

CFC ORGANIZATION POLICY

SECTION: General
SUBJECT: Ethics Policy

NUMBER: 1.07
DATE: 12/10/19

I. PURPOSE

This ethics policy is intended to provide guidance to the directors, officers and employees of CFC so that they may perform their duties in a manner which engenders the confidence and respect of the community. It is not intended to be all-inclusive because there will always be situations where individuals must use their own reasonable judgment and rely upon their own sense of what is right and prudent.

II. POLICY

A. Conflicts

1. Conflicts of Interest Generally.

The directors, officers and employees of CFC must so conduct themselves as to avoid conflicts of interest, or any appearance of conflicts of interest, in their relations with CFC. A "conflict of interest" exists when a person's private interest (including the interest of an immediate family member or other personal or business relationship) interferes, or appears to interfere, in any way with the interests of CFC. See Organization Policy No. 1.17 regarding Related Person Transactions and Related Credits and Organization Policy No. 2.10 regarding Director Duties and Standards of Conduct. Officers and employees are encouraged to seek the advice of Corporate Compliance if there are any questions as to whether a conflict of interest exists. Directors are encouraged to contact the President or General Counsel with any conflict of interest questions.

2. Notification of Conflicts of Interest.

Officers and employees must notify Corporate Compliance of any conflict of interest or if a relationship or transaction could give rise to a conflict of interest. Directors must notify the President or General Counsel of any conflict of interest or if a relationship or transaction could give rise to a conflict of interest.

3. Specific Types of Conflicts of Interest.

a. Outside Activities

Directors, officers and employees of CFC should not have outside interests that: (i) materially and adversely affect their ability to perform their duties effectively, (ii) compete with the business of CFC, (iii) involve significant use of the equipment, supplies or facilities of CFC, (iv) imply sponsorship or support by CFC of other organizations whose interests are adverse to those of CFC, or (v) adversely affect the reputation of CFC. The foregoing is not intended to limit participation by directors, officers or employees in outside activities (e.g., participation in NRECA functions or statewide meetings) which are within the ordinary course of performing their obligations and responsibilities to CFC. Determining whether a particular situation creates a conflict of interest or the appearance of a conflict of interest may require an analysis of the specific factual circumstances and related factors.

b. Corporate Opportunities

All directors, officers and employees owe a duty to CFC to advance its interest when the opportunity arises. Directors, officers and employees are prohibited from taking advantage of (or for the benefit of friends or family members) CFC business opportunities that are discovered in the course of working for CFC.

c. Third Parties

A conflict of interest can arise from relationships with third parties or service providers of CFC. Officers and employees that are authorized to approve or award an order, contract or other commitment to third parties for goods and services, must do so based on objective business standards and by acting in the best interests of CFC.

d. Nonfraternization

While CFC encourages amicable relationships between members of management and their subordinates, it recognizes that involvement in a romantic relationship may compromise or create a perception that compromises the ability of the involved parties to perform their jobs. Any involvement of a romantic nature between an officer, director, manager, supervisor, or agent of the organization and anyone he/she supervises, either directly or indirectly, is prohibited. Likewise, any involvement of a romantic nature

between a director and any other CFC director, or any CFC officer or employee is also prohibited.

B. Public, Confidential and Sensitive Information

1. Definitions.

The term "Confidential Information" means any information about CFC, its members, or its affiliates that is not Public Information (as defined below), regardless of the medium (written, electronic or otherwise) in which such information is presented, used or stored. The term includes, but is not limited to, information concerning CFC's past, present or future products, services, membership, members and potential members, policies, employment records, employment policies and procedures, employee compensation, employment matters (e.g., performance documentation, salary, benefits), credit, underwriting and lending policies and procedures, strategic plans, operational methods, marketing plans and strategies, product development techniques, internal management structure, philosophies or strategies, organizational structure, trade "know how", trade secrets, proprietary information, proprietary software, computer processing systems, systems documentation and manuals, and other business affairs of CFC.

The term "Public Information" means information that is readily available outside of CFC. The term includes information about CFC in filings with Securities and Exchange Commission, press releases or on CFC's website to the extent accessible by the general public.

The term "Sensitive Information" means Confidential Information that has a high degree of sensitivity because (i) public disclosure could cause harm to CFC's business or its members' businesses, or (ii) Laws restrict how it may be used. The term includes, but is not limited to, personally identifiable information, member information, and employment matters.

2. Use of Confidential Information

Confidential Information shall at all times remain the exclusive property of CFC. Confidential Information that comes into the possession of directors, officers and employees should be treated as private, and not public, and should be held in the strictest of confidence. Confidential Information should be used solely for corporate purposes, and should be communicated, both within CFC and outside of CFC, only to those individuals who need to know the information to conduct CFC business.

