

CFC ORGANIZATION POLICY

SECTION: General
SUBJECT: Ethics Policy

NUMBER: 1.07
DATE: 10/03/18

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

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 (financial or otherwise) 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.

B. Confidential Information

1. Definition.

The term “Confidential Information” means any information about CFC, its members, or its affiliates that has not been disclosed by CFC to the general public, 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.

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. The following additional restrictions apply to Confidential 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. 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.

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. Employment Matters. 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.

- d. 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. 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.

D. 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 or cash equivalents 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 the Vice President, Corporate Compliance.

E. 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. Directors, officers, employees and

supervisors are encouraged to seek the advice of the Vice President, Corporate Compliance if there is any question as to whether participation in specific outside activities is appropriate or if they are unclear as to whether a particular activity creates a conflict of interest.

F. 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.

G. 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, Vice President, Corporate Compliance, Senior Vice President of Corporate Services, Chair of the Audit Committee, or report their concerns through, the established external, confidential reporting "Helpline".

H. 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 supervisor, the Vice President, Corporate Compliance, the General Counsel, Deputy General Counsel or the "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.

I. 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 CFC management prior to dissemination.
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 CFC management 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 the Corporate Relations Group ("CRG") and either the Chief Executive Officer or 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.

J. Enforcement and Accountability

1. The Vice President, Corporate Compliance 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 Vice President, Corporate Compliance 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 Vice President, Corporate Compliance 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 or Deputy General Counsel, the Senior Vice President of Corporate Services, Vice President, 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 Vice President, Corporate Compliance.
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. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation.
5. CFC will not permit retaliation of any kind against individuals for good faith reports of violations of this Ethics Policy.

K. 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 the Vice President, Corporate Compliance.

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			

APPROVED: _____

President