



## LEGACY AG CREDIT, ACA'S CODE OF ETHICS

### I. Overview

Legacy Ag Credit, ACA (“Legacy” or the “Association”) has adopted this code of ethical conduct (the “Code of Ethics”), which is applicable to every Director, Officer, and Employee. The Code of Ethics reaffirms the high standards of business conduct required of and provides guidance to the Association and its Directors, Officers, Employees, and Agents.<sup>1</sup>

### II. Objective

The Association is committed to conducting business in accordance with the highest ethical standards as set forth in the Standards of Conduct Policy and Procedure. Moreover, the Association is responsible for the preparation and distribution of its financial statements and related disclosures and for providing relevant information that is true, accurate, and complete to the Funding Corporation for use in preparing the Farm Credit System financial statements and related disclosures.

Accordingly, the Association expects all of its Employees, Officers, and Directors to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules, and guidance, to deter wrongdoing, and to abide by its Standards of Conduct Policy and Procedure and other policies and procedures adopted by the Association that govern their conduct, and which make up the Association’s Standards of Conduct Program. This Code of Ethics supplements the Association’s Standards of Conduct Policy and is part of, and subject to, the Standards of Conduct Program.

### III. Requirements

A. **All Directors, Officers, Employees and Agents.** All Directors, Officers, and Employees, and Agents are required to:

1. Maintain high ethical standards, including high standards of care, honesty, integrity, and fairness;
2. Act in the best interests of the Association;
3. Preserve the reputation of the Association and the public’s confidence in the Farm Credit System;
4. Exercise diligence and good business judgment in carrying out official duties and responsibilities;
5. Fulfill any fiduciary duties owed to the Association and its stockholders;
6. Report to the Standards of Conduct Official Conflicts of Interest and circumstances or transactions that have the appearance of creating a Conflict of Interest involving yourself, your Family, or your Reportable Business Entity;
7. Work with the Standards of Conduct Official to identify conflicts and resolve reported Conflicts of Interest and appearances of Conflicts of Interest;

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<sup>1</sup> The Code of Ethics is intended to comply with FCA Regulation Part 612, Subpart A, including 12 C.F.R. § of 612.2137(c), and terms used herein are defined in 12 C.F.R. § 612.2130.

8. Avoid self-dealing or acceptance of gifts or favors that may be deemed as offered, or have the appearance of being offered, to influence official actions or decisions;
  9. Comply with all applicable laws, rules and regulations, Association guidance, as well as rules and regulations of self-regulatory agreements to which the Association is a party;
  10. Promptly report any known or suspected illegal or unethical activity or violation of the Association's Standards of Conduct Policy or Procedure and Code of Ethics; and
  11. Take all reasonable measures to protect the confidentiality of non-public information about the Association and its customers obtained or created in connection with the Association's activities and to prevent the unauthorized disclosure of this information unless required by applicable law or legal or regulatory process.
- B. Directors and Officers.** In addition, Directors and Officers are required to fulfill their fiduciary duties to the institution and its stockholders. Directors and Officers are required to produce full, fair, accurate, timely and understandable disclosures of Association financial statements and related financial reports or communications as well as reports and documents filed with, or submitted to, Farm Credit Bank of Texas and the Farm Credit Administration. Directors and Officers are explicitly prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead the Association's independent public accountant for the purpose of rendering the financial statements of the Association misleading.
- C. Reporting.** To comply with the reporting obligations, each person subject to this Code of Ethics shall make a report of illegal or unethical activity or a violation of the Standards of Conduct Policy or Procedure and the Code of Ethics by either:
1. Reporting to the Standards of Conduct Official, Sarah Batson at [SOC@LegacyACA.com](mailto:SOC@LegacyACA.com) or [sbatson@maynardnexsen.com](mailto:sbatson@maynardnexsen.com) or 864-282-1113.
  2. Reporting through the Associations, Ethics Hotline Vendor, EthicsPoint, by:
    - i. Toll-Free Telephone: 833.363.2091
    - ii. Web: <http://www.legacyaca.ethicspoint.com>
  3. Any individual who makes an anonymous report through EthicsPoint or the Standards of Conduct Official will remain anonymous when making a good faith report under the Association's standards of conduct policies or procedures to the extent permitted by law or as otherwise appropriate. Employee, Officer, and Director complaints and other submissions are subject to the Association's policies and procedures, applicable law, and other applicable guidance.

