



Audit Committee Charter

January 2025

1. Purpose

The Board of Directors (the "Board") of AgTrust, ACA (the "Association") has established the Audit Committee (the "Committee") for the purpose of assisting the Board in fulfilling its oversight responsibilities over the quality of the financial reporting process and the system of internal controls. It is the responsibility of the Committee to ensure reasonable steps are taken by management to ensure the accuracy of financial reporting and the adequacy of the Association's internal controls, such that the Association operates in a safe and sound manner. As such, the Committee will:

- Oversee and appraise the quality of the audit effort of the Association's internal audit function and that of its independent external auditor:
- Serve as an independent and objective party to review the financial information presented by Association management to stockholders, regulators, and other stakeholders: and
- Determine the adequacy of the Association's internal controls.

2. Authority

The Audit Committee has all necessary authorities and has access to all resources needed to accomplish the responsibilities of the Committee as described in this Charter. The Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility, and AgTrust will provide the Committee any monetary and non-monetary resources for it to complete its duties. It is empowered to:

- Retain outside counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees – all of whom are directed to cooperate with the Committee's requests - or external parties.
- Receive training on industry best practices and updates through the board training plan.
- Meet with association's officers, internal audit, and external auditors or outside counsel, as necessary.
- Employ firms to provide audit services for financial reporting, internal credit review and internal audit.
- Pre-approve all auditing and review services.
- Resolve any disagreements between management and any auditor.

The retention of independent outside counsel or expert advisors is permitted with prior notification to the board Chairman or Vice-Chairman as the situation may dictate. A two-thirds majority vote by the full board of directors is required to deny an Audit Committee's request for resources.

3. Conflict(s) of Interest

Audit Committee members should adhere to the organization's code of conduct and the values and ethics established by the Association. It is the responsibility of the audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee and general counsel through the annual standards of conduct acknowledgement. Supplemental standards of conduct disclosures can be submitted outside of the annual reporting occurrence should changes arise during the year. If there is any question as to whether audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

4. Composition

The Committee shall be comprised of at least three members, each of whom shall be a member of the Board of Directors who is free from any relationship that would interfere with the exercise of his or her independent judgment as a Committee member, as determined by the Board of Directors. At least one member shall have expertise in financial reporting as required by the Farm Credit Administration (FCA) regulation 611.210(a)(2), and all members will be knowledgeable in either public and corporate finance, financial reporting and disclosure, or accounting procedures.

The term of office for each position on the Committee shall be for the lesser of one year, or until the next organization meeting of the Board. The board Chairman will appoint Committee members and the Committee Chairman at the appropriate annual organizational meeting of the board, and each shall serve until their successors shall be duly selected and qualified. The board, upon recommendation of the Committee or otherwise, may remove or replace any Committee member at any time. The Committee may elect a Vice Chairman, if so determined.

5. Meetings

The Committee will meet at least quarterly, or on a more frequent basis as necessary to carry out its responsibilities. A minimum of 50% shall constitute a quorum. The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information, as necessary. Committee members may hold executive session with applicable parties as deemed necessary.

Meeting agendas and appropriate materials will be prepared and provided in advance to members, and minutes of meetings will be prepared. The Committee Chair shall report on the activities of the Committee to the full Board. Any other Board member may participate on the Committee, but only on a non-voting basis.

6. Role and Responsibilities

The Audit Committee serves as the independent objective party who monitors the Association's financial reporting process and system of internal controls to ensure that it is designed to provide accurate, complete, and fairly stated financial information to the shareholders, regulators, and the general public. They do so by providing oversight of the Association's business activities and financial reporting using independent accountants and contractors whose primary responsibility is to examine operational procedures designed to detect and prevent fraud, identify areas of excessive or unquantified business risk, and assure accurate financial reporting.

The Audit Committee is accountable for establishing, overseeing, and maintaining effective audit and review programs that:

- Identify an appropriate audit universe.
- Evaluate and test the adequacy of internal controls and efficiency of operations.
- Evaluate whether policies and procedures are sufficient and followed.

- Validate the reliability of financial statements and reporting.
- Confirm compliance with laws and regulations.
- Identify vulnerabilities to fraud and confirm adequate processes and controls are in place to reduce susceptibility to fraud.

The Committee will carry out the following responsibilities:

Financial Reporting

- Understand how management develops financial information and the strategies, assumptions, and estimates that management has made in preparing financial statements and budgets.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review the quarterly and annual financial statements prior to their release, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Review the effect of off-balance sheet arrangements that either have, or are reasonably likely to have, a current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to investors.

