

# FEDERAL AGRICULTURAL MORTGAGE CORPORATION

## CHARTER FOR THE CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors on February 5, 2004, and amended on April 1, 2004, February 2, 2006, November 13, 2007, February 4, 2010, February 6, 2013, February 5, 2014, November 5, 2015, and November 3, 2016.

*This Charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of Farmer Mac. This Charter specifies the scope of the Committee's powers and responsibilities, as well as the Committee's structure, processes, and membership requirements. This Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of Farmer Mac's statutory federal charter and By-Laws. This Charter is not intended to establish by its own force any legally binding obligations.*

### ARTICLE I – PURPOSE OF THE COMMITTEE

The purpose of the Corporate Governance Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of the Federal Agricultural Mortgage Corporation (“Farmer Mac”) in: (i) developing and recommending to the Board a set of effective corporate governance guidelines and principles applicable to Farmer Mac; (ii) reviewing, on a regular basis, the overall corporate governance of Farmer Mac and recommending improvements when necessary; (iii) identifying individuals qualified to serve as directors (consistent with the criteria the Board has approved) and recommending to the Board the director nominees to be elected by the holders of Class A Voting Common Stock (the “Class A Nominees”) and the director nominees to be elected by the holders of Class B Voting Common Stock (the “Class B Nominees”) for election at the next annual meeting of shareholders; and (iv) resolving conflicts of interest.

### ARTICLE II – COMPOSITION OF THE COMMITTEE

#### **Section 1. Size of Committee and Membership Requirements**

The Committee shall be comprised of six members of the Board, consisting of (i) two members of the Board who were appointed by the President of the United States (the “CG Appointees”), (ii) two members of the Board who have been elected by the holders of the Class A Voting Common Stock (the “CG Class A Directors”), and (iii) two members of the Board who have been elected by the holders of Class B Voting Common Stock (the “CG Class B Directors”). Each member of the Committee shall be determined by the Board to be “independent” in accordance with applicable rules of the New York Stock Exchange (“NYSE”) and as set forth in Farmer Mac's Corporate Governance Guidelines.

#### **Section 2. Appointment of Members.**

The members of the Committee shall be appointed by resolution adopted by not less than a majority of the total number of authorized directors and shall continue to serve as members until their successors are appointed or until their earlier resignation or removal. The Board may remove any member of the Committee, with or without cause, at any time. In the event any member of the Committee shall cease to be a director of Farmer Mac, the vacancy thereby created shall either be filled by the Board or, at

the Board's discretion, left unfilled.

**Section 3. Committee Chairperson.**

The Board may designate one of the Committee's members as Chairperson ("Chair") to convene and preside over all meetings of the Committee, set agendas for Committee meetings, determine the information needs of the Committee, and report Committee actions to the Board. One of the members of the Board who was appointed by the President of the United States shall serve as Chair of the Committee. The Chair of the Committee may not serve simultaneously as the Chair of the Board's Audit Committee, Compensation Committee, or Risk Committee.

**ARTICLE III – MEETINGS AND PROCEDURES OF THE COMMITTEE**

**Section 1. General.**

The Committee shall meet at the call of the Chair or a majority of the Committee members. The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities but not less than four times per year, or more frequently as circumstances dictate. Meetings of the Committee may be held by telephone or by any other means of communication by which all such members participating in the meeting are able to speak to and hear one another. The Committee may, at its discretion, include in its meetings (or portions thereof) members of Farmer Mac's management and any other person whose presence the Committee believes to be necessary or appropriate. There shall be an executive session of the Committee available to members at each meeting of the Committee.

**Section 2. Quorum.**

A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee, except that at least one CG Appointee, one CG Class A Director, and one CG Class B Director must be present to constitute a quorum; *provided, however*, that if a quorum shall not be present due to the absence at a meeting of both CG Appointees or both CG Class A Directors or both CG Class B Directors, then a quorum shall be considered to be present if a written waiver of quorum (mailed, delivered, or electronically transmitted to, and received, by the Chair in advance of such meeting) is provided by each of the members who will not be present at such meeting.

**Section 3. Action by the Committee.**

The action of the majority of the members of the Committee present at a duly convened meeting shall be the action of the Committee. Members of the Committee may not be represented by proxy at any meeting of the Committee.

**Section 4. Actions by Written Consent.**

Any action required or permitted to be taken by the Committee at a meeting can be taken without a meeting, if a consent in writing, setting forth the actions so taken, is later signed by a majority of the members of the Committee; *provided, however*, that at least one CG Appointee, one CG Class A Director, and one CG Class B Director must provide consent in writing that is later signed by them. Such consent shall have the same effect as a majority vote of the Committee. Written notice of any action taken pursuant to this section by a majority of the members of the Committee shall, within ten (10) days of such action, be given to all members of the Committee not consenting to the action.

