

<b>Policy Name:</b>	Standard of Conduct for Agents Alabama Farm Credit, ACA
<b>Organizational/Functional Area:</b>	Corporate Affairs
<b>Board Approved:</b>	August 2017
<b>FCA Regulation:</b>	612.2260, 612.2160(e)

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## **AUTHORITY**

Section 612.2260 of the regulations of the Farm Credit Administration requires safe and sound business practices in the engagement, utilization, and retention of agents by each Farm Credit System institution.

## **DEFINITION**

"Agent" means any person, other than a director or employee, who represents the System institution in contacts with third parties or who provides professional services to a System institution, such as legal, accounting, appraisal and other similar services.

## **PURPOSE AND OBJECTIVE**

It is the purpose of this policy to maintain the high standards of honesty, integrity, and impartiality by agents of the Association that are essential to ensure the proper performance of the Association's business and continued public confidence in the Association. The avoidance of misconduct and conflicts of interest, either real or apparent, by an agent is indispensable to the maintenance of these standards.

## **OPERATING PARAMETERS**

Association staff is responsible for exercising corresponding special diligence and control, through good business practices, to avoid or control situations that have inherent potential for sensitivity, either real or perceived.

Accordingly, Association staff shall follow practices that ensure that:

- 1) Agents are qualified and reputable;
- 2) Agents are informed of applicable regulations and this policy;
- 3) The Standards of Conduct Official shall take appropriate investigative and corrective action in the case of a breach of fiduciary duties by the agent or failure of the agent to carry out other agent duties as required by contract, FCA regulations, this policy, or law.

Association staff shall avoid or control areas that have inherent potential for sensitivity, either real or perceived. These areas include contracting with agents who are related to directors or employees of the Association; the solicitation and acceptance of gifts, contributions, or special considerations by agents; and the use of System and borrower information obtained in the course of the agent's association with the Association.

Agents who cannot comply with this policy shall not be retained. Violations of this policy by agents will require severance of the relationship with the Association.

### **AUTHORITIES DELEGATED TO MANAGEMENT**

Association staff authorized to engage an agent are responsible for furnishing a copy of applicable regulations and this policy to each prospective agent. The Standards of Conduct Official designated by the board of directors shall receive reports of violations of this policy.

### **REPORTING REQUIREMENTS**

Violations of this policy by agents and corrective actions taken will be fully documented and reported to the Association's board of directors through the Standards of Conduct Official.

### **AUTHORITIES RETAINED FOR BOARD APPROVAL**

Any changes to this policy will require approval by board of directors.

### **PROCESS FOR ADDRESSING EXCEPTIONS**

All exceptions to this policy must be approved by the CEO and reported to the board of directors at its next regularly scheduled meeting. All exceptions must be consistent with applicable FCA regulations.

### **RETENTION**

This policy, any related procedures, reports investigations, determinations, and evidence of compliance with this policy shall be maintained for a minimum of six years.