

## **F.400: Disclosure and Release of Information – AgCountry, FCSAmerica & Frontier**

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On 04-17-2024 (effective 05-01-2024) the Board of Directors of AgCountry Farm Credit Services, ACA, sitting for itself and concurrently as the Board of Directors of its wholly owned subsidiaries, AgCountry Farm Credit, FLCA and AgCountry Farm Credit, PCA, (hereafter, collectively "AgCountry Board") adopted this policy; the Board of Directors of Farm Credit Services of America, ACA, sitting for itself and concurrently as the Board of Directors of its wholly owned subsidiaries, Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA (hereafter, collectively "FCSAmerica Board") adopted this policy; and the Board of Directors of Frontier Farm Credit, ACA, sitting for itself and concurrently as the Board of Directors of its wholly owned subsidiaries, Frontier Farm Credit, FLCA and Frontier Farm Credit, PCA (hereafter, collectively "Frontier Board") adopted this policy.

### **Objectives**

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The objectives of this policy are to:

- Provide direction on the release of information to Customers, Stockholders, the media, and the general public;
- assure internal information is protected from unwarranted disclosure; and
- assure Stockholders and potential Stockholders have appropriate information regarding their investment.

### **Source References**

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This policy sets out the Association Board's expectations for compliance with applicable parts of Section 4.13 of the Farm Credit Act of 1971, as amended, Farm Credit Administration ("FCA") Regulations §§612.2140-612.2150, 615.5250, 618.8300-618.8330, 620.1-620.21 and 626.6025 and FCA Informational Memorandum dated February 4, 2021 (Maintaining and Using Stockholder Lists).

### **Operating Parameters**

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#### **Definitions**

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Following are the definitions of various terms used in this policy.

- **Agent:** Any Person, other than a Director or Employee, with the power to act for the Association either by contract or apparent authority and who currently either represents the Association in contacts with third parties or provides professional or fiduciary services to the Association.
- **Applicant:** Any Person that has made an application for extension of credit, an application for restructuring or requested a Related Service from the Association, but has not yet entered into a loan, restructuring or service contract or other legal instrument with the Association.
- **Association:** AgCountry Farm Credit Services, ACA and its wholly owned subsidiaries (AgCountry Farm Credit Services, FLCA and AgCountry Farm Credit Services, PCA), Farm Credit Services of America, ACA, and its wholly owned subsidiaries (Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA), or Frontier Farm Credit, ACA, and

its wholly owned subsidiaries (Frontier Farm Credit, FLCA and Frontier Farm Credit, PCA).

- **Customer (or Member):** Any Person who has borrowed funds or received other services from the Association for which the Association receives interest, fees, or other compensation pursuant to a loan or lease agreement, contract, or other legal instrument.
- **Director:** Any member of the Association Board.
- **Employee:** Any full-time, part-time, or temporary employee of the Association.
- **Entity (Entities or Legal Entity):** A corporation, company, association, firm, joint venture, general or limited partnership, limited liability partnership, limited liability limited partnership, limited liability company, society, joint stock company, trust (business or otherwise), fund, or other organization or institution, whether de jure or de facto, no matter how denominated, except System Institutions.
- **Material Event:** When used to qualify a requirement to furnish information as to any subject, limits the information required to those matters to which there is a substantial likelihood that a reasonable person would attach importance in making Stockholder decisions or determining the financial condition of the Association.
- **Person:** An individual or an Entity.
- **Related Service:** Any financially related service, technical assistance, or risk management product including insurance approved from time to time by FCA.
- **Significant Event:** Any event that is likely to have a material impact on the Association's financial condition, results of operations, cost of funds, or reliability of sources of funds. The term "significant event" includes, but is not limited to, actual or probable noncompliance with the regulatory minimum permanent capital standards or capital adequacy requirements, stock impairment, the imposition of or entering into enforcement actions, execution of financial assistance agreements with other System Institutions, collateral deficiencies that impact a Farm Credit Bank's ability to obtain loan funds, or defaults on debt obligations.
- **Senior Officer:** The Association's chief executive officer, president, and any executive vice president, senior vice president, or any other individual designated by the chief executive officer as being responsible for a major policy making function.
- **Stockholder:** Holder of stock in the Association.
- **System Institution:** Any bank, association or service corporation chartered under the Farm Credit Act, the Federal Farm Credit Banks Funding Corporation, and any other Entity statutorily designated from time to time as a System Institution and regulated by the FCA. It does not apply to the Federal Agricultural Mortgage Corporation.
- **Third Party Service Provider:** Any Person providing goods or services to the Association for a price pursuant to an agreement or contract, but who is not under the direct control of the Association and does not otherwise qualify as a Director or Employee. This term may include a

