



2021 Annual Meeting Information Statement



CAPE FEAR FARM CREDIT, ACA
2021 ANNUAL STOCKHOLDERS' MEETING INFORMATION STATEMENT

The health and well-being of our stockholders and employees is our highest priority. Due to concerns related to the coronavirus (COVID-19), the 2021 Annual Meeting of the Stockholders of Cape Fear Farm Credit, ACA will be held not only in-person, but also virtually by both telephone conference call and by video conference, at 1:00 pm (Eastern Time) on February 23, 2021. In order to protect the safety of our stockholders and employees, you participating in the Annual Meeting virtually is highly encouraged. Information on how to join the virtual meeting is indicated below.

The purpose of the Annual Meeting is to elect stockholder-elected directors and nominating committee members, review financial reports and transact any other necessary business. No elections of stockholder-elected directors or nominating committee members will be held during the annual meeting. The election of the nominating committee and stockholder-elected directors will be conducted by ballots mailed to eligible voting stockholders following the annual meeting.

DATE: February 23, 2021

TIME: 1:00 P.M. (Eastern Time)

PLACE: *In-Person Location:*
Cape Fear Farm Credit Administrative Office
333 E. Russell St.
Fayetteville, NC 28301

Virtual Meeting Information:

A Stockholder may elect to participate in the annual meeting either by telephone or by video conference as follows:

- (i) To participate in the annual meeting by **telephone**, stockholders of the Association should dial in using the conference call information below:

Call-in number (not toll free): 1-646-558-8656

Access Code: 939 0986 2466

- (ii) To participate in the annual meeting by **video conference**, stockholders of the Association should connect over the Internet using the information below:

<https://zoom.us/j/93909862466?pwd=WXBBDTndrVkJvOE1rRXpFQzFFQjdMUT09> [zoom.us]

Meeting ID: 939 0986 2466

Passcode: CFFC2021

VOTING STOCKHOLDERS

The Board of Directors of the Association (“Board”) has established the close of business on October 31, 2020 as the record date for voting purposes. As of that date, there were 2,377 voting stockholders who are eligible to vote by mail ballot following the 2021 Annual Stockholders’ Meeting.

Pursuant to the Association’s bylaws, each voting stockholder shall be entitled to one vote regardless of the number of single or joint loans such voting stockholder may have with the Association. In the case of joint loans, the vote may be cast by only one of the joint holders designated and duly authorized by the other joint holder(s) in a writing filed with the Association. The vote of a voting stockholder that is a legal entity may be cast by an individual equity owner or officer of the entity, designated and duly authorized in a writing filed with the Association in accordance with the bylaws of the Association. In no event may an individual vote more than once.

The bylaws of the Association implement the following three Nominating Regions for the election of Stockholder-Elected Directors and members of the nominating committee to ensure that representation is distributed throughout the Association’s 12-county chartered territory:

| Nominating Region | Counties of North Carolina | Number of Voting Stockholders Entitled to Vote in the Nominating Region as of the October 31, 2020 Record Date |
|--------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| One | Duplin, Pender, Bladen, Brunswick, and New Hanover Counties | 744 |
| Two | Sampson and Harnett Counties | 861 |
| Three | Cumberland, Columbus, Scotland, Robeson and Hoke Counties | 772 |

A voting stockholder who neither resides nor has its farm operations headquartered in the Association’s chartered territory shall be treated as residing in Nominating Region Two but is not eligible to serve as a Stockholder-Elected Director or member of the nominating committee. Each voting stockholder, regardless of the location of the residence of the voting stockholder, is entitled to vote for each director and nominating committee position.

The mail ballots will be tabulated by an independent third party, Survey and Ballot Systems, who will be responsible for validating ballots and tabulating the voting results in accordance with FCA regulations and the Association’s bylaws.

NOMINATING COMMITTEE

By mail ballot following the 2021 Annual Stockholders’ Meeting, the voting stockholders of the Association shall elect a nominating committee composed of eight (8) stockholders who own or jointly own Class C Common Stock of the Association or individuals designated in accordance with the bylaws of the Association to vote the Class C Common Stock held by a voting stockholder. Of the eight (8) members of the nominating committee, six (6) of the nominating committee seats are designated as Region Seats, and two (2) nominating committee seats are designated as At-Large Seats. Each candidate for a Region Seat must be a resident of, or have the candidate’s farm operations headquartered in, the Nominating Region corresponding to such seat. Each candidate for an At-Large Seat must be a resident of, or have the candidate’s farm operations headquartered in, Nominating Region One, Two or Three.

An individual is deemed to reside where the individual maintains his or her primary residence. A stockholder who owns or jointly owns Class C Common Stock is deemed to reside where the individual designated to vote the Class C Common Stock of the stockholder in accordance with the Association’s bylaws maintains his or her primary residence. The farm operations of a nominating committee member or candidate are deemed headquartered at the mailing address of record on file with the Association. An individual designated in accordance with the bylaws to vote the Class C Common Stock held by a voting stockholder may serve as a member of the nominating committee of the Association so long as that individual meets all of the other requirements for serving on the nominating committee of the Association.

