



**National Rural Utilities  
Cooperative Finance Corporation**

## **Code of Conduct and Business Ethics**

*Excellence and Integrity Every Day*



# A Message from the CEO



CFC's vision is to be our owners' most trusted financial resource. Our values of service, integrity and excellence are very special core beliefs that we take seriously. To realize our vision and our values, we have set high standards for all of us in the management of our business and our individual behavior.

Success in our business depends on maintaining the trust and confidence of all our stakeholders: members, employees, investors, government authorities and the cooperative community as a whole. The CFC Code of Conduct is fundamental to the task of creating and maintaining such trust. The code is designed to help us make appropriate decisions about our conduct as CFC employees, whether it is with co-workers, members or those outside the electric cooperative network with whom we come into contact.

Sustaining a culture that embraces our standards and embeds them in the actions of every employee in a changing marketplace is an ongoing responsibility. For these reasons, each of us must take an active role in understanding this code and applying it to our day-to-day conduct at CFC. As you read this code, we ask you to remember that ethical conduct makes good business sense and is essential to CFC's continued success.

As a nonprofit organization created and owned by America's electric cooperative network, our obligation to uphold principles of integrity is critical to our business model. We have a position of member and cooperative community trust that we must never compromise.

Together, we can continue to make CFC the rural electric network's most trusted financial resource. I thank you for your commitment.

Sheldon C. Petersen  
**Chief Executive Officer**

# Table of Contents

Overview .....3

Cooperative and CFC Values .....5

Making the Right Choices .....8

Protecting Stakeholder Information.....9

A Safe, Healthy Workplace ..... 11

Avoiding Conflicts of Interest..... 12

Financial Reporting Responsibilities..... 15

Compliance with Laws and Regulations ..... 17



# Overview

When we follow through on our promise to deliver the highest levels of service, integrity and excellence through every member transaction, it builds CFC's brand equity and bolsters our reputation—making this a stronger, more competitive organization. This can happen only with the cooperation and hard work of every employee.

CFC's reputation lies within your hands. Maintaining our sterling reputation is a daily concern and must be the stewardship of each employee as he or she is called upon to interact with co-workers, members, investors and other stakeholders.

The CFC Code of Conduct has several purposes. It is here to:

- Highlight areas of ethical risk that employees may encounter,
- Offer guidance to employees faced with ethical issues,
- Provide tools to report unethical conduct and
- Foster a culture of integrity and accountability.

Keep in mind, however, that no code of conduct can replace the thoughtful behavior of an ethical employee. Also, no code can address all the possible crises of integrity an employee may face. Dishonest, unethical or illegal actions are a violation of this code, whether such conduct is specifically addressed or not.

The code contains general standards of behavior. You should read this code in conjunction with other CFC policies that provide more detail, including the CFC Employee Handbook and official organizational policies and practices. All employees are expected to know and understand the CFC Code of Conduct and follow its principles.



## ANNUAL CERTIFICATION

Employees will be expected to renew their commitment to the CFC Code of Conduct through annual certification.

Corporate Compliance will administer an annual CFC Code of Conduct questionnaire to all employees. The questionnaire requires you to disclose any interest, affiliation or activity that conflicts, or is likely to conflict, with the code.

Completing the annual questionnaire does not relieve you of your continuing obligation to make disclosures or to seek advice at any time between annual surveys. You are encouraged to seek advice and assistance whenever you feel the need.

## CODE AVAILABILITY AND REVISIONS

The CFC Code of Conduct will be revised as needed. You are required to familiarize yourself with all revisions and to comply with the code in its revised form as of the effective date of any revision. The current version of the code is available to all employees on CFC Connect and will be distributed in hard copy.

## DISCIPLINARY ACTION AND OTHER SANCTIONS

Failure to comply with the standards contained in the code shall be considered a violation of corporate policy.

## REPORTING INFORMATION REGARDING VIOLATIONS

CFC will comply with the letter and the spirit of all applicable state and federal securities laws, regulations or related corporate policies. Employees are required to report any information they have regarding a violation or potential violation of federal or state laws.

## NON-RETALIATION POLICY

Retaliation will not be tolerated against any individual who, based on his or her reasonable good faith, reports a concern about potential illegal or unethical conduct or a violation of any law or regulation. Managers have the additional responsibility to ensure that the employees they supervise diligently comply with these non-retaliation obligations.

