

FEDERAL AGRICULTURAL MORTGAGE CORP
Form DEF 14A
April 24, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

FEDERAL AGRICULTURAL MORTGAGE CORPORATION
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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FEDERAL AGRICULTURAL MORTGAGE CORPORATION

1999 K Street, N.W.
Fourth Floor
Washington, D.C. 20006

TO HOLDERS OF FARMER MAC
VOTING COMMON STOCK

April 24, 2015

Dear Farmer Mac Stockholder:

The Board of Directors of the Federal Agricultural Mortgage Corporation ("Farmer Mac") is pleased to invite you to attend Farmer Mac's 2015 Annual Meeting of Stockholders to be held on Thursday, June 4, 2015, at 8:00 a.m. local time at The Town Hall, 1999 K Street, N.W., First Floor, Washington, D.C. 20006. The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be transacted at the meeting.

We hope you will be able to attend the meeting and suggest you read the enclosed Notice of Annual Meeting and Proxy Statement for information about Farmer Mac and the Annual Meeting of Stockholders. We have also enclosed Farmer Mac's 2014 Annual Report. Although the Annual Report does not constitute proxy soliciting material, we suggest you read it for additional information about Farmer Mac. Please complete, sign, date, and return a proxy card at your earliest convenience to help us establish a quorum and avoid the cost of further solicitation. The giving of your proxy will not affect your right to vote your shares personally if you attend the meeting. If you plan to attend the meeting, please so indicate on the enclosed proxy card.

Sincerely,

Lowell L. Junkins
Chairman of the Board

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

NOTICE OF ANNUAL MEETING

April 24, 2015

Notice is hereby given that the 2015 Annual Meeting of Stockholders of the Federal Agricultural Mortgage Corporation ("Farmer Mac") will be held on Thursday, June 4, 2015, at 8:00 a.m. local time at The Town Hall, 1999 K Street, N.W., First Floor, Washington, D.C. 20006.

As described in the attached Proxy Statement, the meeting will be held for the following purposes:

- to elect ten directors, five of whom will be elected by holders of Class A Voting Common Stock and five of whom will be elected by holders of Class B Voting Common Stock, to serve until the next annual meeting of stockholders and until their respective successors are elected and qualified;
- to ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as Farmer Mac's independent auditors for fiscal year 2015;
- to approve, on an advisory basis, the compensation of Farmer Mac's named executive officers disclosed in the attached Proxy Statement; and
- to consider and act upon any other business that may properly be brought before the meeting or any adjournment or postponement of the meeting.

Please read the attached Proxy Statement for information on the matters to be considered and acted upon at the meeting.

Eligible holders of record of Farmer Mac's Class A Voting Common Stock and Class B Voting Common Stock at the close of business on April 15, 2015 are entitled to notice of and to vote at the meeting and any adjournment or postponement of the meeting. For at least ten days prior to the meeting, a list of Farmer Mac stockholders will be available for examination by any stockholder for any purpose germane to the meeting at the offices of Farmer Mac between the hours of 9:00 a.m. and 5:00 p.m. local time.

Whether you intend to be present at the meeting or not, please complete the enclosed proxy card, date, and sign it exactly as your name appears on the card, and return it in the postage prepaid envelope. This will ensure the voting of your shares if you do not attend the meeting. The giving of your proxy will not affect your right to vote your shares personally if you attend the meeting. **THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF FARMER MAC.**

By order of the Board of Directors,

Stephen P. Mullery
Secretary

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FEDERAL AGRICULTURAL MORTGAGE CORPORATION

1999 K Street, N.W.
Fourth Floor
Washington, D.C. 20006

PROXY STATEMENT

For the Annual Meeting of Stockholders
to be held on June 4, 2015

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of the Federal Agricultural Mortgage Corporation ("Farmer Mac") of proxies from the holders of Farmer Mac's Class A Voting Common Stock and Class B Voting Common Stock (together, the "Voting Common Stock"). Farmer Mac is not soliciting proxies from the holders of its Class C Non-Voting Common Stock. The proxies will be voted at Farmer Mac's 2015 Annual Meeting of Stockholders (the "Meeting"), to be held on Thursday, June 4, 2015, at 8:00 a.m. local time at The Town Hall, 1999 K Street, N.W., First Floor, Washington, D.C. 20006, and at any adjournment or postponement of the Meeting. The Notice of Annual Meeting, this Proxy Statement, and the enclosed proxy card are being mailed to holders of Voting Common Stock on or about April 24, 2015. In this Proxy Statement, except as the context otherwise requires or as otherwise noted, "we," "us," and "our" refer to Farmer Mac and its subsidiaries.

At the Meeting, Farmer Mac's Board of Directors (the "Board of Directors" or "Board") will present for a vote the election of ten members to the Board (Proposal 1) and the ratification of the appointment of PricewaterhouseCoopers LLP as Farmer Mac's independent auditors for fiscal year 2015 (Proposal 2). The Board will also present for a vote the approval, on an advisory basis, of the compensation of Farmer Mac's named executive officers disclosed in this Proxy Statement (Proposal 3). The Board is not aware of any other matter to be presented for a vote at the Meeting.

Important Notice Regarding the Availability of Proxy Materials for Farmer Mac's Annual Meeting of Stockholders to be held on June 4, 2015: the Proxy Statement, sample proxy cards, and Farmer Mac's 2014 Annual Report are available at www.farmermac.com/investors/equity/stockholders/.

GENERAL INFORMATION

Voting Rights

One of the purposes of the Meeting is to elect ten members to the Board of Directors. Title VIII of the Farm Credit Act of 1971, as amended (the "Act") provides that Farmer Mac's Class A Voting Common Stock may be held only by banks, insurance companies, and other financial institutions or entities that are not Farm Credit System institutions. The Act also provides that Farmer Mac's Class B Voting Common Stock may be held only by Farm Credit System institutions. Holders of Voting Common Stock who are not eligible holders of that stock may not vote the shares held and should dispose of their stock to eligible holders. Farmer Mac has the right, but not the obligation, to repurchase shares of Voting Common Stock from ineligible holders for book value.

The Act provides that five members of the Board will be elected by the holders of the Class A Voting Common Stock (the "Class A Holders"), and five members of the Board will be elected by the holders of the Class B Voting Common Stock (the "Class B Holders"). The remaining five members of the Board are appointed by the President of the United States, with the advice and consent of the United States Senate.

Record Date

The Board of Directors has fixed April 15, 2015 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Meeting. At the close of business on that date, there were issued and outstanding 1,030,780 shares of Class A Voting Common Stock and 500,301 shares of Class B Voting Common Stock, which together constitute the only outstanding capital stock of Farmer Mac entitled to vote at the Meeting. See "Stock Ownership of Directors, Named Executive Officers, and Certain Beneficial Owners—Principal Holders of Voting Common Stock."

Voting

The presence, in person or by proxy, of the holders entitled to vote at least a majority of Farmer Mac's outstanding Voting Common Stock is required to constitute a quorum at the Meeting. Thus, 765,541 shares of Voting Common Stock must be represented by stockholders present at the Meeting or by proxy to have a quorum.

Proposal 1

Under the Act, the holders of Farmer Mac's Voting Common Stock are entitled to one vote per share, with cumulative voting permitted at all elections of directors. Under cumulative voting, each stockholder is entitled to cast the number of votes equal to the number of shares of the class of Voting Common Stock owned by that stockholder, multiplied by the number of directors to be elected by that class. All of a stockholder's votes may be cast for a single candidate for director or may be distributed among any number of candidates. Class A Holders are entitled to vote only for the five directors to be elected by Class A Holders, and Class B Holders are entitled to vote only for the five directors to be elected by Class B Holders.

A stockholder may withhold a vote from one or more nominees by filling in the circle next to the names of those nominees in the space provided on the proxy card. Under those circumstances, unless other instructions are provided in writing, the stockholder's votes will then be cast evenly among the remaining nominees for its class. Stockholders who intend to cumulate their votes for any nominee are urged to read the instructions on the proxy card and to indicate the manner in which votes shall be cumulated in the space to the right of the applicable nominee name on the proxy card. The five nominees from each class who receive the greatest number of votes will be elected directors. If one or more of the nominees becomes unavailable for election, the Proxy Committee (described below) will cast votes under the authority granted by the enclosed proxy for any substitute or other nominee as the Board of Directors may designate. If no instructions are indicated on the proxies, the proxies represented by the Class A Voting Common Stock will be voted in favor of the five nominees specified in this Proxy Statement as Class A nominees, with the votes being cast evenly among each of the Class A nominees, and the proxies represented by the Class B Voting Common Stock will be voted in favor of the five nominees specified in this Proxy Statement as Class B nominees, with the votes being cast evenly among each of the Class B nominees.

The election of directors shall be decided by a plurality of the votes cast at a meeting of stockholders by the stockholders entitled to vote in the election of each class of directors. Votes to withhold from all nominees and broker non-votes (as defined below) will have no effect on the outcome of the vote of Proposal 1.

Proposals 2 and 3

Other than the election of directors, the Class A Holders and Class B Holders vote together as a single class on any matter submitted to a vote of the holders of Voting Common Stock. The affirmative vote of a majority of the votes cast by the holders of shares of Farmer Mac's Voting Common Stock entitled to vote and represented in person or by proxy at the Meeting is required for the approval of Proposals 2 and 3. Pursuant to Farmer Mac's Amended and Restated By-Laws (the "By-Laws"), "votes cast" do not include abstentions and broker non-votes (as defined below).

Shares of Voting Common Stock represented by proxies marked "Abstain" for any proposal presented at the Meeting (other than the election of directors) will be counted for purposes of determining the presence of a quorum, but will not be voted for or against such proposal. Abstentions will have no effect on the outcome of the vote of Proposals 2 or 3.

