participation

means the director must vacate the board meeting room and not discuss the matter with the board, other directors or management unless specifically and formally asked to provide information.

**IV. EXHIBITS**

Exhibit 1 – CoBank Director Independence Statement

Exhibit 2 – CoBank Director Code of Ethics and Acknowledgment and Certification of Compliance

Exhibit 3 – CoBank Director Confidentiality Agreement

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**EXHIBIT 1****COBANK DIRECTOR INDEPENDENCE STATEMENT****I. Philosophy**

The CoBank, ACB (CoBank) board of directors (board) believes that a key component for a strong and effective board is that a significant majority (75%) of the board members be considered independent. Independent board members perform an important role ensuring sound governance practices exist and decisions are in the best interests of CoBank and its stockholders. Independent directors exercising independent judgment in reaching decisions on CoBank matters is an essential element in sound governance. The board will be vigilant to ensure independence is not jeopardized and, through this Statement, is identifying criteria to determine independence of CoBank directors recognizing these directors are neither employees nor direct borrowers of CoBank.

**II. Purpose and Objectives**

The purpose of this Statement is to reinforce the importance of director independence and to establish the requirements for determining independence for CoBank directors.

**III. Implementation**

The board retains the authority to establish the criteria used to assess the independence of each director and to amend this Statement, as appropriate. The Chief Executive Officer (CEO) or designee has full authority to conduct the analysis necessary to report to the board on director independence.

**IV. Operating Principles**

- A. In order for a director to be recognized as independent, all of the following objective criteria must be met as of December 31 of the year for which the CoBank Annual Report is being prepared (unless otherwise indicated).

Note: The criteria for loan volume relate to: (1) CoBank loans and leases to a Farm Credit Association affiliated with CoBank where a CoBank director is also a director of that Association; and (2) CoBank loans made under Title III of the Farm Credit Act to a customer where a CoBank director is also a director or officer of that customer.

1. The loans from CoBank to an affiliated Association where a CoBank director is also a director do not comprise more than 15% of the total loans and leases of CoBank.

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2. The loans from CoBank to a Title III customer where a CoBank director is also a director or officer do not comprise more than 15% of the total loans and leases of CoBank.
  3. The weighted equity voting strength of an affiliated Association where the CoBank director is also a director is not sufficient to assure the affiliated Association of being able to elect more than 20% of the elected directors to the CoBank board.
  4. The weighted equity voting strength of a Title III customer where a CoBank director is also a director or officer is not sufficient to assure the customer of being able to elect more than 20% of the elected directors to the CoBank board.
  5. The CoBank director is not (or was not) a director of an affiliated Association whose loan was classified “doubtful” or “loss” by CoBank during the most recent six month period.
  6. The CoBank director is not (or was not) a director or officer of a Title III customer whose loan was classified “doubtful” or “loss” by CoBank during the most recent six month period.
  7. The director or the spouse of a director is not an employee, director or more than a 10% owner of a non-System financial institution that has more than 20% of its loan portfolio in loans that directly compete with CoBank.
  8. The director has no outside business relationship with and is not an immediate family member of any CoBank senior officer.
  9. At no time during the last three years has the director been employed by CoBank or has any immediate family member been an executive officer of CoBank.
  10. At no time during the last three years has the director or an immediate family member received more than \$120,000 in direct compensation from CoBank (other than as director and committee fees and pension and other forms of deferred compensation).
  11. The director is not currently a partner at CoBank’s external auditor or has not, in the last three years, personally worked on CoBank’s audit. The director has no immediate family member who is currently a partner at CoBank’s external auditor or has no immediate family member who works, or in the last three years, has personally worked on CoBank’s audit.
  12. At no time during the last three years has the director or an immediate family member been an executive officer of a company where any of CoBank’s present executives serve or served on that other company’s compensation committee.
  13. The director has not been an executive officer or employee, nor has any immediate family member been an executive officer, of a company that makes payments to, or receives payments from, CoBank for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues, until three years after the end of such service or employment relationship