Person (e.g., Agents) with access to confidential or sensitive information or who has an ongoing relationship with the Association. The following are examples of Third Party Service Providers: information technology service providers, real estate appraisers, attorneys, and accountants.

All Directors, Employees, and Agents, including Third Party Service Providers with access to such information, will be informed of the need for safeguarding confidential and proprietary internal information and the prohibition against the release of certain information, except as specified by law and this policy.

Directors, Director nominees, Employees, and Agents are prohibited from releasing or divulging information obtained by virtue of their office or employment or from making any incomplete, inaccurate, or misleading disclosure in connection with reports to Stockholders.

The Association will make annual and quarterly financial reports available to Applicants and Stockholders as required by FCA Regulations. The Association may issue periodic news releases including results of operations and financial condition. Information concerning the Association's financial condition, nature of the stock investment, and borrowers' rights and responsibilities will be disclosed to Applicants and Stockholders.

## **Stock Purchase**

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When FCSAmerica or Frontier stock is purchased or issued as a condition for obtaining a loan, or to qualify for Related Services, or when AgCountry stock or participation certificates are issued as a condition of obtaining a loan or when AgCountry participation certificates are issued to qualify for a lease or crop insurance the Association will provide the Applicant:

- the Association's most recent annual report;
- the Association's most recent quarterly report, if more recent than the annual report;
- a copy of the Association's Capitalization Bylaws;
- a written description of the terms and conditions under which the stock is issued, including an express disclosure:
  - (i) that the stock is an at-risk investment and not a compensating balance,
  - (ii) that the stock may only be retired at the discretion of the Association Board, and if required, with the approval of the FCA, when minimum permanent capital standards required by FCA Regulations are met,
  - (iii) whether the Association presently meets its minimum permanent capital standards,
  - (iv) whether the Association knows of any reason that it may not meet its permanent capital standard on the next earnings distribution date, and
  - (v) the rights, if any, to share in patronage distributions; and
  - (vi) any other terms and conditions relating to the time and manner of retirement of such stock.

## **Disclosures to Applicants and Customers**

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The Association will post and maintain in the lobby of each of its offices that are open to the public or otherwise accessible by Applicants or Customers an Equal Housing Lender Poster in the form and content approved by the FCA including instructions for Applicants or Customers to report a complaint concerning discrimination in lending or Related Services as outlined in FCA Regulation §626.6025. The poster will be placed in a prominent place readily apparent to all individuals seeking loans, leases, other financing, or a Related Service.

All other applicable notices, disclosures, rights, and protections will be made available to Applicants and Customers in compliance with applicable state and federal statutes and regulations, including but not limited to, the Act, the Equal Credit Opportunity Act, the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, the Fair Housing Act, and the Fair Credit Reporting Act.

## **Availability of Financial Reports**

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Annual financial reports will be distributed to all owners of stock within 90 days of the most recently completed fiscal year. Annual and quarterly financial reports for the Association will be available for review at each retail office and may be posted on the Association's external website.

## **Accuracy of Financial Reports**

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The information disclosed in financial reports will be complete and accurate and will not be misleading to Stockholders or the public.

If any financial report is issued that is materially inaccurate, incomplete, or misleading, the Association will make the additional or corrective disclosure needed to provide full and fair disclosure.