If a holder of Voting Common Stock holds shares through an account with a bank or broker, the voting of the shares by the bank or broker when the holder does not provide voting instructions is governed by the rules of the New York Stock Exchange ("NYSE"), which allow banks and brokers to vote shares in their discretion on "routine" matters for which their customers do not provide voting instructions. On matters considered "non-routine," banks and brokers may not vote shares without a customer's instructions. A "broker non-vote" occurs when a bank or broker holding the shares has not received voting instructions from its customer and either chooses not to vote those shares on a routine matter at a stockholders' meeting, or is not permitted to vote those shares because a proposal is considered a non-routine matter. Broker non-votes will be counted as shares present at the Meeting for purposes of determining whether a quorum is present, but will not be voted for or against the related proposal.

The ratification of PricewaterhouseCoopers LLP as Farmer Mac's independent auditors for fiscal year 2015 is considered a routine matter. Accordingly, banks and brokers may vote shares on Proposal 2 if they have not received a customer's instructions, and there generally will be no broker non-votes on this proposal, unless a bank or broker chooses not to vote shares on Proposal 2.

All other proposals in this Proxy Statement are considered "non-routine" matters, so stockholders must provide their banks or brokers with instructions on how to vote for their shares to be voted. Broker non-votes will have no effect on the outcome of the vote on Proposal 3 because broker non-votes will not be considered as "votes cast."

Proxy Procedure

Any holder of Voting Common Stock who is unable to attend the Meeting in person will be afforded the right to vote by means of the proxy solicited by the Board of Directors. When a proxy is returned properly completed and signed, the shares it represents must be voted by the Proxy Committee (described below) as directed by the stockholder. If you sign and return your proxy card but do not specify how you want your shares voted, they will be voted as recommended by the Board. Stockholders are urged to specify their choices by marking the appropriate boxes on the enclosed proxy card.

Execution of a proxy will not prevent a stockholder from attending the Meeting, revoking a previously submitted proxy, and voting in person. Any stockholder who gives a proxy may revoke it at any time before it is voted by notifying Farmer Mac's Secretary in writing on a date later than the date of the proxy, by submitting a later dated proxy, or by voting in person at the Meeting. Mere attendance at the Meeting, however, will not constitute revocation of a proxy. Written notices revoking a proxy should be sent to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

The Proxy Committee is composed of three executive officers of Farmer Mac – Timothy L. Buzby, R. Dale Lynch, and Stephen P. Mullery – and will vote all shares of Voting Common Stock represented by proxies signed and returned by stockholders in the manner specified. The Proxy Committee will also vote the shares represented by proxies in accordance with its members' best judgment on any matters not known at the time this Proxy Statement was printed that may properly be presented for action at the Meeting.

CORPORATE GOVERNANCE MATTERS

Director Independence

The Board of Directors has adopted a formal set of standards to form the basis for determinations of director independence prescribed by NYSE listing requirements. To be considered "independent" for purposes of these standards, the Board must affirmatively determine that a director does not have a material relationship with Farmer Mac or any of its affiliates (as defined in Rule 144(a)(1) under the Securities Act of 1933, as amended, or the "Securities Act") other than as a director of Farmer Mac, either directly or as a partner, shareholder, or officer of an organization that has a relationship with Farmer Mac. The Board broadly considers all relevant facts and circumstances in making an independence determination, including the following criteria, as well as any other factors that the Board may deem relevant, in determining whether a director lacks a material relationship with Farmer Mac and therefore is "independent":

the director is not, and has not been during the preceding three years, an employee of Farmer Mac, and the director (a) has no immediate family member who is, or has been during the preceding three years, an executive officer of Farmer Mac;

the director has not received, and has no immediate family member who has received, more than \$120,000 in direct compensation from Farmer Mac during any twelve-month period within the preceding three years, other than (b) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(c) the director is not currently an employee of, and has no immediate family member who is a current partner or executive officer of, any entity that has made payments to, or received payments from, Farmer Mac for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of (i) \$1 million and (ii) 2% of such other entity's consolidated gross revenues;

(i) the director is not a current partner or employee of a firm that is Farmer Mac's internal or external auditor;
(ii) the director has no immediate family member who is a current partner of such a firm; (iii) the director has no immediate family member who is a current employee of such a firm and personally works on Farmer Mac's audit;
(d) immediate family member who is a current employee of such a firm and personally works on Farmer Mac's audit;
and (iv) the director or an immediate family member was not within the last three years a partner or employee of such a firm and did not personally work on Farmer Mac's audit within that time;

the director or an immediate family member is not, and has not been during the preceding three years, employed as (e) an executive officer of another company where any of Farmer Mac's present executive officers at the same time serves or served on that company's compensation committee;

the director is not, and has not been during any of the preceding three fiscal years, affiliated with a tax-exempt (f) organization that received within the preceding three years contributions from Farmer Mac that exceeded in any single fiscal year the greater of (i) \$1 million and (ii) 2% of such other organization's consolidated gross revenues;

the director is not an officer, partner, or employee of, and has no immediate family member who is an officer or partner of, any entity (or affiliate thereof) that (i) is doing business with Farmer Mac (which, for these purposes, (g) includes the origination, or sale to Farmer Mac, of any loans or securities that are currently (A) held on Farmer Mac's balance sheet or (B) off-balance sheet obligations of Farmer Mac), or (ii) holds 5% or greater of Farmer Mac's Class A or Class B Voting Common Stock;

(h) the director does not hold, and is not a candidate to hold, an elected office of the Federal government;

(i) the director is not an employee of the Federal government who either is in a position to oversee Farmer Mac's business or is employed by an agency that oversees Farmer Mac's business; and

(j) the director does not have any other relationships, not described in (a) through (i), with Farmer Mac or the members of management of Farmer Mac or other activities that the Board has determined to be material.

For purposes of the foregoing independence criteria, the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the person's home.

The independence criteria set forth above are included in Farmer Mac's Corporate Governance Guidelines available on Farmer Mac's website, www.farmermac.com, in the "Corporate Governance" portion of the "Investors" section. These criteria meet or exceed all standards for director independence under applicable rules of the Securities and Exchange Commission (the "SEC") and NYSE.

In April 2015, the Board considered all direct and indirect transactions and relationships between each director (either directly or as a partner, stockholder, officer, or director of an entity that has a business relationship with Farmer Mac) and Farmer Mac and its management to determine whether any of those transactions or relationships were inconsistent with a determination that the director or director nominee is independent. As a result of its review, the Board affirmatively determined that each of the following current directors meets the criteria for director independence set forth above and, therefore, is independent: Dennis L. Brack, Chester J. Culver, Richard H. Davidson, James R. Engebretsen, Dennis A. Everson, Sara L. Faivre-Davis, Douglas L. Flory, Mitchell A. Johnson, Lowell L. Junkins, Clark B. Maxwell, James B. McElroy, Bruce J. Sherrick, and Myles J. Watts. During the same review, the Board determined that Thomas W. Hill and Douglas E. Wilhelm were not independent because they are each currently a party to a services agreement with an entity that holds more than 5% of Farmer Mac's Class B Voting Common Stock, under which each of them serves as an employee of the related stockholder.

In determining that each of the current directors other than Messrs. Hill and Wilhelm is independent of Farmer Mac, the Board considered that because financial institutions are required to own Voting Common Stock to participate in Farmer Mac's programs, transactions often occur in the ordinary course of business between Farmer Mac and companies or other entities at which some of the current directors or director nominees are or have been officers or directors. In particular, the Board evaluated for each of Messrs. Brack and Everson all transactions between Farmer Mac and the company where each serves as a director. Those transactions included sales of qualified loans and

USDA-guaranteed portions and guarantee and long-term standby purchase commitment transactions, as well as the annual amount of guarantee and commitment fees paid to Farmer Mac by that company and any servicing or other fees received by that company from Farmer Mac. In each case, the transactions had terms and conditions comparable to those applicable to entities unaffiliated with Farmer Mac. The Board affirmatively determined that none of the relationships were material for purposes of the independence criteria. For additional information about transactions between Farmer Mac and entities affiliated with its current directors, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Related Party Transactions" and Note 3 in Farmer Mac's Annual Report on Form 10-K for the year ended December 31, 2014.

Board of Directors Meetings and Committees

In 2014, the Board of Directors held a total of eight meetings. Each member of the Board attended 75% or more of the aggregate number of Board meetings and meetings of the committees on which he or she served during 2014. As Chairman of the Board, Lowell L. Junkins presides over all meetings of the Board of Directors, including regularly scheduled executive sessions of the Board in which members of management do not participate. All members of the Board of Directors are expected to attend the Annual Meeting of Stockholders, which is held in conjunction with a regularly scheduled meeting of the Board of Directors. All current members of the Board of Directors attended the 2014 Annual Meeting of Stockholders.

The Board currently has seven standing committees to assist the Board in performing its responsibilities: Audit Committee, Compensation Committee, Corporate Governance Committee, Credit and Business Development Committee, Finance Committee, Public Policy Committee, and Risk Committee. Each director serves on at least one committee.

The following table sets forth the committees on which each current member of the Board has served since the 2014 Annual Meeting of Stockholders:

	Audit	Compensation	Corporate Governance	Credit and Business Development	Finance	Public Policy	Risk
Brack	X (Chair)		X				X
Culver				X		X (Chair)	X
Davidson		X (Chair)	X				X
Engebretsen			X		X (Chair)		X
Everson		X		X (Chair)		X	
Faivre-Davis	X	X		X			X
Flory	X					X	
Hill				X	X		
Johnson		X			X		
Junkins		X	X (Chair)			X	
Maxwell	X	X			X		
McElroy	X		X			X	
Sherrick	X			X	X		
Watts			X			X	X (Chair)
Wilhelm				X	X		

See "Class A Nominees," "Class B Nominees," and "Directors Appointed by the President of the United States" under "Proposal 1: Election of Directors—Information about Nominees for Directors" for additional information regarding the current members of the Board who are standing for re-election at the Meeting.