### Organizational Policy #1.14

Whistleblower Complaint Procedure and Anti-Retaliation

### CFC Employee Handbook - 710

Whistleblower Complaint Procedure and Anti-Retaliation

## Q&A

### Good Faith Complaint

**Q:** What is a "good faith complaint"?

**A:** Generally, a complaint is not "in good faith" if it is intentionally and materially inaccurate, misstated or exaggerated. A complaint will not be dismissed solely because it is not made in good faith, but the complainant's apparent bad faith may affect the credibility of the entire complaint after due consideration of all the facts and circumstances.

# Cooperative and CFC Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

At CFC, we are committed to providing our owners with the highest levels of service, integrity and excellence in every business transaction.

We value service by delivering accurate, responsive and timely financial and business solutions. We value integrity by living the spirit of the cooperative principles through honest and ethical conduct. We value excellence by striving to exceed expectations through teamwork, leadership and innovation.

We describe each of our values using the following key words:

## **Service**

Responsiveness, accuracy, creativity, exceeding customer expectations, nurturing relationships, adaptability, teamwork and collaboration.

## **Integrity**

Ethical behavior, honesty, professionalism, respect, confidentiality and personal accountability.

## **Excellence**

Determination toward making a difference, innovation, teamwork, professional development, competency, leadership, accountability and adaptability.

## What are the Cooperative Principles

**Q.** What does it mean to be a cooperative?

**A.** Cooperatives are organizations of people who voluntarily unite to meet a common economic, social or cultural need. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. These solid values are found in the seven cooperative principles, which are condensed below:

### **Voluntary and Open Membership**

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership.

### **Democratic Member Control**

Cooperatives are democratic organizations controlled by their members who actively participate in setting their policies and making decisions.

### **Members Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative.

### **Autonomy and Independence**

Cooperatives are autonomous, self-help organizations controlled by their members.

### **Education, Training and Information**

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of the cooperative.

### **Cooperation Among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together.

### **Concern for Community**

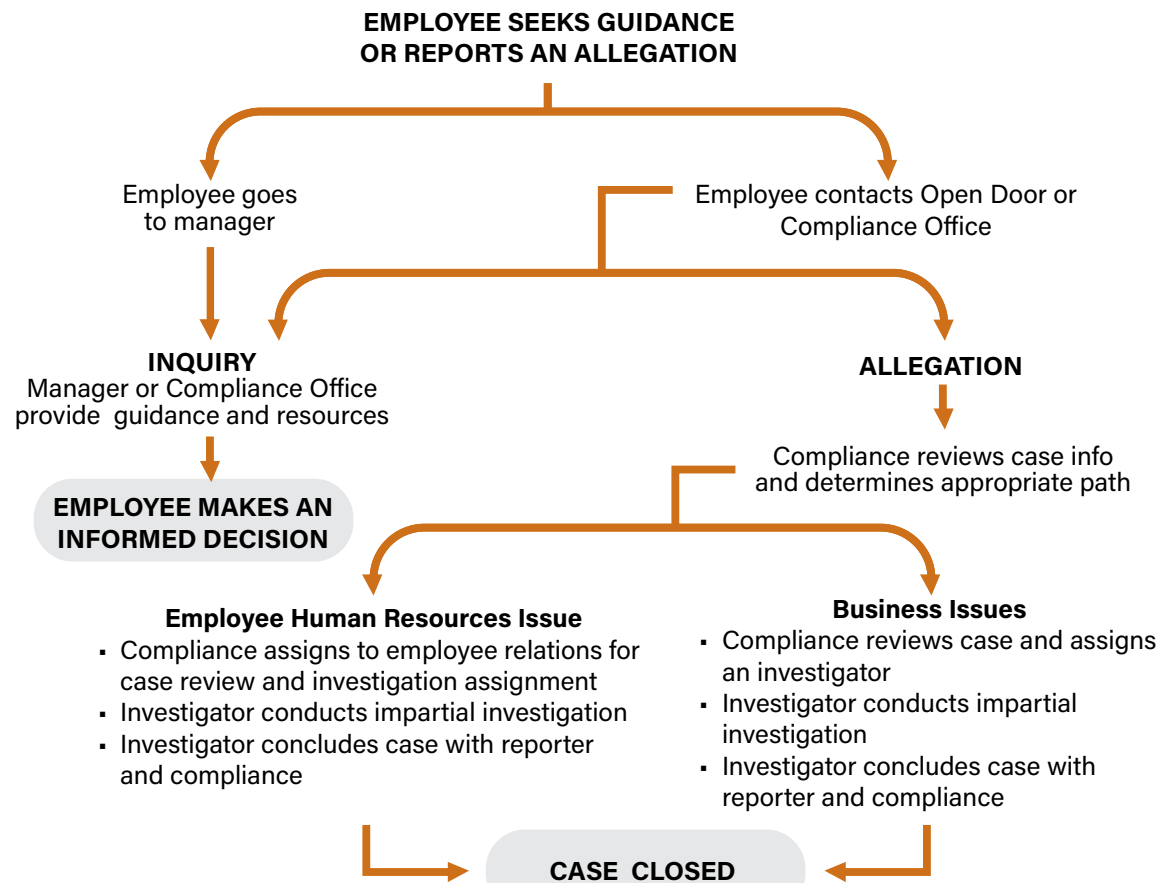
Cooperatives work for the sustainable development of their communities.