3. Use of Sensitive Information

The following additional restrictions apply to Sensitive Information:

a. Member Information. Without the prior written consent of the Chief Executive Officer or any Senior Vice President, Confidential Information concerning members should never be provided to anyone outside of CFC, including other members of CFC. This restriction does not apply to aggregated member data that does not identify a specific member. As used in this policy, the term “member” shall mean and refer to the cooperatives, non-profit entities and associations that comprise the membership of CFC, as well as the directors, officers, employees and agents of such entities.

b. Securities Transactions. Directors, officers, and employees are prohibited from trading securities while in the possession of material nonpublic information. This includes directly or indirectly “tipping” others who might decide to purchase or sell securities on the basis of that information.

Directors, officers and employees must comply with insider trading and other securities laws and company policies regarding securities transactions and handling of material nonpublic information. The use of inside, or nonpublic material information in connection with purchase or sale of CFC securities or any other company’s securities is both unethical and illegal.

Directors, officers and employees of CFC should refer to CFC Organization Policy No. 1.18 (Insider Trading and Investment Limitations) for a detailed description of CFC’s policy with respect to the treatment of material inside information and specific restrictions on the trading of CFC securities as well as the securities of other companies.

c. Personally Identifiable Information. CFC is required by law to protect personally identifiable information it receives or stores in connection with its business. Personally identifiable information is information that identifies an individual and could be used to (i) access an individual’s credit or banking account, (ii) steal an individual’s identity, or (iii) reveal medical information of any kind. Examples include social security numbers, driver’s license numbers and passport numbers.

d. Employment Matters. All information related to employment matters (e.g. performance documentation, salary and benefits) must be treated as Sensitive Information and may

only be communicated by Human Resources to those individuals who need the information to discharge their duties. All officers and employees should direct requests for work-related references to Human Resources. Requests for verification of employment or compensation should also be directed to Human Resources. Officers and employees who do not work in Human Resources should not provide this information to anyone outside CFC.

4. Return of Confidential Information. Upon the request of CFC at the expiration of the term of a director or employment of an officer or employee of CFC, all copies of written, electronic or other Confidential Information in the possession of any director, officer or employee of CFC must either be returned to CFC or destroyed.

C. Gifts and Other Offers

1. CFC prohibits directors, officers and employees from accepting gifts or favors, whether given directly or indirectly, where such acceptance could represent, or appear to represent, an exchange for favorable treatment in its dealings with CFC. CFC also prohibits directors, officers or employees from offering gifts or favors where such offers are prohibited or otherwise may create the impression that CFC is attempting to improperly influence the recipient.
2. Directors, officers and employees may never:
 - Accept a gift or business entertainment under circumstances in which it could reasonably appear to others that CFC's business judgment has been compromised.
 - Accept or allow an immediate household member to accept, gifts, business entertainment, or any other type of preferential treatment from anyone in exchange for a past, current or future business relationship with CFC.
 - Solicit a gift or business entertainment for either yourself or others from a business partner.
 - Accept gifts with a retail value greater than \$100.
 - Accept gifts of cash in any amount.
 - Provide a gift or entertainment if doing so could be seen as engaging in bribery or improper influence as a consideration for doing business.
3. Directors, officers and employees may accept or give:
 - Unsolicited items worth \$100 or less and no more than \$100 in value of gifts in a calendar year from a single business partner.
 - Unsolicited items worth more than \$100 that are either perishable or corporate marketing material.

4. The acceptance of normal and reasonable business entertainment does not violate these policies. Business entertainment must further the business interest of CFC and should not be lavish or in excess of generally accepted practices. Only CFC should pay for director, officer and employee travel expenses incurred on CFC business. CFC business partners should not provide or reimburse you for business or personal travel except under agreements where travel services or reimbursement is offered in the connection with an event sponsored by an industry association related to CFC.
5. Directors, officers or employees of CFC may not accept any bonus, commission or other fee from any CFC member, supplier or vendor, in the performance of their CFC fiduciary responsibilities.
6. Any director, officer or employee who receives an offer of employment, bonus, a commission or other fee, or receives an offer of gifts in excess of nominal value (\$100.00) from any individual or company (including, but not limited to, members, suppliers and vendors) in consideration for doing business with CFC should report the same to the appropriate parties. Directors and elected officers should report any such offer to the Executive Committee of the Board of Directors. Appointed officers and employees should report any such offer to his or her supervisor and Corporate Compliance.