The following table sets forth the key responsibilities of each Board committee, as well as the number of meetings each committee held during 2014:

Name of Board Committee	Number of Meetings Held in 2014	Key Committee Responsibilities
Audit	9	Engages independent auditors to audit books, records, and accounts of Farmer Mac; approves any non-audit services by these independent auditors; reviews the scope of audits as recommended by the independent auditors and Farmer Mac's internal audit function; and assists the Board in overseeing the integrity of financial statements and legal and compliance requirements
Compensation	6	Approves and/or makes recommendations to the Board of Directors on compensation and benefit plans of all directors and executive officers
Corporate Governance	6	Recommends nominees for election to the Board of Directors; reviews and approves corporate governance policies and corporate governance guidelines; sets agendas for the meetings of the Board of Directors; resolves conflicts of interest; and exercises certain powers of the Board of Directors during the intervals between meetings of the Board
Credit and Business Development ¹	9	Makes recommendations to the Board of Directors on credit matters; reviews and approves all policy matters relating to changes to Farmer Mac's credit, collateral valuation, underwriting, and loan diversification standards; develops and monitors Farmer Mac's lines of business and marketing plan; and makes recommendations to the Board of Directors about new business initiatives and related products
Finance	9	Determines Farmer Mac's financial policies and oversees its financial affairs
Public Policy	6	Considers matters of public policy related to Farmer Mac's business, including Farmer Mac's relationship with and policies regarding borrowers, Congress, and governmental agencies
Risk ²	3	Oversees Farmer Mac's enterprise-wide risk management framework and risk across Farmer Mac as a whole and across all risk types; assists Board of Directors and Farmer Mac's executive officers to identify, evaluate, monitor, and manage or mitigate risks related to Farmer Mac's business

¹ Prior to June 2014, the functions of the Credit and Business Development Committee were performed by two separate committees – the Credit Committee and the Marketing Committee. In June 2014, these two committees merged to form the Credit and Business Development Committee. The number of meetings of the Credit and Business Development Committee held in 2014 also includes the separate meetings held by the former Credit Committee and Marketing Committee prior to June 2014.

² The Risk Committee was formed in June 2014.

Each of these Committees oversees aspects of Farmer Mac's enterprise risk management as described in the following paragraph. See "Proposal 1: Election of Directors" for more information about the Corporate Governance Committee. See "Executive Compensation Governance" for more information about the Compensation Committee. See "Report of the Audit Committee" and "Proposal 2: Selection of Independent Auditors" for more information about the Audit Committee. See "Enterprise Risk Management" for more information about the Risk Committee.

Enterprise Risk Management

Farmer Mac's executive officers have the primary responsibility for managing the risks associated with Farmer Mac's business, including strategic, operational, financial, credit, liquidity and funding, market, security, legal or regulatory, technology, reputational, political, and emerging and other risks. The Board of Directors currently oversees Farmer Mac's enterprise risk primarily through the Risk Committee and the delegation of specific areas of risk by the Board of Directors to the other Board committees, as well as through Farmer Mac's internal audit and internal credit review functions. Prior to June 2014, when the Risk Committee was formed, the Board oversaw Farmer Mac's enterprise risk primarily through the Corporate Governance Committee.

The Risk Committee assists the Board in overseeing the adequacy of Farmer Mac's enterprise-wide risk management framework, including the strategies, policies, procedures, and processes established by the Board and Farmer Mac's executive officers to identify, evaluate, monitor, and manage or mitigate major risks both in Farmer Mac's business and facing Farmer Mac from external sources. The Risk Committee also assists the Board in overseeing risk across Farmer Mac as a whole and across all risk areas, in conjunction with other Board committees that oversee specific risk-related issues and areas, and in managing the division of risk-related responsibilities to these other Board committees. The internal audit function annually compiles an enterprise risk assessment and, under the oversight of the Audit Committee, conducts periodic audits of each of the various risk areas within Farmer Mac at least once every three years. The internal credit review function provides an independent assessment of credit risk, reporting directly to the Credit Committee. The committees report on risks within their respective jurisdictions to the Risk Committee, and the Risk Committee provides a report to the full Board at each Board meeting.

The following table describes the various risks that each Board committee oversees:

Name of Board Committee	Risks Overseen by Board Committee
Audit	Financial reporting and accounting practices of Farmer Mac, as well as oversight of whistleblower complaints and allegations of fraud, security breaches, data integrity, business continuity planning, and regulatory compliance
Compensation	Alignment of Farmer Mac's compensation policies and plans with its overall risk tolerance, as well as oversight of all human resources issues such as employee benefits, employee development and retention, and staff turnover
Corporate Governance	Governance policies of Farmer Mac and compliance with Farmer Mac's code of business conduct and ethics
Credit and Business Development	Credit risks related to Farmer Mac's business, including credit underwriting, loan servicing, documentation, and counterparty risk; customer reputational risks and risks related to the development and maintenance of Farmer Mac's customer relationships
Finance	Farmer Mac's finance-related risk, including asset and liability management, compliance with the Board's capital adequacy, investment, and interest rate risk policies, funding risk, changes in asset values, investment quality, and liquidity
Public Policy	Farmer Mac's exposure to political and regulatory risks
Risk	Farmer Mac's overall enterprise-wide risk management framework, risk governance structure, risk assessment and management practices, and risk tolerance and risk appetite levels

Code of Business Conduct and Ethics

Farmer Mac has adopted a code of business conduct and ethics (the "Code") that applies to all directors, officers, employees, and agents of Farmer Mac, including Farmer Mac's principal executive officer, principal financial officer, and principal accounting officer. The Code was most recently amended in April 2014. A copy of the Code is available on Farmer Mac's website, www.farmermac.com, in the "Corporate Governance" portion of the "Investors" section. Farmer Mac will post any amendment to, or waiver from, a provision of the Code in that same location on its website. A print copy of the Code is available free of charge upon written request to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

Stockholder Proposals

Each year, at the annual meeting, the Board of Directors submits to the stockholders its recommended nominees for election as directors. In addition, the Audit Committee's selection of independent auditors for the year is submitted for stockholder ratification at each annual meeting in accordance with Farmer Mac's By-Laws. The Board of Directors may, upon proper notice, also present other matters to the stockholders for action at an annual meeting, including presenting for a vote the approval, on an advisory basis, of the compensation of Farmer Mac's named executive officers. In addition to those matters presented by the Board of Directors, the stockholders may be asked to act at an annual meeting upon proposals timely submitted by eligible holders of Voting Common Stock.

Under Rule 14a-8(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), proposals of stockholders to be presented at the Meeting were required to be received by Farmer Mac's Secretary on or before December 26,

2014 for inclusion in this Proxy Statement and the accompanying proxy card. Other than the election of ten members to the Board of Directors, the ratification of the appointment of PricewaterhouseCoopers LLP as Farmer Mac's independent auditors for fiscal year 2015, and the approval, on an advisory basis, of the compensation of Farmer Mac's named executive officers disclosed in this Proxy Statement, the Board of Directors knows of no other matters to be presented for action at the Meeting. If any other matters not known at the time this Proxy Statement was printed are properly brought before the Meeting or any adjournment or postponement of the Meeting, the Proxy Committee intends to vote proxies in accordance with its members' best judgment.

Only proper proposals under Rule 14a-8 under the Exchange Act that are timely received will be included in the proxy statement and proxy card for Farmer Mac's 2016 Annual Meeting of Stockholders. If any stockholder eligible to do so intends to present a proposal for consideration at Farmer Mac's 2016 Annual Meeting of Stockholders under Rule 14a-8 under the Exchange Act, Farmer Mac's Secretary must receive the proposal on or before December 26, 2015 to be considered for inclusion in the 2016 Proxy Statement. Proposals should be sent to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

The By-Laws currently provide that stockholders who seek to bring business before a meeting of stockholders, other than the election of directors, generally must provide notice of that intent not earlier than 120 calendar days nor later than 90 calendar days prior to the first anniversary of the immediately preceding year's annual meeting of stockholders, and, in such notice, provide Farmer Mac with relevant information about the proposal. Any stockholder proposal received by Farmer Mac's Secretary before February 4, 2016 or after March 6, 2016 will be considered untimely and, if presented at the 2016 Annual Meeting of Stockholders, the Proxy Committee, as then constituted, will have the right to exercise discretionary voting authority on that proposal to the extent authorized by Rule 14a-4(c) under the Exchange Act.

For information about stockholders' nominations of individuals to stand for election as a director at an annual meeting, see "Proposal 1: Election of Directors."

Communications with the Board

Stockholders and other interested parties may communicate directly with members of the Board of Directors by writing to them at Federal Agricultural Mortgage Corporation, 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

PROPOSAL 1: ELECTION OF DIRECTORS

Board Structure

The Act provides that five of Farmer Mac's directors are elected by the Class A Holders, and five directors are elected by the Class B Holders. At the Meeting, ten directors will be elected for one-year terms. All of the Class A nominees and Class B nominees currently are members of the Board of Directors. The directors elected by the Class A Holders and the Class B Holders at the Meeting will hold office until Farmer Mac's 2016 Annual Meeting of Stockholders, or until their respective successors have been duly elected and qualified.