# CFC INTEGRITY WORKFLOW

Once a case is entered into the workflow system, the report is reviewed by the Compliance Office for conflict clearance, assignment and, if necessary, investigation steps.

## CFC OPEN DOOR

The CFC Open Line process allows you to bring any issue forward through a direct line to the Compliance Office. There are a variety of ways to have your inquiries or issues addressed.



## OTHER METHODS OF HELP

As employee stewards the CFC Ethics and Compliance program, you have many resources available to you:

- Your manager or any other manager at CFC.
- A member of Corporate Compliance, Human Resources or the Legal Group.
- The CFC Helpline to report allegations under Sarbanes-Oxley and Dodd-Frank directly to the CFC Board.

### CFC Web Portal:

[www.nrucfc.ethicspoint.com](http://www.nrucfc.ethicspoint.com)

### Ethics Helpline:

(Anonymous CFC Toll-free number that is answered by an independent third party)

**866-293-2601**

## WHERE TO GET ADDITIONAL HELP

There are several ways to get assistance if you face a dilemma about your actions or questions about the CFC Code of Conduct.

- Your manager
- Human Resources
- Corporate Compliance
- Legal Services

Generally, the first place to look is to your immediate supervisor. This may encourage the resolution of any problems within the appropriate work unit and provide valuable insights or perspectives on the matter at hand. If you are not comfortable reporting the matter to your immediate supervisor or believe they have not handled it properly, contact Human Resources, Legal Resources or an SVP within your area.

Any report of a violation of the CFC Code of Conduct delivered in good faith will be investigated promptly and, if required, appropriate action for infractions will be taken by CFC management or the Executive Committee of the Board of Directors after due consideration of all the facts and circumstances.

## COMPLIANCE AND ETHICS HELPLINE

Another resource is the Compliance Office or the Ethics Helpline, 866-293-2601.

The Helpline provides an avenue to either report a potential wrongdoing or to ask questions about the CFC Code of Conduct.

While it is not intended to be a substitute for speaking directly with your supervisor, the service is an important option for individuals who want to communicate anonymously.

Reports to the Helpline concerning accounting, internal accounting control or auditing matters will be reported to the Audit Committee of the CFC Board of Directors.

Confidentiality will be maintained to the extent consistent with adequate investigation and handling of the matter. All matters will be appropriately evaluated.

You can also e-mail a special mailbox, [Compliance-ControlRoom@nrucfc.coop](mailto:Compliance-ControlRoom@nrucfc.coop), to help resolve matters.

## INVESTIGATIONS

You are required to cooperate fully with any appropriately authorized internal or external investigation, including but not limited to those involving ethical issues or complaints of discrimination or harassment. You should never withhold, tamper with or fail to communicate relevant information in connection with an investigation.

## Q&A

### Basic Standards of Conduct

- Q:** What are the basic standards of ethical conduct at CFC?
- A:** You must follow a few basic standards of ethical conduct as a CFC employee:
- Deal fairly and honestly with CFC, with your fellow employees, and with members, vendors, competitors, investors, and the public.
  - Do not use your employment at CFC for private gain (other than your CFC salary, bonus and employee benefits).
  - Do not engage in conduct that might appear improper to others, even if you believe that it is not improper.

## POLICIES & PROCEDURES

### CFC Practice - Helpline Reporting



# Making the Right Choices

Good member relationships are based on integrity and trust, and it is against CFC's policy to engage in unethical or illegal activity to win or keep business. You are expected to act in an ethical manner at all times when performing your job and conducting business matters.