D. Competitive Information

All information about CFC competitors (such as pricing, interest rates, credit terms, financial reports, marketing and business plans) will be sought and used only when the collection and use of such information is ethical and lawful. No director, officer or employee should seek or encourage the gathering of information through misrepresentation, improper means or theft.

If an officer or employee comes to possess competitive information that is marked proprietary and/or confidential or you believe it may have been obtain improperly, send the information to the Legal Services Group. Directors should send such information to the General Counsel. They will direct you on how to handle the information. Do not share with anyone else.

E. Post Employment Contact

1. As a matter of law, officers and employees continue to have a fiduciary duty to CFC once they leave the company. This duty prohibits former officers and employees from using or disclosing to others CFC's trade secrets or confidential information. The type of information that falls within this category includes, but is not limited to, lists of members, loan pricing information, financing terms, product development information, marketing strategies, and other confidential information concerning CFC, its affiliates, and its members and its employees.

2. Accordingly, in order to safeguard this information and protect CFC's interests, for a period of one year after termination of employment for any reason, former officers and employees may not contact any CFC member for the purpose of soliciting any lending or financial services business. In the event of any such solicitation, CFC may bring legal action against the former officer or employee.

F. Compliance with Laws

1. CFC will comply with the letter and the spirit of all applicable Federal, state and local laws, rules and regulations. All Directors, officers and employees are responsible for complying with (1) legal requirements that affect their activities at or on behalf of CFC, and (2) all corporate policies relating to compliance with legal requirements as those policies apply to fiduciary board duties or job related responsibilities. If any director, officer or employee is unclear as to whether they are complying with applicable law in the course of performing their duties, they must seek the advice of one of CFC's in-house legal counsel.
2. Directors, officers or employees of CFC must report any information they have regarding a violation or potential violation of laws, regulations or related corporate policies. Individuals may bring their concerns directly to the attention of the General Counsel, Deputy General Counsel, Corporate Compliance, Senior Vice President & Chief Administrative Officer ("CAO"), Chair of the Audit Committee, or report their concerns through, the established external, confidential reporting "Helpline".

G. Fraud

CFC is committed to the prevention, detection and reporting of fraud of any type. The President of the Board or the Chair of the Audit Committee will notify the external auditor and the Audit Committee of the Board, if either of them becomes aware of any fraud, whether or not material, that involves management or other employees who have a significant role in CFC's internal controls. See Organization Policy No. 1.15 regarding Complaints Procedure for Accounting/Auditing/Internal Control Irregularities. Officers and employees must immediately report any instance of fraud or possible fraud to their manager, the Senior Vice President in charge of their operational unit, Corporate Compliance, the General Counsel, Deputy General Counsel or report through the external "Helpline". This includes, but is not limited to, tips received from any internal or external source. Directors should report any instance of fraud or possible fraud to the President of the Board or Chair of the Audit Committee. Any commission of fraud by an officer, director or employee of CFC shall be deemed to be a violation of this Ethics Policy. The term fraud includes, but is not limited to, any dishonest or fraudulent act or misrepresentation, misapplication of

funds or assets, forgery or alteration of documents, impropriety in reporting transactions or disappearance or destruction of records or assets.

H. Public Communications

1. Directors, officers and employees of CFC should always be conscious of the fact that what they communicate with public audiences, whether in writing or verbally, is a direct reflection on CFC and may have a significant impact on CFC's reputation.
2. Accordingly, except for verbal and written communications to public audiences made by directors, officers and employees of CFC in the ordinary course of performing their obligations and responsibilities to CFC, all verbal and written communications to public audiences concerning CFC or that may be construed as statements made on behalf of CFC should be reviewed and approved by the Senior Vice President, Corporate Relations Group ("CRG") or the Vice President, Communications.
3. As used herein the term "public communications" includes, but is not limited to, speeches, articles, position papers, press conferences and press releases, as well as statements made on social networking sites, blogs, Web postings, chat rooms, e-mail and other electronic media. Directors, officers and employees are encouraged to seek the advice of Senior Vice President, CRG or the Vice President, Communications if there is any question as to whether any verbal or written communication with public audiences is appropriate. Specifically, all press releases should be issued by CRG and either the Senior Vice President, CRG or the Vice President, Communications should be consulted before any response is made to any media inquiry.
4. As used herein the term "public audiences" includes, but is not limited to, members, media and the general public.
5. Public communications by any CFC Director, officer or employee are strictly prohibited if they in any way disparage CFC, have the potential to adversely affect CFC's reputation, disclose confidential information, could be considered harassing, threatening, libelous or defamatory, or conflict with CFC's business interests.