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14. The director has no other material relationship with CoBank, either directly or as a partner, stockholder or officer of any organization, that has a material relationship with CoBank.
- B. Annually, CoBank management will perform an analysis of the above objective criteria, including available financial information, to assist the board in determining the independence of each director. In connection with receiving the objective criteria analysis, the board will also consider any other known information that could impact the independence of any director. Following consideration of this information, the board will take action at the first board meeting in each calendar year to acknowledge which directors are independent.
- C. During the year, CoBank will notify a director, and any director will notify CoBank, as soon as reasonably possible, of any information that arises that they believe, to the best of their knowledge, could cause the director to fail to meet any test for director independence at any time during the year. When a director meets any criteria test which was not previously met, the director may be considered by the board for re-designation as an independent director.
- D. If the percent of independent directors falls below 75%, the board will notify the Bank Election Officer and the board Nominating Committee of the need and desire for independent directors to be elected by the stockholders.
- E. All members of the board Compensation and Human Resources Committee and the board Audit Committee must meet all of the objective independence criteria as set forth in this CoBank Director Independence Statement.
- V. Reporting Requirements
- A. The board may direct the CEO to report on the results of the objective director independence criteria analysis in CoBank's annual and/or quarterly reports, and by other means.
- B. Determination of director independence may be disclosed to the public or other outside parties.
- C. This Statement will be reviewed annually in the board's discretion.

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**EXHIBIT 2****CoBank, ACB and CoBank, FCB****Code of Ethics  
for  
CoBank Directors**

Applicable Farm Credit Administration (“FCA”) regulations govern responsibilities and conduct of the board of directors (the “**Board**”) of CoBank, ACB (“**CoBank**”). Directors are responsible for compliance with the letter and intent of such regulations. CoBank and its directors are expected to maintain high standards of industry, honesty, integrity, impartiality and conduct in order to ensure the proper performance of Farm Credit System (the “**System**”) business and continued public confidence in the System and each of its institutions.

It is the obligation of every CoBank director to know and comply with this Code of Ethics, which supplements applicable FCA regulations and CoBank’s Director Standards of Conduct Policy. Capitalized terms used in this Code of Ethics without definition shall have the definitions set forth in the Director Standards of Conduct Policy.

This Code of Ethics applies to all members of the Board of CoBank. In adopting this Code of Ethics, the Board sets forth its expectation that all Board members are to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by the Director Standards of Conduct Policy and other policies and procedures approved by the Board that govern the conduct of its directors.

The principles set forth in this Code of Ethics are guiding principles about how all members of the Board should conduct themselves. This Code of Ethics does not set forth every aspect or condition of honest and ethical behavior. The members of the board are to comply with the letter and the spirit of this Code of Ethics. The Board dedicates itself to leading by example in the area of honesty, ethics and integrity.

You agree to:

- a. Engage in and promote honest and ethical conduct in all dealings with other directors, CoBank employees, customers and stockholders. Honest and ethical conduct includes being truthful and candid in all communications and ensuring communications made by you or on your behalf are not misleading (whether as a result of misstating facts or omitting facts which could lead to an incorrect inference or implication).
- b. Ethically handle actual or apparent Conflicts of Interest between personal and professional relationships, including by appropriate disclosures and use of recusals.

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- c. Avoid Conflicts of Interest and disclose to the Ethics, Compliance and Standards of Conduct Officer or the Confidential Complaint Hotline any transaction or relationship that reasonably could be expected to give rise to a Conflict of Interest.
  - d. Fulfill the obligations to keep the confidentiality of all non-public discussions, deliberations, records, and other information provided to me or generated in connection with Board activities, as more fully set forth in the Director Confidentiality Agreement.
  - e. Act in good faith to discharge the fiduciary duties of care and loyalty that you owe to CoBank and all of its stockholders.
  - f. Act at all times in the best interests of CoBank and not for personal or third-party gain or financial enrichment. This includes avoiding placing (and avoiding the appearance of placing) one's own self-interest or any third-party interest above that of CoBank.
  - g. Perform your assigned Board duties in a professional and timely manner pursuant to the Board's direction and oversight.
  - h. Exercise good judgment when incurring travel or other expenses while acting in an official capacity on behalf of CoBank. Good judgment requires you to represent CoBank in a professional and ethical manner and make travel, lodging, entertainment and other arrangements that are appropriate for the occasion, consistent with practices of the industry and prudent in terms of cost.
  - i. Comply with applicable laws, rules and regulations, including compliance with the letter and intent of FCA regulations.
  - j. Promptly report any possible violation of FCA regulations, CoBank's Director Standards of Conduct Policy, this Code of Ethics or the Director Confidentiality Agreement to the Ethics, Compliance and Standards of Conduct Officer or the Confidential Complaint Hotline. For illustration purposes only, the following are examples of potential violations that should be reported:
    - a. If a third party shares CoBank Confidential Information (as defined in the Director Confidentiality Agreement) with a director and the director is not aware that such third party is authorized to receive the Confidential Information, the director should report this as a possible policy or regulatory violation.
    - b. If a director fails to recuse himself/herself despite having a Conflict of Interest in a matter before the Board, another director who subsequently becomes aware of such Conflict of Interest should report this as a possible policy or regulatory violation.
  - k. Cooperate with the FCA in a constructive manner and in accordance with FCA

