

FARM CREDIT COUNCIL SERVICES, INC.
BOARD POLICY

PROTECTION AND MANAGEMENT OF CORPORATE ASSETS

Revised 2/23/2016

Whistleblower

Purpose

The purpose of the Whistleblower Policy is to establish a formal process for confidential and anonymous submission of complaints regarding accounting, internal controls, auditing and other complaints or concerns; and investigation of such complaints.

Scope

This Policy establishes a process for employees, vendors and others to communicate concerns or complaints about questionable accounting or auditing matters through a confidential hotline and Web service provided by a third party vendor. Complaints or concerns may also be communicated about actual or suspected illegal behavior, harassment, discrimination or other similar matters.

Delegation

This Policy will be implemented by the CEO or his designee, including periodic testing of the reporting process. The Audit Committee will provide oversight of the reporting and investigation of any concerns or complaints.

Reporting

Management will provide periodic reports at least quarterly to the Board on any complaints submitted through the hotline service, actions taken to investigate the complaints, and their resolution as well as provide periodic reports regarding internal procedures to the Audit Committee.

FCCS

Whistleblower Program and Procedures

Purpose

This program is established for the purpose of receiving and handling confidential and anonymous complaints from employees, vendors and others related to accounting, financial reporting, internal accounting controls, auditing matters, fraud or other similar concerns. In addition, complaints or concerns regarding illegal conduct, harassment, discrimination or other similar matters may be reported. This program does not replace the complaint procedures set forth in the Employee Handbook but does provide another avenue to voice complaints or concerns. Its implementation contributes to the FCCS overall system of internal controls.

Protection

This program enables employees, vendors and others wishing to bring issues related to accounting, internal accounting controls, auditing matters, fraud or other concerns to remain anonymous. The program also provides a mechanism for employees or vendors who report their concerns to receive a response to their issue while maintaining their anonymity. Disclosure of concerns or reporting issues under this program is encouraged. There will be no reprisal, retaliation or adverse action taken against any employee or other person who, in good faith, reports or assists in the investigation of a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action or conduct. This process should not, however, be abused or misused by raising unfounded or malicious allegations against other employees or managers.

Accessibility

FCCS will provide a toll free telephone "hotline" number to all employees, along with an internet website address. These communication avenues will be included in the Employee Handbook and posted prominently on the FCCS Intranet website and the Home page of the FCCS public website for employees, vendors and others. In addition, the "hotline" number and website will be posted on the FCCS office bulletin boards commonly utilized by employees.

The organization retained by FCCS to provide this service is Convercent. Convercent has built a program to provide for complete anonymity to those who disclose concerns or report an issue under this program.

If an employee or vendor utilizes the telephone hotline, Convercent personnel will answer the hotline twenty-four hours a day, seven days a week, 365 days per year. They produce a written report from this conversation to enhance the anonymity of the communication. If an employee chooses to submit a report utilizing the Convercent website, a secure and encrypted template can be accessed by simply entering the company name.

When a report is filed with Convercent, an e-mail notification that a report has been filed will be sent to the Chair of the FCCS Audit Committee, the FCCS Legal Counsel and the FCC Services HR Director. If the Legal Counsel or the HR Director is named in the filed report, he/she will be excluded from the notification. Only those individuals receiving a notification are able to access the Convercent secure website and view the report that has been filed.

The Legal Counsel or, if the Legal Counsel is named in the report, the HR Director will notify the CEO of any report that is filed unless the CEO is named in the report. If both the Legal Counsel and the HR Director are named in the report, the Chair of the Audit Committee will notify the CEO unless the CEO is also named.

The Convercent system provides a mechanism for anyone who files a report to learn what resulting action was taken in an anonymous manner. If the authority receiving and handling the complaint deems it appropriate, a response can be filed on the Convercent website accessible only to the individual who filed the report.

Complaint Investigation

Depending on the nature of the report submitted under this program, the Chairman of the Audit Committee, the Legal Counsel and the HR Director will determine the appropriate investigative course of action and/or response to the individual filing the complaint. If the nature of the complaint so warrants, the Chair of the Audit Committee will confer with the Audit Committee and the Chair of the Board to determine the appropriate course of action.

Audit Committee Oversight

At least quarterly, the Chair of the Audit Committee and the Legal Counsel will report to the Audit Committee and the FCCS Board the general nature and volume of complaints received, if any complaints are received for that period. Complaints will be discussed in executive session with the Audit Committee and the FCCS Board. Whistleblower reporting will be a standing agenda item for each Audit Committee and FCCS Board meeting.

Administration

Administration of this program, including contracting with the organization retained by FCC Services to provide this service and coordinating the implementation of this service, will be the joint responsibility of the Legal Counsel and the HR Director.

The Convercent reporting system will be tested at least quarterly.