The Act further provides that the President of the United States appoints five members to the Board of Directors with the advice and consent of the United States Senate (the "Appointed Members"). The Appointed Members serve at the pleasure of the President of the United States. The Board of Directors, after the election at the Meeting, will consist of the five Appointed Members named under "—Information about Nominees for Directors—Directors Appointed by the

President of the United States" below (or such other Appointed Members as may be appointed by the President and confirmed by the Senate between April 15, 2015 and June 4, 2015) and the ten members who are elected by the holders of Farmer Mac's Voting Common Stock.

Selection of Director Nominees by Board

The Corporate Governance Committee facilitates the selection of director nominees. Farmer Mac's By-Laws require the Corporate Governance Committee to be comprised of two Appointed Members (one of whom serves as the chairman of the Corporate Governance Committee), two directors who have been elected by the holders of the Class A Voting Common Stock, and two directors who have been elected by the holders of the Class B Voting Common Stock. The current members of the Corporate Governance Committee are: Appointed Members Junkins (chairman of the Corporate Governance Committee) and Watts; Class A directors Brack and Engebretsen; and Class B directors Davidson and McElroy. As described in more detail under "Corporate Governance Matters—Director Independence," the Board has determined that all of the current members of the Corporate Governance Committee are "independent" as defined under Farmer Mac's Corporate Governance Guidelines, which prescribe

independence criteria that meet or exceed all standards for director independence under applicable SEC and NYSE rules. The Corporate Governance Committee Charter and Farmer Mac's Corporate Governance Guidelines are available on Farmer Mac's website, www.farmermac.com, in the "Corporate Governance" portion of the "Investors" section. Print copies of the Corporate Governance Committee Charter and Farmer Mac's Corporate Governance Guidelines are available free of charge upon written request to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

In identifying and evaluating potential director candidates, the Corporate Governance Committee adheres to the criteria set forth in the By-Laws and the Corporate Governance Guidelines, as well as a policy statement on directors adopted by the Board that expresses the general principles that should govern director selection and conduct. The Corporate Governance Committee reviews, on an annual basis, the appropriate qualifications, skills, and characteristics required of Board members in the context of the composition of the Board as a whole at that point in time and in accordance with the criteria set forth in the By-Laws. The Corporate Governance Committee's assessment includes a Board member's qualification as to independence, as well as issues of judgment, skills (such as understanding of relevant technologies), and financial expertise, all in the context of an assessment of the perceived needs related to the effective operation of the Board and its committees at that point in time. The Corporate Governance Committee strives to identify and retain as members of the Board individuals who have the qualities, business background, and experience that will enable them to contribute significantly to the development of Farmer Mac's business and its future success.

The Board has determined that its elected members should be comprised of individuals with a variety of business backgrounds and experiences who have a broad perspective and good record of accomplishment as senior members of agricultural or other relevant business entities; as agricultural, rural utilities, or commercial lenders; as accountants or auditors; or as entrepreneurs. The Board has also determined that its membership should reflect diversity in the broadest sense, including diversity of geography, background, gender, race and ethnicity, age, and experience and training from different disciplines and industries.

In recommending a nominee for director, the Corporate Governance Committee also considers an individual's ability to represent objectively all of Farmer Mac's stockholders, as well as his or her character, judgment, fairness, and overall ability to serve Farmer Mac. Thus, in addition to considering the current needs of the Board and the quality of an individual's professional background and experience, the Corporate Governance Committee seeks individuals who:

- have integrity, independence, an inquiring mind, an ability to work with others, good judgment, intellectual competence, and motivation;
- have the willingness and ability to represent all stockholders' interests, and not just the particular stockholders that elect the director to serve on the Board;
- have an awareness of, and a sensitivity to, the statutory mandate of Farmer Mac;
- are willing to commit the necessary time and energy to prepare for and attend Board and committee meetings; and
- are willing and have the ability to present their views and opinions in a forthright manner, but, upon the conclusion of deliberations, to act in the best interests of Farmer Mac and all of its stockholders, and, once a decision is reached by a majority, to support the decision.

The Corporate Governance Committee and the Board exercise judgment in applying these factors to select director nominees.

In identifying potential candidates for the Board, the Corporate Governance Committee considers suggestions from Board members, management, stockholders, and others. From time to time, the Corporate Governance Committee may retain a search firm to assist in identifying potential candidates and gathering information about the background and experience of those candidates. The Corporate Governance Committee will consider all proposed nominees,

including stockholder nominees, in light of the qualifications discussed above and the assessed needs of the Board at the time.

The Corporate Governance Committee recommended five individuals to be considered for election as Class A nominees and five individuals to be considered for election as Class B nominees, and the Board of Directors has approved these recommendations. The individuals recommended by the Corporate Governance Committee are referred to collectively as the "Nominees." The Nominees will stand for election to serve for terms of one year each, or until their respective successors are duly elected and qualified. All of the Nominees are current members of the Board standing for re-election. CoBank, ACB, the holder (along with its wholly-owned subsidiary CoBank, FCB) of approximately 32.6% of the Class B Voting Common Stock, recommended to the Corporate Governance Committee that Thomas W. Hill and Douglas E. Wilhelm be nominated for re-election. No fees were paid to any director search firms or other third parties to assist in identifying and evaluating the Nominees.

Stockholder Director Nominations

Farmer Mac's By-Laws contain, among other provisions, an advance notice of director nomination provision to provide a process for the delivery of timely and proper notices for stockholder nominations. The exclusive means by which eligible holders of Farmer Mac's Class A and Class B Voting Common Stock may nominate an individual to stand for election to the Board at an annual meeting of stockholders are set forth in Farmer Mac's By-Laws and summarized below.

Timely Notice. Stockholders seeking to nominate persons for election to the Board at an annual meeting of stockholders must deliver a timely and proper advance written notice to Farmer Mac, which generally must be received by Farmer Mac's Secretary not earlier than 120 calendar days nor later than 90 calendar days prior to the first anniversary of the immediately preceding year's annual meeting of stockholders. For the 2016 Annual Meeting of Stockholders, the holders of Farmer Mac's Voting Common Stock may submit written nominations on or after February 4, 2016 until March 6, 2016 to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

Proper Notice. For a stockholder's advance notice of director nomination to be proper, it must be in proper written form. The content of the advance notice for director nomination must include specified representations from the stockholder and provide detailed information about, among other things, the nominating person (as defined in the By-Laws), stock ownership and related filing obligations under the Exchange Act, each proposed nominee, and certain compensation arrangements.

Nominee Eligibility. Prospective director nominees must satisfy specified requirements to be eligible for nomination by a stockholder for election as a director, including requirements to deliver a written questionnaire about the background and qualifications of the proposed nominee and a written representation and agreement, in the form to be provided by Farmer Mac's Secretary upon written request. The By-Laws also provide that, at a minimum, a proposed nominee must:

- be a natural person over 21 years of age;
- be a U.S. citizen (which includes a naturalized citizen);
- be financially literate (i.e., able to read and understand financial statements and comprehend general financial concepts);
- have some knowledge about one or more areas of Farmer Mac's business;
- not (i) have been convicted of any criminal offense involving dishonesty or a breach of trust, (ii) have been found to have violated any provision of the Act, any banking laws, or any federal or state securities laws, including but not limited to, the Securities Act or the Exchange Act, or (iii) had a professional license suspended or revoked; and
- satisfy such other criteria for service as may be imposed by applicable law, including, but not limited to, the rules and regulations of the SEC and any national securities exchange where Farmer Mac's shares are listed or traded.

Please see Farmer Mac's By-Laws containing the provisions described above, filed as Exhibit 3.1 to the Current Report on Form 8-K filed by Farmer Mac on June 9, 2014 with the SEC.

Information about Nominees for Director

Each of the Nominees has consented to being named in this Proxy Statement and to serve if elected. Each of the Nominees has been principally employed in his current position for the past five years unless otherwise noted. If any of the ten Nominees named below is unable or unwilling to stand as a candidate for the office of director on the date of the Meeting or at any adjournment or postponement of the Meeting, the proxies received to vote for that Nominee will be voted for any substitute or other nominee as the Board of Directors may designate. The Board of Directors has

no reason to believe that any of the Nominees will be unable or unwilling to serve if elected.

The Board of Directors unanimously recommends that Class A Holders and Class B Holders vote FOR all of the Nominees, as applicable, listed below for election as directors.

Class A Nominees

DENNIS L. BRACK, 62, has been a member of the Board of Directors of Farmer Mac since June 7, 2001 and serves as chairman of the Audit Committee and as a member of the Corporate Governance Committee and the Risk Committee. Mr. Brack served as President and Chief Executive Officer of Bath State Bank in Bath, Indiana from 1988 to 2007. He has remained as a director of Bath State Bank and is currently a director of the board of Bath State Bancorp, the holding company for the bank. He became a member of the board of directors of Franklin County Community Foundation, Brookville, Indiana in 2007 and served as a member of their Investment Committee from 1999 to 2009. Mr. Brack has recently worked on the steering committees for Comprehensive

Plan Development in both Franklin and Union Counties, Indiana. He was also a director of the Indiana Bankers Association from 1994 to 1996 and previously served a three-year term on the Purdue University Dean's Advisory Council.

JAMES R. ENGBRETSSEN, 59, has been a member of the Board of Directors of Farmer Mac since June 5, 2008 and serves as the chairman of the Finance Committee and as a member of the Corporate Governance Committee and the Risk Committee. Mr. Engebretsen is the Executive Chairman of Dynactive Software and the former Assistant Dean of the Marriott School of Management at Brigham Young University, where he served as Professor of Finance from 2004 until August 2014. He formerly served as the Managing Director of the Peery Institute of Financial Services at the Marriott School from 2004 to 2006. He joined the Marriott School with nearly fifteen years of work experience at Lehman Brothers, JP Morgan, and Goldman Sachs in New York and Philadelphia. Mr. Engebretsen left Goldman Sachs in 1995 to set up his own hedge fund, Associates Capital Management. He is a registered investment advisor and earned his Master of Business Administration and Bachelor of Science in Economics from Brigham Young University.