From time to time, situations involving ethical issues may arise where it may be challenging to determine the proper course of action. When this happens, ask yourself some basic questions:

- How would this action look to our members or investors?
- Does this action conflict with the Cooperative Principles?
- Could this action harm CFC's reputation, goals, mission or values?
- Can I justify the action to my supervisor or a member of the CFC Board of Directors?
- Does this action make me uncomfortable because it appears to conflict with a law or a CFC policy?

It may seem easier to say nothing or look the other way, but taking no action may have serious consequences; you have the responsibility to speak up if you see or suspect activity which violates our code.

Of course, making the right choice also means staying within the law. As an employee, you are responsible for complying with all applicable laws and regulations in which CFC conducts business and for knowing and complying with our company policies.

You are prohibited from falsifying any CFC document, including any book, record or account that reflects transactions of CFC or dispositions of CFC's assets.

If you prepare reports or company records based on information provided by others, you must exercise reasonable care to be sure that those reports or records do not contain intentional misrepresentations or misleading information.



# Protecting Stakeholder Information

Today's level of access to data and technology makes it more challenging to protect confidential information. Each of us has a moral, legal and ethical obligation to protect confidential information that, if improperly disclosed, could be harmful to our members, peers or stakeholders.

This includes data such as member financial information, employee health or other personal information, non-public corporate financial data, legal facts and strategic information and plans.

Overall, everyone has an equal and absolute duty to protect confidential information.

Confidential information is CFC property and must not be inappropriately used outside of CFC's business or inappropriately disclosed to members, competitors, financial analysts, the press or other third parties.

You should exercise particular care to protect the premature disclosure of information that could have a competitive, financial or other material impact on CFC (for example, the disclosure of corporate earnings in advance of CFC's officially scheduled release date).

## MEMBER INFORMATION

All information relating to members of CFC that directors, officers and staff receive in the course of performing their duties should be treated as private, not public, and should be held in the strictest of confidence. Member-owner information should be used solely for CFC's corporate purposes.

## EMPLOYEE DATA

All information relating to employment matters (e.g., performance documentation, salary, benefits) should be treated as private, not public, and should be held in the strictest of confidence. Information concerning employment matters should be communicated only to those individuals who need the information to discharge their duties.

### POLICIES & PROCEDURES

#### Organizational Policy #1.07

Ethics Policy Owner Information

Ethics Policy Personnel Files

#### CFC Practice-Information Security

#### CFC Employee Handbook - 701

Ethics

## SAFEGUARDING INFORMATION

You are responsible for safeguarding personal, proprietary or confidential information of CFC and its members and employees. Be sure to properly secure access to your work area, computer, laptop, telephone, voicemail, iPhone and facsimile from unauthorized access. Be familiar with the CFC Information Security Practice, including making sure:

- You never share your passwords with others unless it is being provided to a CFC Business Technology Service member in connection with resolving issues with your devices;
- Your password meets the criteria requirements set forth in the practice;
- You do not forward or send CFC proprietary information to a non-CFC device; and
- You do not access content on a CFC device that may pose a security risk to CFC's information technology system.

Additionally, do not discuss sensitive matters or proprietary or confidential information in public areas, including open workplace areas such as cubicles or on speaker phones, public transportation or the Internet.

## RESPONDING TO REQUESTS FOR INFORMATION

Communication with public audiences, whether in writing or verbally, is a direct reflection on CFC and may have a significant impact on CFC's reputation. This includes listserv, blog, social media sites and other online forms of communication.

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, except in the ordinary course of performing staff obligations and responsibilities.

## COMMUNICATIONS WITH THE MEDIA

Employees should refrain from speaking to the media on behalf of CFC without seeking consent from CFC management—even “off the record.” If you receive a call from a reporter or other media outlet, you should direct it to the vice president of Corporate Communications or the senior vice president, Corporate Relations Group.

As used herein the term “public audiences” includes, but is not limited to members, media and the general public.

## Q&A

### Member Information

- Q:** Can we share member information with other members or third-party cooperatives?
- A:** No and yes. CFC employees may not share financial, credit or any other non-public information of our members unless we have express authorization from the member. However, any information that may be obtained publicly either from RUS or other public sources may be shared.

### POLICIES & PROCEDURES

**Organizational Policy #1.07**  
Ethics Policy-Public Communication

**CFC Employee Handbook – 701**  
Ethics

# A Safe, Healthy Workplace

CFC is committed to delivering the highest standards of service and excellence not only to our members but also to our fellow employees. As part of that, we do our best to provide employees with a safe and healthy work environment.

