American AgCredit

DIRECTOR RESPONSIBILITIES AND COMMITTEE OVERVIEW

The Board of Directors represents American AgCredit stockholders and oversees the Association's strategy and direction.

ROLE AND EXPECTATIONS

As a board member, each director helps set Association management goals and owes a fiduciary duty to all stockholders and the Association to act honestly, in good faith and in the Association's best interests. Directors are generally expected to:

- Develop the mission, vision, strategic plans, including business plans and operating budgets
- Select and supervise the CEO, delegate operational authority to the CEO, and ensure management succession planning
- Promote the interests of the Association
- Act independently and ethically to avoid conflicts of interest
- Understand the principles and values of the Association and the communities it serves
- Remain informed and prepared for meetings

CHARACTERISTICS OF A DIRECTOR

Director candidates should be committed to serving all stockholders and supporting the welfare of the Farm Credit System. They should demonstrate the ability to address business, financial and social issues; strengthen Board deliberations with diverse perspectives; act with integrity; communicate candidly; work productively with others; and commit the time and effort required. Directors should bring broad knowledge and experience in one or more of the following areas:

- Corporate Governance
- Risk Management
- Financial Expertise
- Strategic and Visionary Thinking
- Technology
- Communication
- Leadership
- Human Resource Management

TIME COMMITTMENT

Directors are elected to five-year terms. The annual time commitment is approximately 55 days, including travel, education, training and meeting preparation. The Board holds four quarterly meetings and one strategy session each year, as well as additional, virtual ad hoc Board and Committee meetings as required. Meetings typically last two to three days, plus travel time. Ongoing leadership training is included in regular Board meetings, with additional external training expected throughout the year. Each director is assigned to at least one of the following Board Committees, which meet in tandem with full Board meetings:

- Audit
- Human Resources and Compensation
- Corporate Governance
- Strategy and Risk
- Legislative Advisory

COMPENSATION

Board members are compensated quarterly in arrears. The annual honorariums compensate Directors for meeting preparation, travel time, and attendance at all meetings, events, and training sessions. Business-related travel expenses are reimbursed.

DIRECTOR QUALIFICATIONS

- Must be a holder of voting stock of American AgCredit, at least 18 years of age, with a current loan of acceptable quality
- Must be a bona fide farmer, rancher, or producer or harvester of aquatic products
- Must have working knowledge and understanding of financial and credit matters, including disclosure and compliance

COMMITTEE OVERVIEW

Committees advise, review, and approve strategic plans, decisions, and actions related to Association management and leadership, as defined by their charters.

Audit Committee
The Audit Committee oversees financial reporting and examinations. On average, the committee holds seven meetings annually. Its responsibilities include, but are not limited to:

- Oversight of the financial reporting risk and the accuracy of the quarterly and annual shareholder reports;
- Oversight of the system of internal controls related to the preparation of quarterly and annual shareholder reports;
- Review and assessment of the impact of accounting and auditing developments on the consolidated financial statements; and
- Establishment and maintenance of procedures for the receipt, retention, and treatment of confidential and anonymous submission of concerns regarding accounting, internal accounting controls, and auditing matters.

Human Resources and Compensation Committee
The Human Resources and Compensation Committee oversees employee and director compensation. The committee meets regularly to review all aspects of compensation, including benefits programs. On average, this committee holds five meetings annually.

Governance Committee
The Governance Committee oversees corporate governance and structure, including the director and Nominating Committee nomination and election process, Board performance and process evaluation,

director orientation and continuing education, and director independence. The committee holds five meetings annually, on average.

The Governance Committee's responsibilities include, but are not limited to, the following:

- Develop and recommend to the Board a set of corporate governance guidelines applicable to the Association;
- Conduct periodic reviews of the number of board members and composition and make recommendations regarding any changes;
- Determine the desired qualifications, qualities, skills and other expertise for directors;
- Oversee the annual Board evaluation process; and
- Oversee Nominating Committee process.

Strategy and Risk Committee

The Strategy and Risk Committee assists the Board of Directors with oversight of strategic planning and the Association's enterprise-wide risk management framework. The committee includes the Board's Vice Chair and at least two additional board members. On average, the committee holds four meetings annually. Its responsibilities include, but are not limited to, the following:

- Collaborate with management on the development and periodic update of the Association's overall strategy, business objectives, and strategic initiatives;
- Discuss and present recommendations to the Board related to the Association's mission, vision, risk appetite, and major programs;
- Oversee that management has identified and assessed the risks the Association faces;
- Ensure risk is appropriately considered in strategy setting;
- Coordinate the risk oversight activities of the various standing committees of the Board;
- Coordinate with the Audit Committee to understand how the Association's internal audit plan is aligned with its key risks; and
- Recommend to the Board policies governing enterprise risk management.

Legislative Advisory Committee

The Legislative Advisory Committee is composed of all directors. The Board's representative on the CoBank District Farm Credit Council Committee serves as Chair, and the role and mission of the Legislative Advisory Committee is to:

- Support the political process to protect the Association's interest and public image
- Provide leadership and an effective voice on legislative and regulatory issues critical to the success of American AgCredit and its customers
- Provide oversight of all Farm Credit Council legislative and regulatory matters including, but not limited to, Farm Credit Council resolutions
- Provide recommendations on the Farm Credit Political Action Committee (PAC)
- Evaluate legislative issues relevant to the Association and its stockholders
- Review and discuss with management the Association's annual public policy and legislative strategies