

FCA Reg 611, 620.31; Bylaw Article VII

I. PURPOSE

This charter ("Charter") governs the operations of the Compensation Committee (the "Committee") of the Board of Directors of AG CREDIT, ACA (the "Association"). The Committee shall provide assistance to the Board of Directors in fulfilling its oversight responsibility related to association compensation policies and benefits programs and the compensation of senior leaders of the Association.

II. ORGANIZATION/COMPOSITION

The Committee shall be comprised of the members of the Governance Committee, the Board chairperson and vice-chairperson and the chairperson of the Audit Committee and such other persons as directed by the Board from time to time. All members of the Committee shall meet the independence requirements of, and satisfy any other criteria imposed on members of the Committee pursuant to Board policies and the rules and regulations of the Farm Credit Administration, (FCA).

The Committee may form and delegate authority to subcommittees when appropriate. The Committee shall be subject to the provisions of the Association's Bylaws relating to committees of the Board of Directors, including those provisions relating to removing committee members and filling vacancies.

III. RESPONSIBILITIES AND AUTHORITIES

In discharging its appointment from the Board of Directors, the Committee will:

1. Review the compensation policies and plans for senior officers and employees and to approve the overall compensation program for senior officers.
2. Annually review and approve goals and objectives relevant to the Association CEO's compensation, evaluate the Association CEO's performance in light of those goals and objectives, and set the Association CEO's compensation level based on this evaluation.
3. Determine the long-term incentive component of the Association CEO's compensation, consider objective criteria including the Association's performance against its peers and relative shareholder patronage return, the value of incentive awards made to CEOs at comparable companies, and the awards given to the Association CEO in past years.
4. Review and make recommendations to the Board with respect to the compensation of the senior leaders of the Association and with respect to incentive compensation plans and equity-based compensation plans.
5. Periodically review and assure that the Association's change of control, severance, retirement, deferred compensation programs, senior leadership benefits and perquisites are competitive and appropriate.
6. Document the Committee's determination that the:
 - Association's projected long-term compensation and retirement benefit obligations are appropriate to the services performed and are not excessive;
 - Incentive-based compensation programs and payments are reasonable and proportionate to the services performed and structured so the payout schedule considers the potential for future losses or undue risks to the Association;

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- Senior officer compensation, incentive, and benefit programs support the Association's long-term business strategy and mission, as well as promote safe and sound business practices; and
 - Compensation programs designed for specific groups of employees, other than senior officers, pose no imprudent risks to the Association.
7. Specifically review FCA disclosure requirements for reporting executive compensation in the Association's annual financial statements to support compliance with applicable rules and regulations.
 8. Review and assess annually the adequacy of this Charter and the performance of the Committee and recommend to the Board for approval any proposed changes to the Charter or the Committee.
 9. Review director compensation, annually, and make recommendations to the Board.
 10. Undertake all further actions and discharge all further responsibilities imposed upon the Committee from time to time by the Board and the regulations of the FCA.

In carrying out its responsibilities, the Committee may draw on the expertise of management and the corporate staff and, when appropriate, may hire outside legal, accounting or other experts or advisors to assist the Committee with its work. In particular, the Committee shall have the authority to retain compensation consultants to be used to assist in the evaluation of director or management compensation and to approve the consultants' fees and other retention terms.

IV. MEETINGS/REPORTING

The Committee will meet not less than once per year prior to the November board meeting for a standing meeting to review all compensation matters for the current year and upcoming year. In addition to the standing November meeting, the Committee may meet in conjunction with regular meeting of the Board of Directors, or on a more frequent basis, as requested by any Committee member or upon the request of the CEO, as necessary to carry out its responsibilities. Upon the request of the Board, the Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board. Records of meetings, including attendance, will be maintained for at least 3 fiscal years.