## **Section 5. Meeting Agendas.**

The agendas for meetings of the Committee shall be determined by the Chair in consultation with Committee members and Farmer Mac's management. Any Committee member may request the inclusion of items on the agenda or raise subjects at a meeting that are not on the meeting agenda.

## **Section 6. Meeting Minutes.**

The Committee shall cause the Secretary to the Committee to maintain minutes of the Committee's meetings. The meeting minutes shall at a minimum record attendance, the agenda (or equivalent list of issues under discussion), a summary of the relevant discussions held by the Committee during the meeting, and any resulting recommendations to the Board. The minutes of each meeting shall be reviewed and approved by the Committee. The Committee's meeting minutes shall be retained for a minimum of three years and shall be available to the entire Board and to the Office of Secondary Market Oversight.

## **Section 7. Reporting to the Board.**

The Committee shall report its actions to the Board at the regularly scheduled meeting of the Board immediately following any action or as soon thereafter as practicable. In connection with each regular meeting of the Board, the minutes of all meetings of the Committee since the last meeting of the Board shall be distributed to the Board, and the Board shall take such action, if any, as the Board may deem appropriate, to approve, alter, or rescind actions, if any, previously taken by the Committee, provided that rights or acts of third parties vested or taken in reliance on such action prior to any such alteration or rescission shall not be adversely affected thereby.

# **ARTICLE IV - KEY RESPONSIBILITIES**

## **Section 1. General.**

The responsibilities of the Committee included below are set forth as a guide with the understanding that the Committee may expand to other areas not covered by other standing committees of the Board as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities as may be assigned by the Board from time to time, and take any actions reasonably related to the mandate of this Charter. The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

## **Section 2. Corporate Governance Responsibilities.**

The Committee shall have the following authority, duties, and responsibilities related to corporate governance activities:

- (a) Review periodically the Corporate Governance Guidelines (and the independence standards incorporated therein) adopted by the Board to ensure that they are appropriate for Farmer Mac and comply with the applicable requirements of the stock exchanges on which Farmer Mac is listed and any applicable laws or regulations, and recommend any desirable changes to the Board.
- (b) Oversee Farmer Mac's corporate governance practices and procedures, including identifying best practices, and reviewing and recommending to the Board for approval any changes to the

documents, policies, and procedures in Farmer Mac's corporate governance framework, including its By-Laws.

(c) Consider any other corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board.

(d) Review and address conflicts of interest of directors and executive officers.

(e) Make recommendations to the Board regarding the composition of Board committees and committee chair assignments.

(f) Review at least annually, and periodically as needed, any transactions required to be reported under Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, as amended, in accordance with Farmer Mac's Related Person Transactions Approval Policy.

(g) Review periodically Farmer Mac's code of ethics and business conduct (the "Code of Conduct"), as well as any policies and procedures concerning trading in Farmer Mac's securities and use in trading of proprietary or financial information, to assure that the Code of Conduct and such policies and procedures are appropriate for Farmer Mac and comply with the applicable requirements of the stock exchanges on which Farmer Mac is listed, and any applicable law or regulation, and recommend any desirable changes to the Board. The Committee shall also review periodically the processes and procedures supporting compliance with the Code of Conduct, monitor compliance with the Code of Conduct, and consider any waivers sought under the Code of Conduct. Any waivers granted by the Committee to any executive officer, Senior Financial Officer (as defined in the Code of Conduct), or director shall be reported to the Board.

(h) In conjunction with the Compensation Committee, review and recommend to the Board for approval any changes in the compensation of directors.

(i) Provide support to the Board and the Compensation Committee in connection with the Board's annual evaluation of Farmer Mac's Chief Executive Officer and establishment of a succession planning process for Farmer Mac's executive officers.

(j) Review annually with the Board the composition of the Board as a whole, including whether the Board reflects the appropriate balance of independence, sound judgment, business specialization, experience and expertise, technical skills, and diversity.

(k) Review and discuss with management the disclosure of Farmer Mac's corporate governance practices, including information regarding operations of the Committee and other Board committees, the director nominations process, and director independence, and recommend to the Board that this disclosure be included in Farmer Mac's annual proxy statement or annual report on Form 10-K, as applicable.