regulations in connection with FCA's examinations and review activities.

1. Comply with the letter and intent of FCA regulations, the directives contained in the FCA booklet BL-056 which is attached hereto and the standards set forth in this Code of Ethics in all campaign activities, either for your own re-election or in connection with any activities in connection with or related to any other campaign.

You understand that the Board will hold you accountable for adherence to this Code of Ethics. Your failure to observe the terms of this Code of Ethics may result in a variety of sanctions, up to and including reprimand or removal from the Board. Violations of this Code of Ethics may also constitute violations of law and may result in civil and criminal penalties for you.

As part of the annual Director Disclosure process, you will be asked to certify that you are in compliance with this Code of Ethics.

No code or policy can anticipate every situation that may arise. If you have any questions regarding the best course of action in a particular situation, CoBank's Ethics, Compliance and Standards of Conduct Officer, James Shortall, (phone at (303) 740-4077 or email at [jshortall@cobank.com](mailto:jshortall@cobank.com)) or CoBank's General Counsel, Mashenka Lundberg (phone at (303) 793-2228 or email at [mlundberg@cobank.com](mailto:mlundberg@cobank.com)) should be promptly contacted.

Adopted effective as of December 15, 2015

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**ACKNOWLEDGMENT OF RECEIPT AND REVIEW OF  
CODE OF ETHICS AND CERTIFICATION OF COMPLIANCE**

I, \_\_\_\_\_, acknowledge that I have received and read a copy of the Code of Ethics for CoBank Directors (the “**Code of Ethics**”). I understand the contents of the Code and I agree to comply with the policies and procedures set out in the Code. I certify that I am in compliance with the Code of Ethics.

I understand that I should approach CoBank’s Ethics, Compliance and Standards of Conduct Officer or CoBank’s General Counsel if I have any questions about the Code of Ethics generally or any questions about reporting a suspected Conflict of Interest or other violation of the Code of Ethics or of FCA regulation.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

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**EXHIBIT 3**

**CoBANK, ACB and CoBANK, FCB  
DIRECTOR CONFIDENTIALITY AGREEMENT**

As a member of the Boards of Directors (collectively, “Board”) of CoBank, ACB and CoBank, FCB (collectively, “CoBank”), I recognize that confidentiality is vital to the free and candid discussions necessary for effective board activities and governance. Therefore, I hereby agree to respect and maintain the confidentiality of all non-public discussions, deliberations, records, and other information provided to me or generated in connection with Board activities as they occur in connection with my service on the Board (collectively, “Confidential Information”). Confidential Information includes all non-public information that might be of use to CoBank’s competitors or harmful to CoBank if disclosed. I will not make any voluntary disclosures of Confidential Information to any third party, including any shareholder or borrower of CoBank, or its directors, officers, employees or agents, except (i) to persons duly authorized by the Board to receive Confidential Information or (ii) as otherwise required by law. I further agree to maintain the confidentiality of the Confidential Information at all times and not use the Confidential Information for my own personal benefit or to benefit persons or entities outside CoBank. I also agree to suspend conversations with parties not authorized to receive Confidential Information who engage in conversations with me in an effort to obtain such Confidential Information.

I hereby acknowledge and affirm my duties, responsibilities and obligations as a CoBank director under the Farm Credit Administration standards of conduct regulations (12 C.F.R. Part 612) and that this Director Confidentiality Agreement does not alter or diminish such duties, responsibilities, and obligations in any way, but affirms such regulatory requirements.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_