We comply with applicable state and federal laws and regulations so we can provide a positive workplace. We are always open to employee input to ensure that we continue to provide this type of environment.

## EQUAL EMPLOYMENT

The Board of Directors reaffirms that it is CFC's policy to ensure equal employment opportunity without discrimination. CFC shall recruit, hire, train, and promote individuals and administer all personnel actions, without regard to race, color, religion, creed, age, sex, sexual orientation, disability, citizenship, national origin or ancestry, marital status, status as a disabled veteran, genetic information or any characteristic protected by applicable law.

## DISCRIMINATION AND HARASSMENT

It is CFC's policy to provide employees with a healthy, safe and productive work environment. This environment extends beyond the physical surroundings and includes how we treat each other. CFC places great value on maintaining and supporting its diverse workforce, on creating a workplace characterized by civility of speech and behavior and on welcoming, accepting and rewarding each person according to his or her contribution to CFC's goals. Each CFC employee is responsible for supporting and promoting these objectives.

## WORKPLACE SAFETY

CFC's workplace violence policy applies to violent or threatening conduct of any kind, whether it is directed against a CFC employee, member or outside party and whether it occurs on CFC's property, at a CFC sponsored event or under other circumstances that may have a negative impact on CFC's ability to carry on its work.

## DRUG-FREE WORKPLACE

CFC is a substance-free workplace. We do not tolerate the misuse of controlled substances or being under the influence of alcohol or illegal substances at work.



### POLICIES & PROCEDURES

#### **CFC Employee Handbook – 103**

Equal Employment Opportunity

#### **Organizational Policy #1.08**

Anti-Harassment Policy

#### **CFC Employee Handbook – 706**

Anti-Harassment

#### **CFC Employee Handbook – 713**

Non-Discrimination Statement

#### **Organizational Policy #1.12**

Workplace Violence Prevention

#### **CFC Employee Handbook – 704**

Workplace Violence Prevention

#### **CFC Employee Handbook – 705**

Drug and Alcohol Use

# Avoiding Conflicts of Interest

Employees are expected to uphold the CFC value of integrity in all business dealings. This includes avoiding conflicts of interest on the job. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of CFC. Conflicts of interest can take many forms and can be actual or perceived. They may impair an employee's independent, unbiased judgment through either a personal or business conflict.

While it's important to be aware of conflicts of interest and take steps to avoid them, it would be impossible to describe every situation in which a conflict of interest may occur. Keep in mind that the basic factor of any conflict of interest is the division of loyalty between CFC's best interests and your personal interests or the interests of any third party.

CFC has a number of official corporate policies and practices to help employees both recognize and avoid common conflicts of interest. These may include the following situations.

## ACCEPTING GIFTS AND ENTERTAINMENT

The giving or receiving of excessive gifts can lead to perceived obligations that may be inappropriate or may result in an actual or apparent conflict of interest in the workplace, which must be avoided.

Accordingly, employees of CFC should not exchange gifts valued at more than \$100 with any individual or company. Also, no gift should be accepted if there is a possibility that it would jeopardize CFC's reputation. This policy includes member-owners, vendors, investors and rating agencies that do business with or have an interest in CFC.

If you do receive a gift in excess of \$100 from an individual or company it should be reported immediately. You must report such gifts to Corporate Compliance.

## OUTSIDE ACTIVITIES AND EMPLOYMENT

A conflict of interest, or the appearance of one, may arise if you engage in outside activities for which you receive any form of compensation or reimbursement and which are inconsistent with CFC's interests.

It is your responsibility under the CFC Code of Conduct to avoid situations in which your loyalty to CFC could be compromised. Determining whether a particular situation would create a conflict of interest, or an appearance of a conflict, may require the analysis of the specific factual circumstances and the consideration of many factors. You are encouraged to seek the advice of the Vice President, Corporate Compliance if you have any question as to whether participation in specific outside activities is appropriate.

## Q&A

### Conflict of Interest

**Q:** What is a conflict of interest?

**A:** A conflict of interest occurs when a question of loyalty arises between an employee's interests (financial or otherwise) and his or her responsibilities at CFC. Personal conflicts create the potential for an employee to put his or her own interests ahead of what's best for CFC and its stakeholders. Business conflicts may occur when the goals of members, vendors, partners or investors conflict with the best interests and objectives of CFC.

