

CHARTER AND DELEGATION STATEMENT

Audit and Review Committee MidAtlantic Farm Credit Board of Directors

Purpose

The Board of Directors (Board) of the MidAtlantic Farm Credit, ACA (Association) has created a committee of directors to be known as the Audit and Review Committee (Committee) to assist the Board in monitoring:

- the effectiveness of internal controls;
- the integrity of the financial statements;
- compliance with applicable laws and regulations;
- the quality of the audit effort of the association's internal audit function as well as the qualifications, independence, and performance of the Association's independent auditors; and
- results from the risk identification, assessment and prioritization.

Unless otherwise specified in the Committee's records, all discussions and actions are jointly by the Committee on behalf of the Boards of the MidAtlantic Farm Credit, ACA; the MidAtlantic Farm Credit, PCA; and the MidAtlantic Farm Credit, FLCA and apply equally to all three associations.

Membership and Qualifications

The Committee shall consist of a minimum of three members of the Board who are appointed by the Chairman of the Board. The Chairman shall designate the members of the Committee annually, and appointments will generally occur in conjunction with the Board's annual reorganization process, which follows the association's Annual Stockholders' Meetings and director elections. Directors who serve on the Committee must be independent of senior management and operating executives of the Association and free from any relationships, which might, in the opinion of the Board, be construed as a conflict of interest. The Chairman of the Board shall select one of the directors on the Committee to serve as its Chairman. The Committee shall elect one of the directors on the Committee to serve as its Vice Chairman. All appointments shall be made with the consent of the full Board of Directors.

Any director designated as a "financial expert" under FCA Regulation 611.210(a)(2) and Board Policy #128 shall serve on the Audit and Review Committee.

All Committee members should be knowledgeable in at least one of the following:

1. Public and corporate finance;
2. Financial reporting and disclosure; and/or
3. Accounting procedures.

Specific Responsibilities and Delegations

The Committee reports only to the full Board in fulfilling its duties. The Board of Directors further defines the responsibilities of the Audit and Review Committee, and delegates certain authorities to the Committee accordingly, as follows:

1. Conduct or authorize investigations into matters within its scope of responsibility. In the performance of this duty, the Committee is empowered to:
 - Retain outside counsel, auditors, accountants or others to advise the Committee or assist in the conduct of an investigation.
 - Seek any information it requires from Association employees or external parties.
 - Meet with Association management, independent auditors, accountants or outside counsel, as necessary.
2. The Committee Chairman is authorized to sign any certification statements for reports to shareholders as may be necessary.