DENNIS A. EVERSON, 64, has been a member of the Board of Directors of Farmer Mac since June 3, 2004 and serves as chairman of the Credit and Business Development Committee and as a member of the Compensation Committee and the Public Policy Committee. Mr. Everson currently serves on the board of directors of First Dakota National Bank. Mr. Everson served as Branch Administration Director of First Dakota National Bank from 2009 until his retirement in December 2012. Prior to that, he served as President and Manager of the First Dakota National Bank Agri-business Division starting in 2002. From 1984 until 2002, he was Vice President and Manager of the First Dakota National Bank Agri-business Division. From 2000 until 2002, Mr. Everson was a member of the Federal Home Loan Bank Committee of the American Bankers Association. During 1998, he served as Chairman of the Agricultural & Rural Bankers Committee of the American Bankers Association.

MITCHELL A. JOHNSON, 73, has been a member of the Board of Directors of Farmer Mac since June 12, 1997 and is a member of the Compensation Committee and the Finance Committee. Mr. Johnson is a financial consultant. He is also a trustee of, and during the past six years has served as director for, the Advisors' Inner Circle Funds, the Advisors' Inner Circle Funds II, The Bishop Street Funds, and SEI Funds. Mr. Johnson formerly was President of MAJ Capital Management, Inc., an investment management firm that he founded in 1994 following his retirement from the Student Loan Marketing Association ("Sallie Mae"). During his 21 years with Sallie Mae, Mr. Johnson held numerous positions within that organization including, for the seven years preceding his retirement, Senior Vice President, Corporate Finance. He has been a trustee of Citizens Funds, Rushmore Funds, and Diversified Funds. Mr. Johnson also served as a director of Eldorado Bancshares, Inc., the holding company for Eldorado and Antelope Valley Banks.

CLARK B. MAXWELL, 43, has been a member of the Board of Directors of Farmer Mac since June 5, 2008 and serves as a member of the Finance Committee, the Audit Committee, and the Compensation Committee. Mr. Maxwell is the Chief Operating Officer at Chatham Financial Corp., where he has held various positions since 2002. Chatham provides comprehensive interest rate, commodity, and currency hedging expertise to hundreds of financial institutions, real estate companies, and other institutional clients. From 1998 to 2002, Mr. Maxwell was a Manager at Ernst & Young LLP, where he specialized in audits of financial institutions and served as a derivatives and hedging subject matter expert. Mr. Maxwell was a Postgraduate Technical Assistant at the Financial Accounting Standards Board from 1997 to 1998, where he worked on the development of Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. Mr. Maxwell is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. He received his Bachelor of Science, summa cum laude, and Masters in Accounting from Brigham Young University.

Class B Nominees

RICHARD H. DAVIDSON, 70, has been a member of the Board of Directors of Farmer Mac since June 3, 2010 and serves as chairman of the Compensation Committee and as a member of the Corporate Governance Committee and the Risk Committee. Mr. Davidson is presently serving as President of Davidson Farms, Inc. and Vice President of DSF, Inc., which consists of a grain farm, cow/calf herd, and beef cattle operation located south of Columbus, Ohio. Mr. Davidson has been operating Davidson Farms, Inc. since 1970 and, together with his son, operating DSF, Inc. since 2001. Mr. Davidson has served as a member of the AgriBank, FCB Board of Directors since March 2005. He currently serves on AgriBank's Finance Committee and its Enterprise Risk Management Committee. He also currently serves on the board of the Fayette County Charitable Foundation and was chairman of the Fayette County Planning Commission and the Fayette County Zoning Commission. Mr. Davidson has previously served on the board and as chairman of West Central Ohio Port Authority (railroad), Fayette Landmark, Inc. Co-op Supply Business, and Fayette County Farm Bureau. He has also previously served on the board of the Columbus Production Credit Association, the Southern Ohio Farm Credit Association, Southern State Community College, Robinson Seed Company, Inc. Stock Company, Fayette County Chamber of Commerce, and Royster Clark, Inc. Stock Company (fertilizer and agricultural supply). Mr. Davidson is a graduate of The Ohio State University with a degree in Agricultural Economics.

DOUGLAS L. FLORY, 75, has been a member of the Board of Directors of Farmer Mac since June 5, 2014 and serves as a member of the Audit Committee and the Public Policy Committee. Mr. Flory served as one of the three members of the Farm Credit Administration Board after his appointment by President George W. Bush and confirmation by the U.S. Senate from August 2002 through December 2006, during which time he became involved with a U.S. government project to establish Farm Credit Armenia, a farm credit system in Armenia similar to the U.S. Farm Credit System. Mr. Flory continued to work on this project as a consultant from December 2006 through June 2010 and from September 2012 through December 2013. While serving on the FCA Board, Mr. Flory also served as chairman of the board of the Farm Credit System Insurance Corporation from December 2002 through December 2006. From 2008 until 2010, Mr. Flory also served as an adjunct faculty member of the Agricultural and Applied Sciences Department at the Virginia Polytechnic Institute and State University. Prior to his service on the FCA Board, Mr. Flory served as the Executive Vice President of Dominion Bank of the Shenandoah Valley, N.A., as well as the President, Chief Executive Officer, and board member of Dominion Farm Loan Corporation, a wholly-owned subsidiary of the Dominion Bank of the Shenandoah Valley, N.A. from January 1976 through December 1989. From 1989 to 1993, Mr. Flory served as the Executive Vice President and Chief Operating Officer, and on the board of directors, of WLR Foods, Inc., a publicly-traded turkey and broiler company, after which he was elected to the board of directors of AgFirst Farm Credit Bank and Farm Credit of the Virginias, ACA and served until 2002. Mr. Flory received a Bachelor of Science from the Virginia Polytechnic Institute and State University and is also a graduate of the Maryland-Virginia School of Bank Management at the University of Virginia.

THOMAS W. HILL, 65, has been a member of the Board of Directors of Farmer Mac since June 7, 2012 and serves as a member of the Credit and Business Development Committee and the Finance Committee. Mr. Hill served until November 2010 as Senior Vice President, Chief Financial and Operations Officer of Farm Credit Bank of Texas. In that role, Mr. Hill was responsible for the financial management, operations and technology, and human resources departments within the finance division of Farm Credit Bank of Texas. In addition, he managed the bank's loan pricing, interest-rate risk management, financial planning, financial reporting, and accounting systems. Mr. Hill began his Farm Credit System career in 1974 in the finance and accounting department at the Federal Intermediate Credit Bank of Spokane. In 1987, he transferred to the Farm Credit System Capital Corporation to join the team that monitored the operations of distressed Farm Credit System banks. In 1988, he joined the Farm Credit Bank of Texas, where he was responsible for developing plans for implementing provisions of the Agricultural Credit Act of 1987. Mr. Hill has been a member of System Work Groups addressing the question of how to determine the adequacy of capital for Farm Credit System institutions since the introduction of capitalization regulations in the late 1980s. Within the Farm Credit System, he has also served as chairman of the Capital Adequacy Work Group and was a charter member of the Accounting Standards Work Group. Mr. Hill is a graduate of Texas A&I University (Texas A&M University - Kingsville).

JAMES B. MCELROY, 66, has been a member of the Board of Directors of Farmer Mac since June 7, 2012 and serves as a member of the Audit Committee, the Corporate Governance Committee, and the Public Policy Committee. Mr. McElroy served as a member of the board of directors of AgriBank, FCB from 2000 until March 2014, including as chairman from 2004 to 2006, and has served on its Audit, Risk Management, and Finance Committees. Prior to that time, Mr. McElroy served on and is a past chairman of the FCS of Mid-America Association board in Louisville, Kentucky, and also served on its Audit Committee. He has been a Farm Credit System director since 1975, also serving on the Green River PCA board in Owensboro, Kentucky. Mr. McElroy currently operates a grain operation with his son in western Kentucky, raising corn, wheat, and soybeans. He is involved in a land drainage company and farm management, and is a former rural appraiser and real estate broker. He is a past president of the Bluegrass chapter of the American Society of Farm Managers and Rural Appraisers, and has served as chairman of the Kentucky Corn Check-Off board, chairman of the Union County Soil and Water Conservation District and is a member of the Kentucky Farm Bureau, Corn Growers, Soybean Growers, and Small Grains Associations. Mr. McElroy received his Bachelor of Science in Agriculture from the University of Kentucky.

DOUGLAS E. WILHELM, 65, has been a member of the Board of Directors of Farmer Mac since June 7, 2012 and serves as a member of the Credit and Business Development Committee and the Finance Committee. Mr. Wilhelm served as Chief Risk Officer for CoBank, ACB from 2001 until 2012, during which time he managed all key risk areas of CoBank, including credit risk, operational risk, asset/liability risk, market risk, and reputational risk. Prior to that, Mr. Wilhelm managed several areas within CoBank, including credit, financial planning, and capitalization functions. Mr. Wilhelm also served on CoBank's Management Executive Committee, Asset/Liability Committee, and Country Risk Committee and was a member of CoBank's Senior Leadership Team. From 1972 to 1988, Mr. Wilhelm held various financial and accounting management functions for the Texas Bank for Cooperatives (a predecessor to CoBank) and Farm Credit Bank of Texas, including chief financial officer of the Texas Bank for Cooperatives from 1980 to 1985. He served on the board of directors of the Food Bank of the Rockies from 2007 until 2013, including as chairman from 2009 until 2011, and currently serves on the board of directors of the Food Bank of the Rockies Endowment, which he joined in November 2013. He also serves on the board of directors of Ogallala Commons, a rural community non-profit organization, which he joined in February 2014. Mr. Wilhelm received his Bachelor of Science in Accounting from Texas A&M University.

