



**FARM CREDIT FINANCIAL PARTNERS, INC.
AUDIT COMMITTEE CHARTER
2019**

PURPOSE AND POWERS

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Farm Credit Financial Partners (“FPI” or “the company”) to assist the Board in fulfilling its oversight responsibilities for (1) the integrity of the company's financial statements, (2) the company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the company's internal audit function and independent auditors. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint, compensate, and oversee the work of the public accounting firm employed by the organization to conduct the annual audit. This firm will report directly to the Committee, who will inform the Board of the annual audit’s results.
2. Resolve any disagreements between management and the auditor regarding financial reporting.
3. Pre-approve all auditing and permitted non-audit services performed by the company’s external audit firm.
4. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation. The Committee will inform the Board if any outside assistance is retained.
5. Seek any information it requires from employees--all of whom are directed to cooperate with the Committee's requests – or external parties.
6. Meet with company officers, external auditors, or outside counsel, as necessary.

COMMITTEE MEMBERSHIP

The Committee will consist of all members of the Board with one Committee member appointed as Chairperson. The members should collectively possess sufficient knowledge of audit, finance, industry specific knowledge, IT, law, governance, risk, and control.

MEETINGS

The Committee will meet at least quarterly, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. A quorum of any Committee meeting shall be a majority of its members. All determinations of the Committee shall be made by a majority of its members. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will meet separately, as deemed necessary, with management, with internal auditors and with external auditors. It will also meet periodically in executive session. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES



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The Committee will carry out the following responsibilities:

Financial Statements

Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:

1. Complex or unusual transactions and highly judgmental areas
2. Major issues regarding accounting principles and financial statement presentations, including any significant changes in the company's selection or application of accounting principles
3. The effect of regulatory and accounting initiatives on the financial statements of the company
4. Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements
5. Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
6. Discuss the annual audited financial statements with management and the external auditors, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Internal Control

1. Understand the scope of internal and external auditors' review of internal controls over operations and financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. This includes the integrity of the reports on Service Organization Controls (SOC1 and SOC2) relied upon by the company's user entities.
2. Management and the chief audit executive, shall report periodically to the Committee regarding any material weaknesses in the design or operation of the company's internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal control environment.



Internal Audit

1. Review with management and the chief audit executive the charter, annual audit plans, audit activities, staffing, and organizational structure of the internal audit function.
2. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
3. Review the effectiveness of the internal audit function including compliance with The Institute of Internal Auditors' (IIA) *Standards for the Professional Practice of Internal Auditing*. As defined by the IIA, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditors must also comply with the IIA's Code of Ethics, which requires that internal auditors uphold the principles of integrity, objectivity, confidentiality and competency.
4. On a regular basis, meet separately with the chief audit executive to discuss any matters that the Committee or internal audit believes should be discussed privately.
5. The Committee Chairperson shall provide input to and review the report of the Chief Executive Officer's performance appraisal of the chief audit executive.

External Audit

1. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
2. Review the performance of the external auditors and exercise final approval on the appointment or discharge of the auditors.
3. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
4. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.



Compliance

1. Review procedures for: (i) The receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and (ii) The confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters.
2. Review the findings of any examinations by the Farm Credit Administration, and any other auditor observations.
3. Review the process for communicating the Standards of Conduct to company personnel, and for monitoring compliance therewith.
4. Obtain regular updates from management and general counsel regarding compliance matters.

Reporting Responsibilities

1. Provide an open avenue of communication between internal audit, the external auditors, and the Board. The Committee Chairperson will periodically assess the need for the chief audit executive to meet with the Board.
2. Review any other reports the company issues that relate to Committee responsibilities.
3. Assess the whistleblower process to ensure allegations can be made anonymously and are adequately researched by appropriate members of FPI management. In addition, the Committee Chairperson and the Board Chairperson should receive the monthly activity reports issued by the external hotline service that is used by FPI,

Other Responsibilities

1. Perform other activities related to this charter as requested by the Board.
2. Institute and oversee special investigations as needed.
3. Review and assess the adequacy of the Committee charter annually, and ensure appropriate disclosure as may be required by law or regulation.
4. Regularly evaluate its performance and that of its individual members.

Approved 09/25/2018