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May 31, 2023

Notice of Change of Interest Rates based on USD LIBOR Payable with Respect to CoBank, ACB Series E Preferred Stock Outstanding After June 30, 2023

This notice relates to changes in the interest rate based upon US Dollar LIBOR ("LIBOR") in connection with CoBank, ACB ("CoBank") Preferred Stock Series E (the "Preferred Stock"). Calculations of amounts that reference LIBOR under the Preferred Stock will change due to the permanent cessation of LIBOR on June 30, 2023 (the "Permanent Cessation Date"). You should consult with your own legal, financial and tax advisors with respect to the impact of the cessation of LIBOR and its upcoming replacement on your institution's operations and cash flows, and on the value of its financial instruments. Your institution should also consider the tax, accounting and regulatory implications of this change.

On March 5, 2021, the Financial Conduct Authority, the United Kingdom regulatory supervisor of the administrator of LIBOR, announced in a public statement the future cessation of overnight and 1-, 3-, 6-, and 12-month tenors of LIBOR published by the ICE Benchmark Administration on the first London banking day after June 30, 2023. As a result of this announcement, references to 3-month LIBOR in the Preferred Stock will be replaced with 3-month CME Term SOFR and a spread of 0.26161% as discussed below on the Permanent Cessation Date by operation of law under the terms and conditions provided for by regulations promulgated by the Federal Reserve Board under the Adjustable Interest Rate Act (the "LIBOR Act"), Regulation ZZ.[1]

"CME Term SOFR" means the CME Term SOFR Reference Rates published for 1-, 3-, 6-, and 12-month tenors as administered by CME Group Benchmark Administration, Ltd. (or any successor administrator thereof). CME Term SOFR is a forward-looking term rate based on the Secured Overnight Financing Rate ("SOFR") administered by CME Group Benchmark Administration, Ltd. SOFR is based on a broad segment of the overnight repurchase market for direct obligations of the United States ("Treasuries") and is a measure of the cost of borrowing cash overnight collateralized by Treasuries. Due to differences between LIBOR (an unsecured rate with various tenors) and SOFR (a secured, overnight rate), it was necessary to develop and apply a tenor (term) and credit adjustment that has been adopted by the Federal Reserve Board in Regulation ZZ to minimize, to the extent possible, the economic impact of a transition from LIBOR to SOFR, including CME Term SOFR. As part of the transition from LIBOR to CME Term SOFR, a standard adjustment spread will be added that will vary based upon the

[1] Regulation ZZ is available at https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20221216a1.pdf, and the LIBOR Act is available at https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR2471SA-RCP-117-35.pdf

tenor of LIBOR being replaced. In the case of the Preferred Stock, the spread adjustment added to 3-month CME Term SOFR will be 0.26161% plus, according to the terms of the Preferred Stock, a margin equal to 1.18%.

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