Directors Appointed by the President of the United States

CHESTER J. CULVER, 49, has been a member of the Board of Directors of Farmer Mac since April 4, 2012 and serves as the chairman of the Public Policy Committee and as a member of the Credit and Business Development Committee and the Risk Committee. In 2006, Gov. Culver was elected and served as Governor of the State of Iowa from 2006 until 2010. Prior to that time, Gov. Culver served as Secretary of State for the State of Iowa from 1998 to 2006. A graduate of Virginia Polytechnic Institute and State University, Gov. Culver began his career as an environmental and consumer advocate in the Iowa Attorney General's Office. After receiving his Master of Arts in Teaching at Drake University in 1994, he taught government and history in Des Moines, Iowa, where he also coached football and basketball. Gov. Culver has served the National Governors Association as Chairman of both the Governors Wind Energy Coalition and Governors Biofuels Coalition. He was elected as the Federal Liaison to the U.S. Congress by the Democratic Governors Association, and served as a member of the Democratic Governors Executive Committee. Gov. Culver is the founder of the Chet Culver Group, a renewable energy and infrastructure consultancy firm.

SARA L. FAIVRE-DAVIS, 50, has been a member of the Board of Directors of Farmer Mac since September 30, 2010 and serves as a member of the Audit Committee, the Compensation Committee, the Credit and Business Development Committee, and the Risk Committee. Dr. Faivre-Davis is currently co-owner and managing partner of Wild Type Ranch, which she operates with her husband, Ralph Mitchell. She has operated Wild Type Ranch since 2005. Dr. Faivre-Davis co-founded GenomicFX, a livestock genomics company, and served as Vice President of Bioinformatics and Vice President of Swine Business Development from 2000 to 2001. In 2001, she co-founded ViaGen, Inc., a livestock genetic improvement company, where she served in several capacities, including President, from 2001 to 2006. Dr. Faivre-Davis has held research positions as a staff scientist with the United States Department of Agriculture on the Bovine Genome Project and with the University of Iowa on the Human Genome Project. Her academic career also includes faculty appointments at the University of Illinois and Texas A&M University. Dr. Faivre-Davis also became a fellow in the National Association of Corporate Directors' Fellowship Program in 2015. Dr. Faivre-Davis graduated with honors from Iowa State University with a Bachelor of Science in Agricultural Business and Animal Science in 1986, and she earned her Ph.D. in Genetics from Texas A&M in 1991.

LOWELL L. JUNKINS, 71, has been a member of the Board of Directors of Farmer Mac since June 13, 1996, and Chairman of the Board since September 30, 2010. He previously served as Vice Chairman of the Board from December 5, 2002 to September 30, 2010 and Acting Chairman of the Board from September 15, 2008 to September 30, 2010. Mr. Junkins serves as chairman of the Corporate Governance Committee and is a member of the Compensation Committee and the Public Policy Committee. He was appointed to the Board of Directors by President Clinton in April 1996 while the Senate was in recess and was confirmed by the Senate on May 23, 1997 and was reconfirmed by the Senate on June 3, 2003 and on September 30, 2010. Mr. Junkins works as a public affairs consultant for Lowell Junkins & Associates in Des Moines, Iowa. He owns and operates Hillcrest Farms in Montrose, Iowa, where he served as Mayor from 1971 to 1972. From 1974 through 1986, Mr. Junkins served as an Iowa State Senator, including as majority leader from 1981 to 1986.

BRUCE J. SHERRICK, 52, has been a member of the Board of Directors of Farmer Mac since April 3, 2012 and serves as a member of the Audit Committee, the Credit and Business Development Committee, and the Finance Committee. Dr. Sherrick holds the Marjorie and Jerry Fruin Professorship and is also the Director of the TIAA-CREF Center for Farmland Research in the Department of Agricultural and Consumer Economics at the University of Illinois. Dr. Sherrick teaches undergraduate and graduate courses in applied finance and financial modeling, and has experience in credit risk assessment, credit evaluation, farmland valuation, capital modeling, crop insurance, and development of computerized decision aids. He also has taught banking seminars and Basel-related sessions to international banking audiences and has developed and supported risk-based capital stress tests. Dr. Sherrick earned his Ph.D. from The Ohio State University with subject matter fields in Finance and Marketing. Dr. Sherrick is also

currently managing partner of integrated Financial Analytics & Research (iFAR), a consulting firm that specializes in credit risk assessment and modeling of agricultural finance institutions.

MYLES J. WATTS, 64, has been a member of the Board of Directors of Farmer Mac since September 30, 2010 and serves as Vice Chairman of the Board, chairman of the Risk Committee, and as a member of the Public Policy Committee and the Corporate Governance Committee. Dr. Watts is a professor in the Department of Agricultural Economics and Economics at Montana State University, where he has been a member of the faculty since 1978 and previously served as Department Head for 17 years, and currently also serves as an actuary for Watts and Associates, Inc. He has also served in various editorial capacities for the Journal of Agricultural and Resource Economics and has advised many governments and private organizations, including large international reinsurance companies, on an array of financial issues, mostly focusing on agricultural insurance. He was one of the primary organizers of the International Institute for Agricultural Risk Management, and currently serves as a board member or in other leadership positions for a variety of nonprofit economic education groups. He has substantial experience with large reinsurance companies in various capacities. Dr. Watts received his Ph.D. from the University of Nebraska in 1978.

In addition to the affiliations set forth above, the Nominees and Appointed Members are active in many local and national trade, commodity, charitable, educational, and religious organizations.

Qualifications, Attributes, Skills, and Experience To Be Represented on the Board as a Whole

The Corporate Governance Committee has identified particular qualifications, attributes, skills, and experience that are important to be represented on the Board as a whole in light of Farmer Mac's current needs and business priorities. Farmer Mac's business is focused primarily on agricultural, agri-business, and rural utilities lending. Therefore, the Corporate Governance Committee believes that the Board should include some directors who possess knowledge of the underlying industries, marketing, and lending. Messrs. Brack, Everson, Flory, Hill, and Wilhelm bring to the Board the necessary lending expertise; Dr. Faivre-Davis and Mr. Everson bring to the Board appropriate marketing experience; and Dr. Faivre-Davis and Messrs. Davidson, Junkins, and McElroy bring to the Board direct experience in agriculture.

Farmer Mac's business also involves complicated financial transactions and complex accounting issues. Therefore, the Corporate Governance Committee believes that the Board should include some directors with a high level of financial literacy or accounting training or experience. Messrs. Brack, Davidson, Engebretsen, Flory, Hill, Johnson, Maxwell, McElroy, and Wilhelm and Drs. Sherrick and Watts bring to the Board that high level of financial literacy or accounting training or experience.

As a Congressionally chartered, highly regulated, government-sponsored enterprise, Farmer Mac is required to comply with a variety of regulatory and statutory requirements and be aware of developments in the political arena. Therefore, the Corporate Governance Committee believes that governmental or political expertise should be represented on the Board. That governmental or political experience is brought to the Board by Drs. Faivre-Davis and Watts and Messrs. Culver and Junkins, all four of whom were appointed to the Board by the President of the United States and confirmed by the Senate, as well as by Mr. Flory, who served on the Farm Credit Administration Board for four years.

The fact that a director is not named in the discussion of a particular attribute does not mean that the director does not possess that qualification or skill, but rather that it is not a specific area of focus or expertise on which the Board currently relies.

Compensation of Directors

The directors of Farmer Mac are required to spend a considerable amount of time preparing for, as well as participating in, Board and committee meetings. In addition, they are often called upon for their counsel between meeting dates. In February 2014, the Board determined to make only a limited change to the overall value of director compensation for 2014 but shifted the mix of director compensation in part from equity to cash compensation and from meeting fees to cash retainer. This shift in the mix of director compensation resulted in a \$600 change from 2013 director compensation, as a \$26,000 increase in annual retainer was offset by an \$11,000 decrease in equity compensation granted to each director, and the elimination of \$14,400 in separate meeting fees previously received by each director for attendance at all twelve days of the regularly-scheduled Board meetings held throughout the calendar year (six two-day meetings per year). As a result of the shift in the mix of director compensation, each director received the following compensation effective April 1, 2014:

• The base annual retainer payable to all directors was increased from \$24,000 to \$50,000.

• The incremental annual retainer payable to:

the Chairman of the Board was increased from \$10,000 to \$20,000, bringing his total annual retainer to \$70,000, based on the increase in annual retainer paid to all directors.

the Chairman of the Audit Committee was increased from \$6,500 to \$10,000, bringing his total annual retainer to \$60,000, based on the increase in annual retainer paid to all directors.

the Chairman of the Compensation Committee was increased from \$5,000 to \$6,500, bringing his total annual retainer to \$56,500, based on the increase in annual retainer paid to all directors.

• The market value on the date of grant of the annual grant of shares of restricted Class C Non-Voting Common Stock to all directors was decreased from \$61,000 to \$50,000.

• The cash per diem for a Board member's attendance at the Board meetings is now included in the base annual retainer amount, and is no longer a separate payment of \$1,200 per day for each Board meeting attended (though each Board

member continues to receive a \$1,200 fee per day, plus expenses, for each committee meeting attended if on a day other than that of a Board meeting).

In December 2014, the Board of Directors approved the same level of director compensation in the form of cash retainer, per diem amount, and targeted value of equity for 2015 as had been in effect for the majority of 2014 (described above), with the following exceptions:

•The incremental annual retainer payable to:

the Chairman of the Board was increased from \$20,000 to \$32,000, bringing his total annual retainer to \$82,000.

the Chairman of the Audit Committee was increased from \$10,000 to \$12,000, bringing his total annual retainer to \$62,000.