## POLICIES & PROCEDURES

### Organizational Policy #1.07

Ethics-Gifts and Other Offers

### CFC Employee Handbook - 701

Ethics



# Q&A

Some general considerations:

- Does the activity adversely affect my ability to perform duties effectively?
- Does the activity compete with the business of CFC?
- Does the activity involve significant use of the equipment, supplies or facilities of CFC?
- Does the activity imply sponsorship or support by CFC of other organizations whose interests are adverse to those of CFC?
- Does the activity adversely affect the reputation of CFC?

## BRIBES, KICKBACK AND OTHER ILLEGAL PAYMENTS

No CFC funds or assets may be paid, loaned or disbursed as bribes, kickbacks or other illegal or unethical payments. No employee may accept bribes, kickbacks or other illegal or unethical payments. All employees are required to comply strictly with the U.S. Foreign Corrupt Practices Act, which prohibits payments to foreign officials for the purpose of obtaining or keeping business.

If you detect or suspect the offer, solicitation, payment or receipt of bribes, kickbacks, or other unusual payments by an employee of CFC, any provider of goods or services to CFC, or any CFC member, you should report it immediately to Corporate Compliance.

## RELATED PARTY BUSINESS DEALINGS

You must notify your manager of any business relationship or proposed business transaction CFC may have with any company in which you or an immediate family member has a direct or indirect interest or from which you or an immediate family member may derive a benefit, if such a relationship or transaction might give rise to a conflict of interest.

## INSIDE INFORMATION

The use of inside, or non-public, material information in connection with the purchase or sale of CFC securities or other securities is unethical and is prohibited by law.

Non-public material information includes information about CFC or another company (for example, a publicly traded cooperative member) that is obtained by virtue of your employment with CFC and has not been disclosed to the general public and that could, if known, affect a reasonable investor's decision to buy or sell the securities of CFC or the other company.

## "WINDOW PERIODS"

In order to avoid even the appearance of improper insider trading, employees are permitted to engage in transactions in CFC securities only during established "window periods" that generally commence three trading days after CFC releases its annual and quarterly financial results.

Employees may not buy or sell CFC securities outside a window period unless the transaction has been cleared with Corporate Compliance.

### Gift Limitation

**Q:** Why does CFC have a \$100 gift limitation?

**A:** Our business decisions must always be made in the best interest of CFC. Accepting or giving gifts of a value greater than \$100 may lead both our stakeholders and CFC employees to believe otherwise—even when our actions are inadvertent.

### POLICIES & PROCEDURES

#### Organizational Policy #1.07

Ethics-Policy Conflicts

Ethics-Outside Activities

#### Organizational Policy #1.17

Related Person Transactions

## COMPETITIVE INFORMATION

CFC will always respect the confidential information and trade secrets of our Members, vendors and competitors. All information obtained regarding our competitors will be sought and used only when there is a reasonable belief that both the collection and use of the information is ethical and lawful.

No employee should seek or encourage the gathering of information through misrepresentation, improper means or theft.

## FAIR DEALING

CFC will deal fairly with all third parties including Members, suppliers, financial institutions, competitors and employees. When transacting business no employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

## ANTITRUST

CFC recognizes the importance of fair business competition and conforms its conduct to the requirements of U.S. antitrust laws. All employees are expected to comply with antitrust laws. No employee should enter into any illegal understanding, agreement, plan or scheme, whether expressed or implied, formal or informal, oral or written, with any competitor (directly or indirectly, including via a Member, investor or vendor).

## SOCIAL MEDIA

CFC understands that many people engage in social networking on their own time using personal equipment. Employees, directors and officers should understand that actions on social media sites are potentially visible for the entire social networking community and are not private matters. CFC will take action regarding any content it discovers or that is brought to its attention that violates its policies or is unlawful. Accordingly, the following rules apply:

- Do not post or disclose any non-public information about our members;
- Do not post or disclose any CFC trade secrets and other private or confidential information;
- Do not make postings that include discriminatory remarks, harassment and threats of violence or similar inappropriate or unlawful conduct; and
- Do not post statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparages customers, members, employees or suppliers or that might constitute harassment or bullying.