I. Communication with Government Officials

There are laws that prohibit or restrict employees from making any oral or written communication to one or more of the following "government officials" for the purposes of influencing legislation, regulation or government inaction or action on behalf of CFC: (i) elected or appointed officials, and (ii) employees of federal, state or local units of the United States government. Violations of these laws can result in liability for both CFC and the employee engaging in this activity.

In order to avoid such liability, directors, officers and employees must not do any of the following on behalf of CFC without the written approval of the Senior Vice President, CRG:

1. Do not email, call, talk to, or otherwise communicate with a government official if the purpose of the communication is to influence legal or regulatory action or inaction.
2. Do not provide gifts or travel to any government official; and
3. Do not contract outside lobbyists for the purpose of influencing government officials.

J. Political Contributions and Activities

No one other than the Chief Executive Officer or the Senior Vice President, CRG may authorize a political contribution on behalf of CFC. You may make personal political contributions, within acceptable legal limits, to candidates, parties and other entities that make political expenditures. Director, officer and employee political contributions must be made out of their own funds, in their personal capacity, and are not reimbursable.

Under no circumstances may anyone pressure an employee to make political contributions or use CFC property to fundraise for their own political causes. No officer or employee may engage in political activity using or on CFC property if it negatively impacts his or her work or the work of other employees at CFC.

K. Enforcement and Accountability

1. The General Counsel shall be responsible for all aspects of administering this policy, and is responsible for reporting any requests for interpretative issues, exceptions to, or exemptions from, the policy to the Chief Executive Officer. Any exceptions to, or exemptions from, the policy shall be subject to such additional procedures, reviews and reporting as may be deemed appropriate by the Chief Executive Officer, and shall be reported to the Board of Directors at the next regular meeting, except for minor infractions that the Chief Executive Officer determines to be non-material. The General Counsel will take any appropriate reporting action deemed necessary with respect to any officer or employee of CFC who violates any provision of this policy. In the event the alleged violation relates to the Chief Executive Officer or member of the CFC Board of Directors, the General Counsel shall promptly report any such violation to the Executive Committee of the Board of Directors.

2. Individuals who reasonably believe that they have information regarding a violation of this Ethics Policy may bring their concerns to the attention of the Senior Vice President in charge of their operational unit, the General Counsel, the CAO, Human Resources, Corporate Compliance, or report their concerns through, the established external, confidential reporting "Helpline". After becoming aware of potential violations of this policy an officer is required to report the complaint or matter to the General Counsel.
3. Any report of a violation of this Ethics Policy delivered in good faith will be investigated promptly and, if required, appropriate action for infractions will be taken by CFC management after due consideration of all of the facts and circumstances. In the event the alleged violation relates to the Chief Executive Officer or a member of the CFC Board of Directors, the Executive Committee of the Board of Directors will take appropriate action after due consideration of all of the facts and circumstances.
4. In certain situations CFC may have a legitimate business reason to preserve the confidentiality of information shared in the course of an investigation. If CFC determines that confidentiality is needed, directors, officers and employees must follow any confidentiality instructions.
5. Directors, officers and employees are required to cooperate fully with any internal or external investigation, including but not limited to those involving ethical issues or complaints of discrimination or harassment. Directors, officers and employees should never withhold, tamper with, falsify or fail to communicate relevant information in connection with an investigation.
6. CFC will not permit retaliation of any kind against individuals for good faith reports of violations of this Ethics Policy.

L. Conclusion

Most of the guidelines set forth in this ethics policy are common sense requirements. The good judgment and continuing concern of directors, officers and employees of CFC for their own integrity and the trust and confidence of the community in CFC will always be the most important guideline when dealing with questions of ethics and appropriate conduct. Directors, officers and employees of CFC should address any questions or concerns about this ethics policy to their manager, the Senior Vice President in charge of their operational unit, Human Resources, Corporate Compliance, the CAO, the General Counsel or report their concerns through, the established external, confidential reporting "Helpline".

III. BOARD ESTABLISHMENT OF POLICY

This policy was established by the Board of Directors at its meeting on May 23-26, 1977 (page 18 of Minutes).

Amendments

02/22/96 (Policy No. 2.1)	02/15/04	09/27/07	12/06/11
03/07/98	09/16/04	12/11/07	09/26/13
03/09/02	05/26/05	12/09/08	12/09/14
10/08/02	02/19/06	12/08/09	07/27/16
07/23/03	05/24/07	12/07/10	12/05/16
10/03/18	12/03/18	07/25/19	12/10/19

APPROVED:


President