

# Standards of Conduct Policy: Agents

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Policy Applicable: Agents of Farm Credit Financial Partners, Inc.

Policy Owner: Mary Mazza

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Board Approved: November 30, 2022

Effective as of: January 1, 2023

Standards of Conduct Official: AnnaMaria Kiaresh

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- I. **Statement of Policy.** Farm Credit Financial Partners, Inc. (“FPI”) expects its Agents to maintain high standards of honesty, integrity and impartiality and to disclose known Conflicts of Interest, either real or apparent. The avoidance of misconduct and Conflicts of Interest is indispensable to the maintenance of these standards.
- II. **Requirements for Agents.** Each Agent shall:
  - a. Maintain high ethical standards, including high standards of care, honesty, integrity, and fairness in all aspects of the Agent’s engagement;
  - b. Exercise diligence and good business judgment in carrying out official duties with respect to the Agent’s engagement;
  - c. Protect all FPI, FPI’s Farm Credit customers and their farmer borrowers information that comes into the Agent’s possession and not divulge said information to third parties without the express written consent of FPI, FPI’s Farm Credit customers or their farmer borrowers, provided, however, the foregoing shall not limit any confidentiality or non-disclosure provisions in any agreement between FPI and/or FPI’s Farm Credit customers and the Agent or any duties or obligations in professional rules to which the Agent is subject;
  - d. Comply with all Federal, State and Local laws and regulations pertaining to the Agent’s engagement;
  - e. Review and comply with FPI’s Standards of Conduct Policy for Agents and the Code of Ethics available at [www.financialpartners.com](http://www.financialpartners.com);
  - f. Promptly disclose to the SOCO any relationship, transaction, or activity which constitutes a known Conflict of Interest;
  - g. Work with the SOCO to identify and resolve reported Conflicts of Interest and appearances of Conflicts of Interest;
  - h. Immediately report to the SOCO *or* using FPI’s Whistleblower Hotline any illegal or unethical activity, violation of FPI’s policies (including SOC policies and Code of Ethics) in the FPI or the Farm Credit System. FPI’s Whistleblower Hotline may be reached by one of the following methods:
    - i. By calling (844) 870-4889; *or*
    - ii. Submitting an online report via: <https://financialpartners.tnwreports.com/>
  - i. Fulfill applicable fiduciary duties to FPI and FPI’s Farm Credit customers.

### III. Prohibited Conduct.

- a. An Agent shall have no direct or indirect financial interest in the transaction for which the Agent is engaged other than the compensation which is being provided for completion of the engagement.
- b. An Agent shall not give or accept any gift, contribution, or other special compensation or benefit in consideration of the Agent's engagement to perform services for FPI.
- c. An Agent shall not enter into any loan transaction or related transaction with FPI or FPI's Farm Credit customers (excluding transactions related to the Agent's services to FPI or FPI's Farm Credit customers as an Agent) unless the SOCO has reviewed the proposed transaction and its terms and made a written determination approving the transaction as being in conformity with the Standards of Conduct policies and procedures of FPI.
- d. The Agent's engagement to provide services for FPI and/or FPI's Farm Credit customers shall not be offered, negotiated, approved, or supervised by a FPI Officer, Employee, or Director which is:
  - i. A member of the Agent's Family;
  - ii. A business partner with which the Agent Transacts Business.
- e. If an Agent's engagement involves work relating to the foreclosure or deed in lieu of foreclosure (or any similar transaction) of property held by FPI or FPI's Farm Credit customers as collateral for a loan, the Agent shall not offer, cause to be offered for their benefit, acquire or cause to be acquired for the Agent's benefit the property which is the subject of their engagement.