Internal Controls

- Consider the effectiveness of the Association's control environment including internal control over annual and interim financial reporting, and information technology security and control.
- Understand and concur on the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendation, together with management's responses to any findings.
- Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected or reported.
- Provide oversight of the adequacy of audit and review coverage, the results of audit and review engagements, and the quality of work provided by the internal and external audit and review functions.

Oversight of the Internal Audit Function and Other Assurance Providers

Internal Audit Function

- Determine the appointment and retention of the outside third-party audit firm to perform the Association's internal operations audit. Review and approve the annual risk assessment and audit plan developed and recommended by the internal audit function.
- Understand and concur with the scope of any internal operation audit and obtain reports on significant findings and recommendation.
- Monitor activities of the internal audit function and ensure there are no unjustified restrictions or limitations placed on the internal audit function.
- On a regular basis, meet separately with the independent internal audit function to discuss any matters that the Committee or internal auditor believes should be discussed in an executive session.
- Review all reports, findings, and management corrective action plans resulting from internal audits, regulatory examinations, and external audits. Require of management a written response to the findings of the audit, which includes identification of corrective actions.

External Audit Function

- Determine the appointment and retention of the outside third-party audit firm to perform the Association's annual financial statement audit.
- On a periodic basis meet separately from association management with the outside audit firm to 1) Discuss any matters that the Committee or audit firm believe necessary, 2) and confirm there were no restrictions, or limitations, or barriers imposed upon the firm by management during the audit.
- Require of management a written response to the findings of the review which includes identification of corrective actions.
- Review with the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review and confirm the independence of the external auditors by obtaining statement from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationship with the auditors.

Internal Credit Review Function

- Determine the appointment and retention of qualified experts to perform the Association's internal credit review.
- Understand and concur with the scope of any internal credit review and obtain reports on significant findings and recommendation.
- On a periodic basis meet separately from association management with the outside reviewer to 1) Discuss any matters that the Committee or audit firm believe necessary, 2) and confirm there were no restrictions, or limitations, or barriers imposed upon the firm by management during the audit.
- Require of management a written response to the findings of the review, which includes identification of corrective actions.

Collateral Review Function

- Determine the appointment and retention of qualified experts to perform the Association's Collateral Review.
- Understand and concur with the scope of any collateral review and obtain reports on significant findings and recommendation.
- On a periodic basis meet separately from association management with the outside reviewer to 1) Discuss any matters that the Committee or audit firm believe necessary, 2) and confirm there were no restrictions, or limitations, or barriers imposed upon the firm by management during the audit.
- Upon the conclusion of the Review meet separately from association management with the outside review firm to 1) Discuss any matters that the Committee or review firm believe necessary, 2) present the findings of the review, and 3) to confirm there were no restrictions, or limitations, or barriers imposed upon the firm by management during the review.
- Require of management a written response to the findings of the review, which includes identification of corrective actions.

Audit Liaison/ Audit Coordinator

- The Association shall provide the Committee with the services of an Audit Liaison who shall serve as an audit coordinator for the Committee. The Audit Liaison shall not be a member of, and shall be independent from, the executive management of the Association.

- The Audit Liaison shall report directly to the Committee. The Committee has the authority to hire, dismiss, and provide performance feedback for the Audit Liaison.
- The Audit Liaison shall assist the Committee in the performance of the Committee's duties. The Audit Liaison's duties shall include:
 - Coordinating the risk assessment and audit planning,
 - Managing outsourced engagements,
 - Reviewing workpapers from outsourced engagements,
 - Tracking corrective action progress, and
 - Communicating with the Committee.
- The Audit Liaison shall not hinder in any way (i) the external auditor's reporting directly to the Committee, and (ii) the Committee's reporting to the Board.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instance of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the Board of Director's about Committee activities, issues, and related recommendations, and by maintaining meeting minutes evidencing Committee members' agreement or disagreement with items it acts upon.
- Provide an open avenue of communication between outsourced audit functions, the external auditors, and the board of directors. Internal and external auditors will report directly to the Audit Committee.
- Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by regulation.
- Review any other reports the company issues that relates to Committee responsibilities.

Other Responsibilities

- Review the adequacy of this charter on an annual basis and revise the charter to reflect relevant requirements relating to Audit Committee responsibilities. Board approval must be obtained for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Review the status of the audit plan and management's remediation efforts for outstanding corrective action plans quarterly.
- Review reports provided by management or General Counsel regarding the status and disposition of matters that are reported through the hotline/whistleblower program, and other matters involving ethics.