The cash per diem policy described above was clarified to provide that attendance at more than twelve days of in-person Board meetings per year by a Board member would result in payment to that member of a \$1,200 per diem for each day over the twelve days contemplated.

The aggregate amount of cash compensation (including payments in lieu of dividends paid on restricted stock) received by all persons who served on the Board of Directors in 2014 was approximately \$778,000. In addition to the cash compensation, Farmer Mac also reimburses directors for expenses incurred in performing their duties as directors and pays for continuing education related to their service as directors on the Board. In lieu of all or a portion of their cash retainers, directors may elect to receive shares of Class C Non-Voting Common Stock on a quarterly basis based on the fair market value on the date of acquisition.

On April 2, 2014, each sitting Board member was granted 1,475 shares of restricted Class C Non-Voting Common Stock under Farmer Mac's 2008 Omnibus Incentive Compensation Plan. The number of shares granted was calculated to provide each sitting director with a fair market value on the date of grant equal to approximately \$50,000. On June 5, 2014, the date on which he was elected to the Board, Mr. Flory received a grant of 1,336 shares of restricted Class C Non-Voting Common Stock under Farmer Mac's 2008 Omnibus Incentive Compensation Plan with a fair market value on the date of grant equal to approximately \$41,680. All of the shares of restricted stock granted to directors in 2014 vested on March 31, 2015, other than for J. Dan Raines, who retired from the Board on June 5, 2014, and on that day, 265 of the 1,75 shares of Class C Non-Voting Common Stock granted to him in April 2014 vested.

The following table sets forth the compensation awarded during 2014 to each person who served on the Board during 2014:

Name	Fees Earned or Paid in Cash ¹	Restricted Stock Awards ²	All Other Compensation ³	Total
Dennis Brack	\$60,850	\$50,003	\$1,010	\$111,863
Chester Culver	47,800	50,003	1,010	98,813
Richard Davidson	54,750	50,003	—	104,753
James Engebretsen	50,200	50,003	1,010	101,213
Dennis Everson	46,600	50,003	1,010	97,613
Sara Faivre-Davis	51,400	50,003	1,010	102,413
Douglas Flory	22,071	41,683	—	63,754
Thomas Hill	39,400	50,003	1,010	90,413
Mitchell Johnson	45,400	50,003	1,010	96,413
Lowell Junkins	73,600	50,003	1,010	124,613
Clark Maxwell	50,200	50,003	1,010	101,213
James McElroy	51,400	50,003	—	101,403
J. Dan Raines ⁴	27,066	50,003	1,010	78,079
Bruce Sherrick	50,200	50,003	1,010	101,213
Myles Watts	55,000	50,003	1,010	106,013
Douglas Wilhelm	39,400	50,003	1,010	90,413

¹ Includes amounts that the following directors voluntarily used to purchase, at market value, newly issued Class C Non-Voting Common Stock in lieu of receiving some or all of their retainers in cash: Mr. Culver (\$4,335), Mr. Everson (\$1,114), Mr. Junkins (\$4,970), Mr. Raines (\$5,972), and Dr. Sherrick (\$3,484). These shares of Class C Non-Voting Common Stock were issued during 2014 based on the closing price of the Class C Non-Voting Common stock, as reported by the NYSE, on the last business day of each quarter from December 31, 2013 to September 30, 2014.

² The grant date fair value of each share of restricted stock awarded on April 2, 2014 to all members, other than Mr. Flory, was \$33.90, which was the closing price of the Class C Non-Voting Common Stock on that date, as reported by the NYSE. The grant date fair value of each share of restricted stock awarded to Mr. Flory on June 5, 2014 was \$31.20, which was the closing price of the Class C Non-Voting Common Stock on that date, as reported by the NYSE.

³ The "Other Compensation" received by each director during 2014 consists of the payment in lieu of dividends on the grant of restricted stock that vested on March 31, 2014 and was granted during 2013. Messrs. Davidson and McElroy immediately assigned all equity compensation granted by Farmer Mac in 2013 (2,020 shares of restricted Class C Non-Voting Common Stock each) to AgriBank, FCB, an institution of the Farm Credit System, on whose board of directors they both served at the time, and therefore, AgriBank, FCB received the payment in lieu of dividends on that grant of restricted stock for each of Messrs. Davidson and McElroy. Mr. Flory was not on the Board in 2013 so did not receive a grant of restricted stock that year.

⁴ Mr. Raines retired from the Board on June 5, 2014. On that date, 265 shares of the 1,475 shares of restricted Class C Non-Voting Common Stock granted to Mr. Raines on April 2, 2014 vested for Mr. Raines' service on the Board from the grant date to and including June 5, 2014. The remaining 1,210 shares of restricted Class C Non-Voting Common Stock granted to Mr. Raines on April 2, 2014 were forfeited and cancelled on June 5, 2014.

STOCK OWNERSHIP OF DIRECTORS, NAMED EXECUTIVE OFFICERS,
AND CERTAIN BENEFICIAL OWNERS

Directors and Named Executive Officers

As of April 15, 2015, the sitting members of the Board of Directors (all of whom are nominees for election as directors) and named executive officers of Farmer Mac listed in the table below might be deemed to be "beneficial owners" of the indicated number of equity securities of Farmer Mac, as defined by the rules of the SEC. Farmer Mac's Voting Common Stock may be held only by banks, insurance companies, and financial institutions and Farm Credit System institutions, and may not be held by individuals. Accordingly, no director or executive officer owns, directly or indirectly, any shares of any class of Voting Common Stock. Furthermore, Appointed Members may not be officers or directors of financial institutions or Farm Credit System institutions and may not be beneficial owners (through affiliation) of Voting Common Stock. There are no ownership restrictions on the Class C Non-Voting Common Stock. For information about the beneficial owners of 5% or more of the Voting Common Stock, see "—Principal Holders of Voting Common Stock."

	Voting Common Stock		Non-Voting Common Stock ^{1,2}	
	Class A or Class B	Percent of Class	Class C	Percent of Class
Timothy L. Buzby	—	—	216,525	2.29%
R. Dale Lynch	—	—	10,860	*
Stephen P. Mullery	—	—	34,114	*
Tom D. Stenson	—	—	192,754	2.04%
Dennis L. Brack	—	—	9,829	*
Chester J. Culver	—	—	4,785	*
Richard H. Davidson	—	—	5,671	*
James R. Engebretsen	—	—	6,640	*
Dennis A. Everson	—	—	1,975	*
Sara L. Faivre-Davis	—	—	6,053	*
Douglas L. Flory	—	—	1,336	*
Thomas W. Hill	—	—	2,580	*
Mitchell A. Johnson	—	—	17,231	*
Lowell L. Junkins	—	—	11,500	*
Clark B. Maxwell	—	—	21,823	*
James B. McElroy	—	—	3,660	*
Bruce J. Sherrick	—	—	6,616	*
Myles J. Watts	—	—	10,660	*
Douglas E. Wilhelm	—	—	5,580	*
All directors and executive officers as a group (20 persons) ³	—	—	570,192	6.04%

* Less than 1%.

¹ Includes shares of Class C Non-Voting Common Stock that may be acquired within 60 days through the exercise of vested stock options as follows: Mr. Buzby, 70,380 shares; Mr. Mullery, 7,000 shares; and Mr. Stenson, 97,201 shares. Does not include shares of restricted stock previously granted but scheduled to vest after June 14, 2015.

² Includes shares of Class C Non-Voting Common Stock underlying SARs that may be acquired within 60 days through the exercise of vested SARs as follows: Mr. Buzby, 131,881 shares; Mr. Lynch, 8,596 shares; Mr. Mullery, 25,623 shares; and Mr. Stenson, 91,603 shares. Because each SAR represents the right to receive, upon exercise, an amount equal to the excess, if any, of the fair market value of a share of Farmer Mac's Class C Non-Voting Common Stock on the date of exercise over the grant price, the actual number of shares of Class C Non-Voting Common Stock that will be received by each person upon exercise of SARs cannot be determined at this time. Therefore, the number of shares of Class C Non-Voting Common Stock beneficially owned by each named executive officer reflected in the table above related to SARs may be higher than the number of shares of Class C Non-Voting Common Stock that each named executive officer will actually receive upon exercise of any vested SARs.

³ Group includes J. Curtis Covington, who is not a named executive officer and became an executive officer of Farmer Mac on January 26, 2015. Mr. Covington's holdings of shares of Class C Non-Voting Common Stock and SARs as of April 15, 2015 are not scheduled to vest until after June 14, 2015, and therefore are not included in this tabulation.

Principal Holders of Voting Common Stock

To Farmer Mac's knowledge, as of the date of this Proxy Statement, the following institutions are the beneficial owners of either 5% or more of the outstanding shares of Farmer Mac's Class A Voting Common Stock or Class B Voting Common Stock, and/or 5% or more of the total number of outstanding shares of Farmer Mac's Voting Common Stock (both Class A and Class B).

Name and Address	Number of Shares Beneficially Owned	Percent of Total Voting Shares Outstanding	Percent of Total Shares Held By Class
AgFirst Farm Credit Bank P.O Box 1499 Columbia, SC 29202	84,024 shares of Class B Voting Common Stock	5.49%	16.79%
AgriBank, FCB ¹ 30 E. 7th Street, Suite 1600 St. Paul, MN 55101	201,621 shares of Class B Voting Common Stock	13.17%	40.30%
CoBank, ACB ² 5500 S. Quebec Street Greenwood Village, CO 80111	163,253 shares of Class B Voting Common Stock	10.66%	32.63%
Farm Credit Bank of Texas ³ P.O. Box 202590 Austin, TX 78720-2590	38,503 shares of Class B Voting Common Stock	2.52%	7.70%
National Rural Utilities Cooperative Finance Corporation 20701 Cooperative Way Dulles, VA 20166	81,500 shares of Class A Voting Common Stock	5.32%	7.91%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	56,295 shares of Class A Voting Common Stock	3.53%	5.24%
Zions First National Bank One South Main Street Salt Lake City, UT 84133	322,100 shares of Class A Voting Common Stock	21.04%	31.25%

¹ Richard H. Davidson is a member of the board of directors of AgriBank, FCB, and is a current member of Farmer Mac's Board of Directors and a Class B Nominee. Mr. Davidson does not have beneficial ownership of shares held by AgriBank, FCB.