(l) During the intervals between meetings of the Board, have and may exercise the powers of the Board, other than those assigned by the Board to the Audit Committee, the Compensation Committee, or the Risk Committee, except that the Corporate Governance Committee shall *not* have the authority to take any of the following actions:

- i. the submission to shareholders of any action requiring shareholders' authorization;

- ii. the filling of vacancies on the Board or on the Committee;
- iii. the final determination of compensation of directors for serving on the Board or on the Committee;
- iv. the removal of any director or executive officer;
- v. the amendment or repeal of the By-Laws or the adoption of new by-laws;
- vi. the amendment or repeal of any resolution of the Board which, by its terms, is not so amendable or repealable;
- vii. the declaration of dividends; and
- viii. any action which the Chairman or Vice Chairman of the Board (in the event that the Vice Chairman is acting as the Chairman of the Board due to the absence, inability, or unwillingness of the Chairman so to act) shall, by written instrument filed with the Secretary, designate as a matter which should be considered by the Board.

(m) Perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities under this Article IV, Section 2.

### **Section 3. Nominating and Related Responsibilities.**

The Committee shall have the following authority, duties, and responsibilities related to nominations of Board members and related matters:

(a) Establish and assess the standards, criteria (including the qualifications, qualities, skills, and other expertise required to be a Farmer Mac director), and processes for the selection of individuals to serve on the Board who would contribute to Farmer Mac's overall corporate goals, within the limits established by Farmer Mac's statutory federal charter and By-Laws, and recommend such standards, criteria, and processes to the Board for approval.

(b) Consult with management and make recommendations to the Board regarding the composition of the Board.

(c) Recommend to the Board for approval, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, Farmer Mac's policies and procedures for identifying and reviewing prospective candidates for membership on the Board, including policies and procedures relating to prospective Board candidates submitted for consideration by shareholders; and review Farmer Mac disclosures regarding such policies and procedures.

(d) Identify individuals qualified to serve as directors and recommend to the Board the Class A Nominees and Class B Nominees for submission to Farmer Mac's shareholders at each annual meeting of shareholders and recommend to the Board the inclusion of such slates of nominees in Farmer Mac's proxy statement.

(e) Review the suitability of continued service as a Board member of each current elected director, taking into consideration, among other things, any changes in status, including any change affecting

his or her independence, and recommend to the Board whether such director elected by the holders of Class A or Class B Voting Stock, as the case may be, should stand for re-election.

- (f) Make recommendations to the Board regarding the candidates to fill Board vacancies.
- (g) Oversee the annual evaluation of the Board as a whole and of individual directors who may be up for renomination to the Board and establish procedures to allow for exercise of this oversight function.
- (h) Oversee and monitor the orientation program for new directors and periodically review continuing education activities for all directors.
- (i) Perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities under this Article IV, Section 3.

#### **ARTICLE V – ACCESS**

The Committee, and each member thereof, and any of their advisors, agents, counsel, and designees, shall have full access to such information and materials, including, without limitation, such access to senior management, accountants, and consultants of Farmer Mac, the books, records, projections, and financial statements of Farmer Mac, and any other documents, reports or studies as may be useful or helpful in the discharge of the Committee's duties or as may be determined by the Committee, to be necessary or appropriate or advisable in connection with the discharge of the duties and responsibilities of the Committee.

#### **ARTICLE VI – OUTSIDE ADVISORS**

The Committee may retain, at Farmer Mac's expense, Farmer Mac's regular legal counsel or independent counsel, or other consultants or advisors, including, but not limited to, director search and recruitment consultants to be used to identify prospective director candidates or other experts, as determined by the Committee, in its sole discretion, to be necessary or advisable, and will receive adequate funding from Farmer Mac to engage such advisors. Such advisors shall report directly to the Committee unless otherwise instructed by the Committee and may be terminated in the sole discretion of the Committee. The Committee is empowered, without further action of the Board, to approve, and cause Farmer Mac to pay, the compensation of such counsel, consultants, experts, or advisors as the Committee shall so engage. The retention of any counsel, consultant, expert, or advisor shall not affect the Committee's ability or obligation to exercise its own judgment in fulfillment of its duties.

#### **ARTICLE VII – INVESTIGATIONS AND STUDIES**

In discharging its role, the Committee is empowered to conduct or authorize investigations into or studies of any matter brought to its attention with full access to all books, records, facilities, and personnel of Farmer Mac.

#### **ARTICLE VIII – INDEMNIFICATION**

All members of the Committee shall be defended, indemnified, and held harmless by Farmer Mac and its successors and assigns for their actions in connection with their service on the Committee to the maximum extent provided for under applicable law, Farmer Mac's statutory federal charter, and

Farmer Mac's By-Laws. Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under Farmer Mac's statutory federal charter and other applicable law, which shall continue to set the standard for the conduct of the members of the Committee.

#### **ARTICLE IX – EVALUATION OF THE COMMITTEE**

The Committee shall perform an annual self-evaluation of its own performance, including its effectiveness and compliance with this Charter and the adequacy of this Charter, and provide a report to the Board on that evaluation, including any recommended changes to the Committee's membership, Charter, or procedures.