## **Significant or Material Event Disclosures**

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The following events shall be considered and analyzed to determine whether such event will be disclosed to Stockholders as a Significant or Material Event as a part of the Association's annual or quarterly financial reports, through special disclosures and/or accompanying voting materials:

- Material changes to compensation, incentive, performance or retirement and benefit plans;
- Amendments to capitalization bylaws that are not merely technical in nature and do not affect the substantive rights of holders of voting stock;
- Results of non-binding advisory votes of Stockholders authorized by the Association Board and conducted in person, electronically or by mail;
- Director positions vacated other than through expiration of an existing term;
- Senior Officer positions vacated other than through voluntary retirement;
- Mergers, consolidations, or charter amendments;
- A change in the external auditor engaged to audit the financial statements;

- A change in an external party engaged to perform internal audit functions, if the change was due to a disagreement with the party over the results or findings from the work performed;
- Reportable FCA supervisory or enforcement actions;
- Actual or probable noncompliance with the regulatory minimum permanent capital standards or capital adequacy requirements;
- Stock impairment;
- Execution of financial assistance agreement with another institution;
- Collateral deficiency that impacts the Association's ability to obtain loan funds;
- Default on debt obligation; or
- Any similar event that could be considered a Significant or Material Event appropriate for disclosure.

The determination of whether an event is considered a Significant or Material Event for disclosure under this policy shall be made by Association leadership.

## **Release of Information**

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Except as necessary in performing official duties or as authorized by FCA Regulations, no Employee, Director, or Agent shall disclose information of a type not ordinarily contained in published reports or press releases regarding Customers, Applicants or Employees.

Directors, Employees, Agents, and Third Party Service Providers shall access information regarding Customers, Applicants, or Employees only as necessary in performing official Association duties and as authorized by FCA regulations.

Except as authorized by FCA regulations, Directors, Employees, and Agents shall hold in strict confidence all information regarding the character, credit standing and property of Customers, Applicants or Employees.

## **List of Stockholders**

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Stockholders shall have the right upon written request to receive a current list of Stockholders, which list shall set forth the name, address and class of stock held by each Stockholder. The Association shall provide such list within seven (7) days after receipt of a written request. However, as a condition to providing a current Stockholder list, the Association may require the requesting Stockholder to agree and certify in writing that the list will be used exclusively to communicate with Stockholders for permissible purposes (as defined by FCA Regulation §618.8310) and that the requesting Stockholder will not make the list available to any Person, other than the requesting Stockholder's attorney or accountant, without first obtaining the written consent of the Association.

In addition, the Association's Nominating Committee shall be provided access to a current list of voting and non-voting stock owners as well as individuals designated to vote on behalf of an owner of voting stock for use in sourcing candidates for the Nominating Committee and Association Board elections.

## **Delegated Authorities**

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Association leadership is hereby delegated authority to:

- develop and implement standards, procedures, and guidelines for compliance with this policy;
- monitor and evaluate compliance with this policy;
- take prompt, appropriate action to correct deviations from this policy; and
- approve exceptions to this policy when such exceptions are essential to the effective administration of Association operations and are not prohibited by statutes, regulations, charters, or bylaws.

The Association Board reserves the right to:

- revise or withdraw delegated authorities at any time; and
- develop, amend, or repeal this policy at any time.

## **Internal Controls**

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Association leadership will develop and implement appropriate internal control procedures to monitor compliance with this policy. These internal controls will provide reasonable assurance that policy requirements are met, deviations from policy requirements are detected, exceptions are identified and reported, and corrective actions are taken to restore compliance.

## **Reporting Requirements**

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To the greatest extent possible, policy reporting shall be completed through joint meetings of the Association Boards, joint meetings of the Association Board Committees (Audit, Business Risk, Governance or Human Capital) or the Joint Executive Committee of the Association Boards.

Association leadership shall report any identified Significant or Material Event to the Association Board at the next regularly scheduled Association Board meeting or at a special Association Board meeting if the Significant or Material Event must be disclosed to the FCA and/or Stockholders prior to the next regularly scheduled Association Board meeting.

## **Exception Procedures**

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All exceptions granted by Association leadership under this policy and all unauthorized exceptions to this policy identified by Association leadership must be promptly reported to the Association Board. Such reports will be made at the next regularly scheduled meeting of the Association Board unless:

- the exceptions result in risk or cost to the Association that warrants immediate reporting; or
- the granting or discovery of the exception does not permit enough time to reasonably prepare reports before the meeting and the cost and risk to the Association warrants delay until the next scheduled meeting.