## Q&A

### Insider Trading

**Q:** What is insider trading?

**A:** Public companies must follow special laws and regulations requiring public disclosure of certain information about the company. Making such information public is meant to allow anyone who wants to trade a company's securities to have access to the same information as everyone else who trades the same security. If someone within a company (an "insider") used information that was not yet public to trade that company's security (or to help someone else do so), that insider would have an unfair advantage over those without access to that information.

To "level the playing field," the government makes "insider trading" illegal.

### POLICIES & PROCEDURES

#### Organizational Policy #1.07

Ethics-Fraud

#### CFC Employee Handbook - 701

Ethics

#### CFC Employee Handbook - 714

Social Media

#### Organizational Policy #1.18

Insider Trading and Investment Limitations

#### Organizational Policy #1.21

Social Media

# Financial Reporting Responsibilities for Senior Officers

CFC's CEO and senior financial officers have a special responsibility when it comes to conduct and financial reporting. They must adhere to the following principles and also foster a culture throughout the company that helps ensure the fair and timely reporting of CFC's financial results and conditions.

They are expected to:

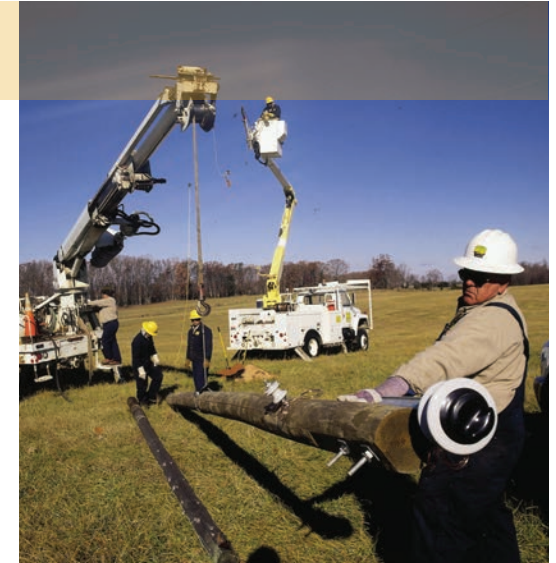
- Conduct themselves as to avoid actual or apparent conflicts of interest in personal and professional relationships.
- Provide information that is full, fair, accurate, timely and understandable.
- Disclose all relevant material information in connection with public filings, submissions to regulatory bodies and dissemination with the public at large.
- Adhere to all applicable government laws, rules, regulations and professional pronouncements.
- Adhere to uncompromising standards of honesty and ethical conduct in performing their duties and responsibilities.

Because of this special role, the chief executive officer, chief financial officer, controller or persons performing similar functions are bound by CFC's Senior Financial Officers Code of Ethics.

## FRAUD AND DISHONESTY

CFC's business requires the handling of and accounting for thousands of financial transactions each business day. We have strict rules to guard against fraud or dishonesty and to address such problems when they occur.

If you detect or suspect fraud, dishonesty, or the offer, solicitation, payment or receipt of bribes, kickbacks or other unusual payments by any employee of CFC, any provider of goods or services to CFC, or any CFC member, you should report it immediately to Corporate Compliance or follow one of the other reporting methods previously described.



## POLICIES & PROCEDURES

### Organizational Policy #1.13

Ethics Policy for CEO and Senior Financial Officers

### Organizational Policy #1.15

Complaints Regarding Accounting/Auditing/Internal Accounting Control Irregularities and Anti-Retaliation

## **POLITICAL AND OTHER PERSONAL ACTIVITIES**

Individual participation in the political process is an important part of our citizenship, but you must separate your views from those of CFC when engaging in personal political activity.

CFC's supplies or other property should not be used to support or to promote individual political views.

## **LOANS, DISCOUNTS AND PREFERENTIAL TREATMENT**

Employees may not solicit or accept from any source favorable personal loan terms, investment opportunities, loan guarantees or any other similar treatment or benefits that are offered as an attempt to obtain favorable treatment in dealing with CFC. In addition, CFC is restricted by certain laws, regulations and company policy from making or arranging for personal loans and extensions of credit to its executive officers and directors.

# Compliance with Laws and Regulations

While striving to be our owners' most trusted financial resource is a goal we have set for ourselves at CFC, many of the ways we carry out this goal with truthfulness and transparency are mandated by law.

CFC will comply with the letter and the spirit of all applicable federal, state and local laws, rules and regulations. If any employee is unclear as to whether they are complying with applicable law in the course of performing their duties, they should seek advice from the general counsel or deputy general counsel.

