



**AgCREDIT**

Origination 11/2017  
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Next Review 12/2027

Owner John Hunter:  
General Counsel  
Area Policy and  
Standards  
Manual

## Credit Committee Charter, PS 0430

### I. GENERAL AND OBJECTIVE

This charter ("Charter") governs the operation of the Credit Committee ("Committee") of the Board of Directors of AG CREDIT (the "Association"). The Credit Committee is directly responsible for implementing the lending procedures of the Board in compliance with the Farm Credit Act of 1971, as amended, and the rules and regulations as promulgated by the Farm Credit Administration.

### II. OPERATING PARAMETERS

The Committee shall be comprised of at least two 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 the Association bylaws, policies, the rules and regulations of the Farm Credit Administration, (FCA).

The qualification of individuals to serve on the Committee shall be determined by the full Board, and all members shall be elected/appointed, annually, by the Board. 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.

### Committee Responsibilities

In discharging its appointment from the Board, the Committee will work closely with the Chief Executive Officer and the Chief Credit Officer to:

- A. Evaluate the Association's lending operations to ensure compliance with the Farm Credit Act of 1971, as amended, and the Rules and Regulations as promulgated by the Farm Credit Administration;

- B. Implement practices to comply with the Farm Credit Act of 1971, as amended, and rules and regulations promulgated by the Farm Credit Administration;
- C. Determine that loans are being made to qualified individuals and entities for the purposes identified in the Farm Credit Act of 1971, as amended;
- D. Determine that sufficient and current applicant financial information -- balance sheets, income and expenses reports, appraisals, court house searches, etc. -- is acquired in order to make informed credit decisions and maintain a sound and adequate level of credit administration;
- E. Determine that the requisite notices regarding loan decisions; credit review committee; appraisal programs; restructuring, renegotiation, and/or compromise procedures; and the Association's response to restructuring, renegotiation, and/or compromise proposals are effectively delivered to members;
- F. Monitor and determine that loans are properly classified according to the guidelines adopted by the Board;
- G. Evaluate and monitor lending strategies, programs and products related to the Association's direct lending, capital markets and participation pools. Evaluate the effectiveness of the present loans, loan programs, technical assistance and recommend future areas in which the Association may help improve the income and well-being of ranchers, farmers, and producers and harvesters of aquatic products in the territory served by the Association;
- H. Monitor loan portfolio quality, including but not limited to trends in loan quality, classified loans, charge-offs, and delinquencies, and adjust its lending strategies as needed. Evaluate troubled loans and recommend a course of action to be pursued by the Association; and
- I. Evaluate and maintain detailed operating procedures governing the conduct of its responsibilities, including delegations of authorities, as such delegated authority is approved by the Board and submit new, and revised, procedures to the Board for approval; and
- J. Any other assignments as directed by the Board.

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.

## **Committee Meetings**

The Committee will normally meet in conjunction with regular meetings 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.

## **III. EXCEPTIONS**

Any exceptions to this Policy must be approved by the Board and otherwise comply with all applicable FCA Regulations.

## IV. REPORTING AND REVIEW

This Committee will report to the full Board of Directors at each meeting.

### Approval Signatures

Step Description	Approver	Date
Karen review and approval	Karen Welter: Executive Assistant	12/2024
Initial Review	John Hunter: General Counsel	12/2024