### IV. Definitions.

- a. **Agent:** Any person, other than a Director or Employee of FPI, with the power to act for the institution either by contract or apparent authority and who (i) currently either represents FPI in contacts with third parties or (ii) provides professional or fiduciary services to FPI.
- b. **Conflicts of Interest:** A set of circumstances or the appearance thereof where a person has a financial interest in a transaction, relationship, or activity that could or does actually affect (or has the appearance of affecting) that person's ability to perform official duties and responsibilities in a totally impartial manner and in the best interests of FPI when viewed from the perspective of a reasonable person with knowledge of the relevant facts.
- c. **Director:** A member of the FPI's Board of Directors (the "Board").
- d. **Employee:** Any individual employed on a part-time, full-time, or temporary basis by FPI, including those identified as Officers of FPI. Persons not maintained on FPI's payroll (i.e., independent contractors) are not Employees for purposes of this definition.
- e. **Family:** Parents, spouses or civil union partners, children, siblings, uncles, aunts, nephews, nieces, grandparents, grandchildren, and the spouses of the foregoing whether arising from biological, adoptive, marital, or other legal means (e.g., stepparents, stepchildren, half-siblings, in-laws). The term also includes anyone residing in the household or who is a legal or financial dependent, regardless of any familiar relationship.
- f. **FPI's Farm Credit customers:** Farm Credit System Institutions chartered under the Farm Credit Act who continue to maintain their organization and governing documents under the authority of the Farm Credit Administration that are members of FPI's collective organizations

either as a shareholder of the cooperative or as a Farm Credit System Institution who obtains services from FPI's cooperative. FPI's current Farm Credit customers include:

i. Customer Owners:

- a. AgCountry Farm Credit Services ACA, PCA, FLCA
- b. Farm Credit East ACA, PCA, FLCA
- c. Farm Credit Illinois ACA, PCA, FLCA
- d. Farm Credit West ACA, PCA, FLCA
- e. Northwest Farm Credit ACA, PCA, FLCA

ii. Non-owner customers receiving services:

- a. Fresno Madera Farm Credit
- b. Farm Credit Council
- c. CoBank, ACB

- g. **Financial Interest:** An interest in an activity, transaction, property, or relationship with a person that involves receiving or providing something of monetary value or other present or deferred compensation.
- h. **Officer:** The salaried chief executive officer, president, vice president, secretary, treasurer, general counsel, chief financial officer, and chief lending Officer of the Farm Credit System Institution, and any person not so designated but who holds a similar position of authority. For purposes of clarity, Officers of FPI include the Chief Executive Officer, President, Vice President, Secretary, Treasurer, Chief Financial Officer, EVP, Human Resources, EVP, Infrastructure and Application Delivery, EVP, and Chief Technology Officer.
- i. **Transacts Business:** The purchase, sale, lease, ownership, or management of real or personal property, or the provision of services, such as a real estate agent/broker, the sale or placement of insurance, sales barn activities, and appraisal services; the borrowing or lending of money or other things of value; providing or receiving financial, professional, or other services; and any other similar transaction.

## FCA Regulation: 612 C.F.R. § 612.2180 Standards of conduct for Agents.

(a) *Agents.* Agents of System institutions must maintain high standards of honesty, integrity, and impartiality in order to ensure the proper performance of System business and continued public confidence in the System and all its institutions. The avoidance of misconduct and conflicts of interest is indispensable to the maintenance of these standards.

(b) *Institutions.* Each institution must use safe and sound business practices in the engagement, utilization, and retention of agents. These practices shall provide for the selection of qualified and reputable agents. The institution is responsible for the administration of relationships with its agents and must take appropriate investigative and corrective action in the case of a breach of fiduciary duties by an agent or failure of an agent to carry out other duties as required by contract, FCA regulations in this chapter, or law

(c) *Control.* System institutions are responsible for exercising special diligence and control, through good business practices, to avoid or control situations that have inherent potential for sensitivity, either real or perceived. These areas include:

- (1) The employment of agents who are related to directors or employees of the institutions;
- (2) The solicitation and acceptance of gifts, contributions, or special considerations by agents; and
- (3) The use of System and borrower information obtained in the course of the agent's work with the institution.

(d) *Enforcement.* Agents of System institutions are “institution-affiliated parties” as that term is defined in the Act and therefore subject to certain FCA enforcement authorities contained in part C of title V of the Act. An “institution-affiliated party” is:

- (1) A director, officer, employee, shareholder, or agent of a System institution;
- (2) An independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in:
  - (i) A violation of law (including regulations) that is associated with the operations and activities of one or more System institutions;
  - (ii) A breach of fiduciary duty; or
  - (iii) An unsafe practice that causes or is likely to cause more than a minimum financial loss to, or a significant adverse effect on, a System institution; or
- (3) Any other person, as determined by the Farm Credit Administration (by regulation or on a case-by-case basis) who participates in the conduct of the affairs of a System institution.