As a publicly reporting company, CFC is subject to a variety of federal laws, and it is each employee's responsibility to be aware of these limitations and abide by them.

## COMMUNICATIONS WITH ANALYSTS, SECURITYHOLDERS AND OTHERS

Employees are prohibited by securities laws from discussing material, nonpublic company matters or developments with anyone outside CFC, except as expressly permitted by CFC policies and practices. The SEC defines information as material "if there is a substantial likelihood a reasonable shareholder would consider it important" in making an investment decision. Information is material if it "would have been viewed by a reasonable investor as having significantly altered the 'total mix' of information made available." Information is nonpublic if it has not been disseminated in a manner making it available to investors generally.

Examples of material, nonpublic information include:

- Unpublished financial results and reports;
- Actions by the rating agencies that have not been publicly disclosed;
- Developments in material litigation, regulatory actions or proceedings;
- Major corporate developments or transactions that have not been disclosed publicly;
- Any event affecting a particular security (e.g., redemption, repurchases); and
- Any other information that could influence a reasonable investor's decision to buy or sell securities of CFC

## Q&A

### Accounting Irregularities

**Q:** What is an accounting irregularity and why is the prevention of such irregularities so important?

**A:** The integrity and accuracy of CFC financial statements is critical to the confidence of CFC's investors and members. Accounting irregularities could raise red flags with CFC's investors and may cause a loss of confidence in the financial stability of the organization.

This can lead to higher prices for accessing credit in the capital markets and, in turn, drive up the cost of borrowing for CFC and our members.

Accounting irregularity complaints could include, among others, any of the following:

- Fraud or deliberate error in preparing, evaluating, reviewing or auditing any CFC financial statement.
- Deficiencies in CFC's internal accounting controls or failure to comply with such controls.
- Misrepresentations or false statements regarding a matter contained in CFC's financial records, financial reports or audit reports.

### POLICIES & PROCEDURES

#### Organizational Policy #1.16

Records Management

CFC Practice – Regulation FD:

Communication with Analysts, Security holders and others



## FINANCIAL RECORDS

CFC's accounting records must be complete, accurate and in reasonable detail. These records include books of original entry and other financial information used for internal management's decision-making and external reporting. The underlying transactions must be properly authorized and recorded on a timely basis in order to permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain accountability of assets. All funds and assets must be fully and properly recorded on CFC's books.

CFC has established internal accounting controls and records management policies to meet both legal and business requirements. You are required to maintain and adhere to these controls and policies.

## ACCOUNTING AND CONTROL IRREGULARITIES

CFC is committed to compliance with applicable securities laws and generally accepted accounting principles. Accordingly, employees have the responsibilities to report any suspected instance of fraud or other irregularities that involve management or other employees who have a significant role in CFC's accounting, internal control or audit matters.

Report immediately any information regarding suspected fraud or irregularity in accounting, internal accounting controls or auditing matters to the vice president of Internal Audit, the general counsel or the deputy general counsel; or, to make anonymous reports, use the Helpline phone number or website.

Accounting-related Helpline reports will be independently routed to the Audit Committee chairperson.

## RECORDS RETENTION

All company records, including paper and electronic, must be retained for the period of time indicated in CFC's Records Retention Practice. Records are only eligible for destruction once the retention period has expired and there are no other reasons to continue retaining the information. However, you are prohibited from destroying or altering any records that are potentially relevant to a violation of law, legal claim or any litigation, or to any pending, threatened or foreseeable internal or external investigation or audit, or government investigation or proceeding, or that you have been directed by a CFC attorney to retain.

Employees and managers are responsible for meeting the requirements of CFC's records management program and becoming familiar with the record retention/destruction schedule set forth by the CFC Records Management Guide.

## CFC Code of Conduct

The CFC Code of Conduct is effective as of May 1, 2008, and was last revised in December 2017. All CFC employees are expected to read this code carefully as it is a valuable reference for understanding responsibilities regarding CFC policies and practices.

Many of CFC's corporate policies and practices provide more detailed rules about matters that are covered by the code. You are required to be familiar with all corporate policies and practices, whether they are referenced in the code or not, as they may be amended from time to time.

Nothing contained in this code of conduct shall be construed as an employment contract or as creating any contractual obligations on the part of CFC or any employee, nor does anything in this code expand or increase your legal rights or CFC's legal obligations.

Adhering to CFC's Code of Conduct will enhance your ability to portray the CFC values of service, integrity and excellence. Our members and investors expect nothing less.