

## **COMPENSATION COMMITTEE CHARTER**

**Adopted 2/2005; Revised 7/07**

### **Purpose**

This charter ("Charter") governs the operations of the Compensation Committee (the "Committee") of the Board of Directors of AG CREDIT, ACA (the "Company"). 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 Company.

### **Organization**

The Committee shall be comprised of at least three directors. 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 qualification of persons to serve on the Committee shall be the Board Chairman and two other Directors. The Committee may form and delegate authority to subcommittees when appropriate. The Committee shall be subject to the provisions of the Company's Bylaws relating to committees of the Board of Directors, including those provisions relating to removing committee members and filling vacancies.

### **Responsibilities**

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

1. Annually review and approve goals and objectives relevant to the Company CEO's compensation, evaluate the Company CEO's performance in light of those goals and objectives, and set the Company CEO's compensation level based on this evaluation.
  
2. In determining the long-term incentive component of the Company

CEO's compensation, consider objective criteria including the Company'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 Company CEO in past years.

3. Review and make recommendations to the Board with respect to the compensation of the senior leaders of the Company and with respect to incentive compensation plans and equity-based compensation plans.

4. Periodically review and assure that the Company's change of control, severance, retirement, deferred compensation programs, senior leadership benefits and perquisites are competitive and appropriate.

5. Issue an annual report on executive compensation for inclusion in Company's annual financial statements in accordance with applicable rules and regulations.

6. 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.

7. Review director compensation, annually, and make recommendations to the Board.

8. 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.

**Meetings**

The Committee will normally meet two times per year, in conjunction with regular meeting of the Board of Directors, or on a more frequent basis 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.