² Including its affiliate, CoBank, FCB. Douglas E. Wilhelm served as Chief Risk Officer for CoBank, ACB from 2001 until 2012, and currently is a party to a services agreement with CoBank, under which he serves as an employee of CoBank. Mr. Wilhelm is a current member of Farmer Mac's Board of Directors and a Class B Nominee. Mr. Wilhelm does not have beneficial ownership of shares held by CoBank, ACB or its affiliates.

³ Thomas W. Hill served until November 2010 as Senior Vice President, Chief Financial and Operations Officer of Farm Credit Bank of Texas (FCBT), and currently is a party to a services agreement with FCBT, under which he serves as an employee of FCBT. Mr. Hill is a current member of Farmer Mac's Board of Directors and a Class B Nominee. Mr. Hill does not have beneficial ownership of shares held by FCBT.

EXECUTIVE OFFICERS

The following table sets forth the names and ages of the current executive officers of Farmer Mac, the principal positions held by them with Farmer Mac, and, for all but Mr. Stenson, the officers' experience prior to joining Farmer Mac.

Name	Age	Farmer Mac Positions Held and Professional Experience
Timothy L. Buzby	46	President and Chief Executive Officer. Mr. Buzby was appointed Chief Executive Officer on October 3, 2012. Prior to October 2012, Mr. Buzby was Farmer Mac's Senior Vice President – Chief Financial Officer beginning April 2009 and Treasurer beginning October 2009. Prior to April 2009, Mr. Buzby was Vice President – Controller of Farmer Mac from June 2003 through April 2009 and Acting Treasurer from October 2008 through April 2009. Mr. Buzby graduated from James Madison University with a Bachelor of Business Administration in Accounting in 1991, earned his Certified Public Accountant license, and began his career as an auditor and financial services consultant with KPMG. After leaving KPMG in 1997, Mr. Buzby served as the Chief Financial Officer for two regional residential mortgage companies prior to joining Farmer Mac.
R. Dale Lynch	48	Executive Vice President – Chief Financial Officer and Treasurer. Mr. Lynch was appointed to serve as Chief Financial Officer and Treasurer on February 6, 2013. Mr. Lynch was promoted to Executive Vice President from Senior Vice President on February 3, 2015. Prior to his appointment as Farmer Mac's Chief Financial Officer, Mr. Lynch served as Vice President of Finance at U.S. Silica Holdings, Inc. from 2011 to 2012. Prior to that, he served as Executive Vice President of Finance of Allied Capital Corporation from 2004 to 2010. From 1989 to 2004, Mr. Lynch held various investment banking and analyst positions with Lehman Brothers, Deutsche Bank, and Merrill Lynch.
Tom D. Stenson	64	Executive Vice President and Chief Operating Officer. Mr. Stenson was appointed Chief Operating Officer on June 7, 2007. Prior to that time, Mr. Stenson was Vice President – Agricultural Finance of Farmer Mac from August 1997 until June 2007 and Director – Agricultural Finance of Farmer Mac from November 1996 until August 1997.
J. Curtis Covington	59	Senior Vice President – Agricultural Finance. Prior to becoming an executive officer of Farmer Mac on January 26, 2015, Mr. Covington served as the Managing Director for the Ag and Rural Banking division at Bank of the West, where he was responsible for managing the growth and performance of Bank of the West's regional agricultural loan portfolio. Prior to joining Bank of the West in 2006, Mr. Covington worked in various loan production and management roles in the Farm Credit System and as a credit administrator at Rabobank, N.A. Since 1984, Mr. Covington has served as an adjunct faculty member in the Department of Agricultural Economics and Craig School of Business at California State University. Mr. Covington earned a Bachelor of Science in Finance from the University of Southern California and a Masters in Agribusiness from Santa Clara University. Mr. Covington served as the past Chairman of the Agricultural & Rural Bankers Committee of the American Bankers Association and serves as the

the current Chairman of the Risk Management Association's Agriculture & Agribusiness Credit & Risk Management Round Table.

Stephen P. Mullery

48

Senior Vice President – General Counsel and Secretary. Mr. Mullery was appointed Senior Vice President – General Counsel and Secretary on June 8, 2012. Prior to that appointment, he served as Farmer Mac's Assistant General Counsel starting in 2000 and then Deputy General Counsel starting in 2009. Mr. Mullery was an associate in the Washington, D.C. office of the law firm Cadwalader, Wickersham & Taft from 1995 to 2000.

EXECUTIVE COMPENSATION GOVERNANCE

Introduction

The Compensation Committee of Farmer Mac's Board of Directors (the "Compensation Committee") determines the salaries, incentive compensation, and other compensation of Farmer Mac's directors and executive officers, subject to ratification by the Board of Directors in the case of compensation for directors. The members of the Compensation Committee who determined the 2014 compensation of Farmer Mac's directors and executive officers are Dr. Faivre-Davis and Messrs. Davidson, Everson, Johnson, Junkins, and Maxwell. Mr. Davidson has served as chairman of the Compensation Committee since June 7, 2012. No member of Farmer Mac's Compensation Committee is or has been an officer or employee of Farmer Mac. As described in more detail in "Corporate Governance Matters—Director Independence," the Board has affirmatively determined that all members of the Compensation Committee are "independent" under:

- Farmer Mac's Corporate Governance Guidelines, which prescribe independence criteria that meet or exceed all general standards for director independence under applicable SEC and NYSE rules; and
- the additional independence criteria prescribed by NYSE rules specifically for directors who serve on the Compensation Committee.

During 2014, the Compensation Committee reviewed and recommended approval of a revised Compensation Committee Charter, which was approved by the full Board on August 8, 2014. The complete text of the Compensation Committee Charter, which reflects standards set forth in SEC and NYSE rules, is available on Farmer Mac's website (www.farmermac.com) in the "Corporate Governance" portion of the "Investors" section. A print copy of the Compensation Committee Charter is available free of charge upon written request addressed to Farmer Mac's Secretary at 1999 K Street, N.W., Fourth Floor, Washington, D.C. 20006.

The Compensation Committee determines and approves the total levels of compensation of all named executive officers (either as a committee or together with the other independent directors on the Board for the CEO's compensation) after evaluating current market compensation levels for comparable positions and assessing each officer's performance during the previous calendar year, including, for all other named executive officers, through discussions with the Chief Executive Officer. Neither the Chief Executive Officer nor any other named executive officer is present during deliberations on his compensation by the Compensation Committee or the Board. The Compensation Committee recommends to the Board of Directors the total levels of compensation to be awarded to Farmer Mac's directors. The Compensation Committee does not delegate any of its authority to other persons.

The Compensation Committee engaged Pay Governance LLC ("Pay Governance") to serve as its independent compensation consultant for 2014. Pay Governance is accountable to and reports directly to the Compensation Committee. The Compensation Committee asked Pay Governance to provide market data on executive and director compensation and information regarding compensation trends. The Compensation Committee met with Pay Governance during 2014 both in general committee session and in executive session without management present. The chairman of the Compensation Committee also held discussions with Pay Governance with the consent of the other Compensation Committee members.

Overview of Farmer Mac's Executive Compensation Practices

Farmer Mac's executive compensation program is designed to be consistent with good governance practices and is based on our philosophy that:

- pay should be aligned with our business objectives, effective risk management, and stockholder interests; and

incentive compensation should be based on company and individual performance without encouraging undue risk-taking.

Under the oversight of our Compensation Committee from design to payout, our executive compensation program is based on a pay-for-performance approach (both short-term and long-term), as well as on executive retention. Our executive compensation program has the following key features consistent with sound governance:

• Our short- and long-term incentive compensation is based upon balanced frameworks of metrics that are aligned with our mission and support the safety and soundness of Farmer Mac.

• We do not provide any pension, excess retirement, or supplemental executive retirement plans ("SERPs") to our executive officers. Executive officers participate in our defined contribution retirement plans on the same terms available to all employees.

• We have an employment agreement with our CEO that is a fixed term contract.

• We provide conservative severance provisions, which are limited to two of our executives, and we do not provide any additional benefits under a change-in-control (no "golden parachutes").

We do not provide executive perquisites such as club memberships, company cars, or car allowances. The only perquisites provided to executive officers above and beyond benefits provided to all other employees are limited to paid parking and supplemental disability and life insurance, and, in limited circumstances, use of a corporate apartment during an executive officer's relocation process.

We award a significant amount of long-term incentive compensation in the form of rewards that are contingent on long-term performance through our grants of performance-based restricted stock units ("RSUs") and stock appreciation rights ("SARs").

• Incentive awards under our performance-based cash and equity plans are subject to caps and specific performance minimums.

Over the last two years, we shifted our long-term incentive compensation to a conservative, balanced mix of SARs, performance-based RSUs, and time-based RSUs, placing less emphasis on SARs in the mix of long-term incentive compensation.

• Our insider trading policy prohibits any director or employee from engaging in hedging and pledging activities in Farmer Mac securities.

• We evaluate our executive compensation program regularly to ensure that it does not create incentives for employees to take material risks.

Compensation Discussion and Analysis