

2024 CoBANK DIRECTOR ELECTION INFORMATION FOR TERMS BEGINNING JANUARY 1, 2025

www.cobank.com

THE ORGANIZATION

CoBank, ACB (CoBank or the Bank) is one of the four banks of the Farm Credit System (System) and provides loans, leases and other financial services to vital industries across the rural communities of America. The System is a federally chartered network of borrower-owned cooperative lending institutions and related service organizations.

Cooperatives are organizations that are owned and governed by the members who use the cooperative's products or services. The System was established in 1916 by the U.S. Congress, and is a Government Sponsored Enterprise (GSE). As a member of a GSE, CoBank has certain attributes that are important to its ability to fulfill its mission to a highly diverse customer base – in good times and bad – irrespective of market conditions. CoBank also fulfills its broader mission as a member of a GSE by supporting rural communities and agriculture in the vital role of providing food security, energy security, economic growth and a high-quality of life to all Americans.

Current Board Status

The Bank has furthered its long-standing commitment to good governance and transparent disclosure practices. CoBank and the Farm Credit System's ability to efficiently access the capital markets is linked to investor confidence in its system of controls and governance processes, as well as its financial performance. Not only has CoBank applied policies and procedures that mirror the material provisions of the Sarbanes-Oxley Act of 2002, but it is also taking steps to ensure that CoBank is making use of best practices for internal controls and governance.

CoBank's board is comprised of 14 elected directors, two outside directors with no customer or Farm Credit System affiliations and two appointed directors. The board has two additional appointed director positions that are not currently filled. When all elected director positions are filled, there is an even balance between directors elected on a one stockholder one vote basis and those elected on a modified equity basis.

The Bank uses an independent nominating committee, which is charged with the responsibility to identify qualified candidates for board membership and to review director nominations, helping to ensure that the Bank continues to attract a highly qualified and diverse board. No member of management sits on the CoBank board. No current board member may serve as a member on the Nominating Committee.

The board uses a committee system, the charters of which are reviewed annually by the board. The board has established five standing committees: Audit, Compensation and Human Resources, Executive, Governance, and Risk.

Board Meetings

The following are the dates for board meetings, which all directors attend. A typical meeting begins with an evening reception and dinner on the day of arrival, followed by a day and a half of committee meetings and the full board meeting.

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Members must attend all official board meetings. For 2025, the board meetings are as follows:

2025

February 26-28, Denver, CO
May 6-9 Washington, DC
June 8-11, Sun Valley, ID – Board Planning Meeting
August 3-5, Denver, CO
October 13, Video Conference
December 7-9, New York, NY

Some committees have additional meetings outside the regularly scheduled board meetings. In addition, each director is provided an opportunity to attend at least two training, educational or trade association meetings. Directors are also encouraged to attend at least two customer meetings annually. Directors typically commit on average at least 35-45 days per year to CoBank, including travel.

THE POSITION

Compensation and Term

Board compensation is currently set at \$130,000, provided all board meetings and the planning meeting are attended. The board officers and committee chairs receive additional compensation for this service. Board terms are four years. Directors are reimbursed for travel and related expenses incurred in connection with board service.

Responsibilities

CoBank's board is a policy-making board with primary responsibility for overseeing management and company performance so as to protect and maximize the interest of the shareholders. Those interests include corporate assets, CoBank's management and employees, and CoBank's good name and reputation.

The board members are also expected to provide collective and individual counsel to the chair, the chief executive officer and other members of executive management, as well as ensure for an orderly succession in the senior management positions of the company. Other specific responsibilities of the board include:

- Evaluating the strategy of the Bank and approving strategic action for implementation of the strategy. Those actions generally include establishing Bank policies, approving an annual business and financial plan, and approving changes to the capital structure, patronage refunds, and consideration of merger/acquisition opportunities.
- Ongoing evaluation of the performance of the chief executive officer. The board is charged with determining the appropriate compensation for the chief executive officer and ensuring the executive compensation policy is consistent with shareholder interest and market conditions.
- Assuring that management publishes and implements clear and comprehensive guidelines for corporate and employee conduct, and monitors performance against quality standards for products and services that assures satisfaction and protection of the Bank's customers.
- Assuring appropriate stockholder and investor disclosure.
- Monitoring the Bank's short-term results for compliance with the budget, as well as short-term and long-term strategic initiatives.

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- Providing for the timely and orderly appointment of certain director positions.

DIRECTOR CANDIDATES

Experience

Candidates should have a minimum of 15 years of overall business experience. CoBank directors generally have prior board experience or have reported directly to a board.

Personal Characteristics

Individuals should be intellectually and emotionally strong enough to actively participate and offer critical review, yet modest and mature enough to recognize their appropriate role as a board member and the need for partnership with their fellow board members and the Bank's management. They should be analytical and able to constructively evaluate strategies, as well as a financial and business plan. Candidates should be forward-thinking and strategic, yet pragmatic and operationally strong, with a commitment to building value. The personality/chemistry must be a fit with the other board members – honesty, openness and high ethical standards are among the attributes that are most valued while seeking individuals who will contribute to the board's diversity, equity and inclusion objectives. It is important that a potential board member be prepared to be an active and engaged director, willing to learn about all aspects of the Bank's business, and willing to make a commitment to CoBank and to its mission of providing capital and financial solutions for a wide variety of businesses important to rural America.

ADDITIONAL INFORMATION AND DISCLOSURE REQUIREMENTS

The Bank maintains a policy on director qualifications and elections. The policy provides detailed information on voting eligibility, voting methodologies and prohibited activities. Also, candidates for the board will need to complete certain disclosure forms as well as consent to have a background check performed by an independent third party. These forms, the director qualifications and elections policy and additional information about the election process are available online at www.cobank.com/elections. On this page you will find a link to download the **Director Candidate Disclosure Form**. This is an interactive form that can be completed and signed electronically and returned to CoBank by email. ***Prior to completing and submitting the Director Candidate Disclosure and Certification Form, please email Jessica Tindall at jtindall@cobank.com to request copies of Board Policy 2-3, Ethics and Standards of Conduct Program and Board Policy 2-4, Director Responsibilities and Conduct.*** Prospective board candidates must submit the required form to CoBank **no later than February 29, 2024 by 5:00 p.m. Mountain Time.**

For additional information, contact:

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