

U.S. AGBANK, FCB
RISK MANAGEMENT COMMITTEE CHARTER

MISSION STATEMENT

The U.S. AgBank, FCB (AgBank) Risk Management Committee (Committee) is established by and reports to the AgBank Board of Directors (Board) to assist the Board in fulfilling its oversight responsibilities of the risk management activities of AgBank. The Committee is responsible for assessing the adequacy of the management of key risks including credit risk, asset/liability risk, liquidity risk, and operational risk.

The Committee is also responsible for monitoring AgBank's risk management profile and obtaining reasonable assurance of adherence to AgBank's risk management policies.

MEMBERSHIP/TERMS OF OFFICE

The Committee shall consist of all AgBank Board members. Each director will become a member of the Committee upon his/her election to the AgBank Board and will serve as a member of the Committee until his/her term of office expires. Committee member terms will be on a calendar year basis.

OFFICERS

At the conclusion of its last meeting of the current calendar year, the Committee will select a Chair and a Vice Chair for the upcoming year.

VOTING AND QUORUM

- Quorum. A majority of the Committee members shall constitute a quorum.
- Voting. Voting on Committee matters shall be on a one member-one vote basis. When a quorum is present, the vote of a majority of the Committee members present shall constitute the action or decision of the Committee.

MEETINGS

The Committee will meet at least four times a year and at such additional times as may be necessary to carry out its responsibilities. Meetings will typically be held in connection with regularly scheduled meetings of the Board. Meetings may be called by the Chair of the Committee or the Chair of the Board. The Committee may, at times, handle duties and responsibilities of the Committee in concert with the Board during, before, or after Board meetings.

Meeting agendas will be prepared in consultation with the Chair and provided in advance to members, along with appropriate briefing materials. Minutes of all Committee meetings will be prepared and approved by the Committee. Minutes will be retained for at least three (3) fiscal years.

RESPONSIBILITIES

For the purposes of achieving the Committee's objectives, the Committee shall have the following responsibilities and authorities. These responsibilities will be discharged with the assistance of appropriate AgBank management. Unless otherwise authorized by amendment to this Charter, the Committee shall not delegate any of its authority to any subcommittee.

- Oversight of AgBank Risk
 - Review and approve AgBank policies relating to risk management.
 - Review and approve AgBank plans and/or programs relating to risk management, including, but not limited to, the Coordinated Disaster Recovery and Business Continuity Plan.
 - Monitor the effectiveness of risk management programs, including credit, asset/liability, and operational risk management and controls, and familiarization with AgBank processes.
 - Review the process for communicating the Standards of Conduct Policy to AgBank employees and the results of the annual Standards of Conduct questionnaires completed by AgBank employees.
 - Monitor the significant risk exposure, as well as the potential financial and other impacts from such risks.
 - Stay informed on AgBank conditions to identify potential future risks and ensure plans are in place for addressing these risks as appropriate.
 - Require stress test studies of various types and severities to determine potential impacts on AgBank's capital, financial, and risk positions and review the results.
 - Review other areas of risk or concentrations as appropriate.
 - Initiate corrective actions with management in any areas of risk as deemed appropriate by the Committee.
- Lending Activities

Review information and monitor the effectiveness of the management of AgBank's lending activities, including:

- Lending and Underwriting standards (at least annually);
- Asset quality;
- The amount, nature, characteristics, concentrations, and quality of AgBank's wholesale loan portfolio;
- The amount, nature, characteristics, concentrations, and quality of the Correspondent Lending loan and mission-related investment portfolio;
- Conditions that may materially impact the loan and mission-related investment portfolio;
- Actions taken on loans to AgBank Directors and other officials.

- Asset/Liability Management Activities

Review information and monitor the effectiveness of the management of asset/liability management activities, including:

- Strategies and other relevant issues related to financial market activities and environment;
- Financial position, forecasts, and business performance;
- The amount, nature, characteristics, concentration, and quality of AgBank's investment portfolio;
- Strategies and position of AgBank's interest rate risk and balance sheet management, including risk related to market value of equity (MVE) and net interest income (NII);
- The adequacy and usage of AgBank's debt, liquidity, funding, and derivatives;
- Market risk stress testing and back testing results;
- Counterparty exposure monitoring and reporting.

- Operational Activities

Review information and monitor the effectiveness of the management of operational activities, including:

- The effectiveness of the technology and service providers utilized by AgBank;
- The adequacy of AgBank's business continuity and disaster recovery planning including the review of test results;
- Compliance with laws, regulations, and operational policies;
- Insurance, fraud, and physical and data security;
- Changes in the business environment material to AgBank operations;
- Other operational risks, including the risk of legal, compliance, and reputation issues.

- Capital Management

- Monitor capital management to provide reasonable assurance that AgBank holds sufficient capital against the various risks and is in compliance with the Board's capital plan and established capital adequacy goals and regulatory requirements.
- Review reports on economic capital levels including the assumptions and major risk drivers.

- Audits and Examinations

Coordinate with the Audit Committee to review and discuss audit/examination results related to risk management activities and review management responses for correcting lending, asset/liability management, and operational deficiencies.

- Self-Evaluation

Perform an annual self-evaluation of the Committee's performance and communicate the results of this self-evaluation to the Board.

- Resources Available

The Committee shall have the authority to engage and authorize expenses for independent counsel and other advisors as the Committee deems necessary to carry out its duties. This may include the engagement and/or termination of any consultants utilized in evaluating the risk activities of AgBank.

The Committee shall have the authority to use reasonable amounts of time of the AgBank staff to assist in the performance of its responsibilities, including the recording and preparation of Committee minutes. The Committee shall have access to all books, records, facilities, and personnel of AgBank necessary to fulfill its responsibilities.

- Committee Charter

Annually, the Committee shall review and assess the adequacy of its Charter and recommend any proposed changes to the Board for approval.

The Committee Charter will be posted on the public area of the AgBank website and copies made available in printed form upon request.

REPORTING

Since the Committee consists of all AgBank Board members, no additional reporting from the Committee to the Board is required.