

Whistleblower Program and Procedures Farm Credit of Western Kansas, ACA (Association)

Board Approval: 05/26/2021

This whistleblower program (WB Program) is established by the Audit Committee for the receipt, retention and treatment of reported tips or complaints. It provides for the confidential, anonymous submission by Association directors, officers or employees (Insiders) or others (e.g., customers, appraisers, agents, outside contractors or vendors) of concerns, complaints or tips regarding questionable matters or violations. Such matters or violations may relate to violations of law, regulation or policy (including those relating to accounting, financial reporting, internal controls or auditing matters) or fraud, corruption or operational weaknesses. The WB Program is designed to provide a means of collecting Insider or such other person's concerns, improving internal communication, and collecting information regarding emerging issues. In addition, this practice reinforces effective internal controls over financial reporting as required by FCA regulations.

Protection

This WB Program enables Insiders or others wishing to bring these types of issues to the attention of the Audit Committee while remaining anonymous. There will be no reprisal, retaliation or adverse action taken against any Insider 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. The WB Program provides a mechanism for Insiders or other persons who report their concerns to receive a response to their issue while maintaining their anonymity. Disclosure of concerns or other issues under this WB Program will be encouraged. This process should not, however, be abused by raising malicious allegations against insiders or others. Any such abuse may be grounds for disciplinary or other appropriate action.

Accessibility

The Association will provide a toll-free telephone "hotline" number to all Insiders and other persons along with an internet website address. These communication avenues will be posted prominently on the Members Home page of the Association website and on the Association public website. In addition, the "hotline" number and website will be posted on the bulletin boards commonly utilized by Insiders.

The Association will provide this service through an outside independent party (WB Vendor). Any selected WB Vendor must provide a program alternative for complete anonymity to those who disclose concerns or report an issue under this WB Program.

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

When a report is filed with the WB Vendor, an e-mail notification that a report has been filed will be sent by the WB Vendor to the Chief Executive Officer (CEO), the Standards

of Conduct Official (SOCO), the Chief Financial Officer (CFO) and the Chair of the Audit Committee. If any of these individuals are identified in the filed report, they will be excluded from the notification. If all of these individuals are identified, notification will go directly to the Board Chair. Only those individuals receiving a notification will be able to access the WB Vendor's secure website and view the report that has been filed and all related activity.

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

Complaint Investigation/Response/Disposition

Depending on the nature of the report submitted under this WB Program, the CEO, SOCO, CFO and Chair of Audit Committee will determine the appropriate internal staff to be assigned and the investigative course of action and/or response to the individual filing the complaint. These persons will also determine the final disposition of the complaint. If the nature of the complaint so warrants, as determined by the Chair of the Audit Committee (if notified; otherwise the Board Chair) the CEO, SOCO and/or CFO, determine the appropriate course of action and/or response

Coordination with CoBank, ACB and CoBank, FCB (CoBank)

In the event that the Audit Committee through this WB Program or other means identifies issue(s) related to accounting, financial reporting, internal accounting controls, auditing matters or fraud, that have potential impact on CoBank, the CoBank District, or System Certifications and Reporting, such issue(s) will be reported to the CoBank CEO, CoBank CFO, and the CoBank Vice President and Director of Internal Audit. If the report involves one of these individuals, the remaining two will determine the appropriate course of action and/or response. If the nature of the complaint so warrants, the Chair of the CoBank Audit Committee will be notified and included in determining the appropriate course of action and/or response.

Audit Committee Oversight

The Audit Committee will oversee this WB Program and will include reports to the Board on WB Program activity and related matters as part of its overall Board reporting process. Independent evaluations of the WB Program may be made from time to time as determined appropriate by the Audit Committee.

Implementation and Administration

Implementation and administration of this WB Program will be the responsibility of the CFO. These responsibilities will include:

- Contracting with the WB Vendor and coordinating the implementation of WB Vendor services,
- Including the WB Program in audit plans, including an annual testing of the WB Vendor system to ensure it adequately supports this WB Program and reporting the results to the Audit Committee,
- Assuring a secure tracking system for investigating, following-up on, disposing and finally closing reported tips or complaints,

Whistleblower Program and Procedures, continued

- Developing appropriate training and awareness programs for Insiders and others, including annual training for new and existing employees and Directors, and
- Establishing permanent document retention requirements for complaints and investigations.

Reporting

Any tips or complaints received under this WB Program will be reviewed with the Audit Committee by the CEO, the SOCO, and the CFO in executive session at the Audit Committee's next meeting. Any suspected internal fraud or other significant event involving Insiders must be immediately reported to FCA. Any known or suspected criminal or standards of conduct violation must be reported as provided by Board policy and applicable regulations.

Related Authorities

FCA regulations §§ 618.8430 and 620.3, Part 612, subparts A and B; and Informational Memorandum dated July 9, 2015.