#### **IV. Policy Compliance**

Each Director, Officer, Employee, and Agent is responsible for reading and understanding this Code of Ethics, and conducting their activities and business transactions accordingly.

The Association reserves the right to audit/monitor systems on a periodic basis to ensure compliance with this policy. Compliance may be measured through various means, including but not limited to business tool reports, internal and external audits, and feedback.

Any exception to this procedure must be submitted to, and approved by the Association's Standards of Conduct Official.

#### **V. Violations of the Code of Ethics**

All Directors, Officers, Employees, and Agents will be held accountable for adherence to this Code of Ethics. A failure to observe the terms of this Code of Ethics may result in disciplinary action, up to and including termination of employment, termination of the relationship or contract, or removal from the board, as applicable.

Violations of the Code of Ethics may constitute violations of law and may result in civil or criminal penalties. Pursuant to 12 C.F.R. § 612.2180 and 12 U.S.C. § 2267a, FCA has jurisdiction and authority to initiate certain actions and enforcement authority for up to six years following the separation of an Institution-Affiliated Party from a Farm Credit institution. This allows FCA to ensure the safety and soundness of the System in appropriate circumstances and to enforce its regulations, regardless of when the relationship with an individual or entity was terminated.

If you have any questions regarding the best course of action in a particular situation, contact the Standard of Conduct Official.

## **VI. Acknowledgement**

Each Director, Officer, and Employee shall be required to sign a statement annually that they have read and understand this Code.

## **VII. Definitions**

**Act:** The Farm Credit Act of 1971, as amended.

**Agent:** Any person, other than a Director or Employee of the Association, 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.

**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 interest of the Association when viewed from the perspective of a reasonable person with knowledge of the relevant facts.

**Director:** A member of the Association's board of directors (the "board").

**Employee:** Any individual employed on a part-time, full-time, or temporary basis by the Association, including those identified as Officers of the institution. Persons not maintained on the Association's payroll (i.e., independent contractors and temporary workers provided through temporary services agencies) are not Employees for purposes of this definition.

**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 familial relationship.

**Institution-Affiliated Party** (as defined in 12 C.F.R. § 612.2180(d)):

- i. A Director, Officer, Employee, shareholder, or Agent of a System institution;
- ii. An independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in:

- a. A violation of law (including regulations) that is associated with the operations and activities of one or more System institutions;
  - b. A breach of fiduciary duty; or
  - c. 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
- iii. Any other person as determined by the Farm Credit Administration (by regulation or on a case-by-case basis) who participates in conduct of the affairs of a System institution.

**Officer:** The salaried Chief Executive Officer, President, Vice President, Secretary, Treasurer, General Counsel, Chief Financial Officer, and Chief Lending Officer of the System institution, and any person not so designated but who holds a similar position of authority.

**Reportable Business Entity:** An entity in which the reporting individual, directly, or indirectly, or acting through or in concert with one or more persons:

- 1. Owns a Material Percentage of the equity;
- 2. Owns, controls, or has the power to vote a Material Percentage of any class of voting securities; or
- 3. Has the power to exercise a Material influence over the management of policies of such entity from their status as a partner, director, officer, or majority shareholder in the entity.

**Third-Party Service Provider:** Any person or entity that has entered into a business arrangement with the Association, by contract or otherwise, that could have a Conflict of Interest impacting their ability to impartially perform services in the best interests of the Association. This term may include a company with access to confidential or sensitive information or who has an ongoing relationship with the Association. Examples of Third-Party Service Providers includes Agents, independent contractors providing outsourced services, information technology service providers, real estate appraisers, attorneys, and accountants. Customers, utility companies, and companies that sell a license to use software are generally not considered Third-Party Service Providers.

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