Through a mail ballot process, the two candidates receiving the greatest number of votes for each Nominating Region shall be declared elected for a one-year term as Region Seat members of the 2022 Nominating Committee. In addition, the two candidates receiving the greatest number of votes for the At-Large Seats shall be declared elected for a one-year term as At-Large Seat members of the 2022 Nominating Committee. Each voting stockholder, regardless of the residence of the voting stockholder, is entitled to vote for each nominating committee seat.

Nominees for the 2022 Nominating Committee have been selected by the 2021 Nominating Committee. See [Exhibit B](#) for a list of the 2021 Nominating Committee Members. The nominees for election to the 2022 Nominating Committee are:

| Nominating Region | Name | City of Residence or Business Headquarters |
|-------------------|-----------------------------|--------------------------------------------|
| One | Christopher Shane Harrelson | Clarkton, NC |
| One | Michael E. Inman | Tar Heel, NC |
| One | George W. Mote Jr. | Harrells, NC |
| Two | Dan Curtis Honeycutt Jr. | Coats, NC |
| Two | Alan J. Parker | Clinton, NC |
| Two | Krystal M. Tyndall | Autryville, NC |
| Three | Lacy L. Cummings | Pembroke, NC |
| Three | Michael W. Herndon | Parkton, NC |
| Three | Erik P. Miller | Waxhaw, NC |
| At-Large | Ruby W. Bullard | Fayetteville, NC |
| At-Large | Randy A. Joyner | Godwin, NC |

Additional nominations for the 2022 Nominating Committee may be made from the floor at the 2021 Annual Meeting of Stockholders. Each nomination from the floor must be an eligible and qualified candidate who complies with the Nominating Region requirements to which the nominating committee seat is assigned. Floor nominations for the Region Seats will be conducted on a region-by-region basis. At the conclusion of the floor nominations for all the Region Seats, floor nominations for the At-Large Seats will be conducted. Each nominee must be a stockholder that owns or jointly owns the Class C Common Stock or an individual designated in accordance with the bylaws to vote the Class C Common Stock held by a voting stockholder. Nominators must be voting stockholders or individuals designated in accordance with the bylaws to vote the Class C Common Stock held by a voting stockholder.

The floor nominee must be present either in-person or virtually during the 2021 Annual Meeting of Stockholders to state whether he or she accepts the nomination. Nominations from the floor do not require a “second” before being placed on a ballot, although the chairman conducting the meeting, in his sole discretion, may permit voting stockholders to second a nomination to show support. Upon receiving a floor nomination, the Annual Meeting process will be stopped until initial eligibility is determined. After initial eligibility is determined, the meeting will proceed. Subsequent due diligence will be performed to determine if the nominee meets all the eligibility requirements imposed by the FCA regulations and the Association’s bylaws and policies. Floor nominees meeting all eligibility requirements will be placed on the ballot mailed to the voting stockholders after the conclusion of the meeting.

Each member of the nominating committee may serve no more than one consecutive term and can only serve once every five years. The bylaws of the Association also provide that no person shall be nominated, elected or appointed, or allowed to continue to serve as a member of the nominating committee of the Association, if that person is the spouse, parent, sibling, natural or adopted child, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law of a: (i) director of the Association, (ii) nominee for election to the Board, (iii) member of the nominating committee of the Association, (iv) nominee for election to the nominating committee of the Association, or (v) salaried officer of the Association.

STOCKHOLDER-DIRECTOR ELECTIONS TO OCCUR IN 2021

The Board consists of twelve directors, of which nine directors are Stockholder-Elected Directors, and three directors are appointed by the Board (“Outside Directors”). Of the nine Stockholder-Elected Director positions, six positions are designated as Region Seats, and three Stockholder-Elected Director positions are designated as At-Large Seats. In order to stand for election to a Stockholder-Elected Director position, the candidate must be a resident of, or have the candidate’s farm operations headquartered in, the Nominating Region corresponding to such seat. An individual is deemed to reside where the individual maintains his or her primary residence. A stockholder who owns or jointly owns Class C Common Stock is deemed to reside where the individual designated to vote the Class C Common Stock of the voting stockholder in accordance with the Association’s bylaws maintains his or her primary residence. The farm operations of a stockholder or candidate is deemed headquartered at the mailing address of record on file with the Association.

The Stockholder-Elected Director seats are listed below.

| <u>Stockholder-elected Director Seat</u> | <u>Type of Seat</u> | <u>Nominating Regions</u> | <u>Number of Voting Stockholders Entitled to Vote in the Nominating Region as of the October 31, 2020 Record Date</u> |
|------------------------------------------|---------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| | | Region One – Duplin, Pender, Bladen, Brunswick, New Hanover Counties | |
| | | Region Two – Sampson, Harnett Counties | |
| | | Region Three – Cumberland, Columbus, Scotland, Robeson, Hoke Counties | |
| 1 | Region Seat | One | 744 |
| 2 | Region Seat | One | 744 |
| 3 | Region Seat | Two | 861 |
| 4 | Region Seat | Two | 861 |
| 5 | Region Seat | Three | 772 |
| 6 | Region Seat | Three | 772 |
| 7 | At-Large Seat | One, Two, or Three | |
| 8 | At-Large Seat | One, Two, or Three | |
| 9 | At-Large Seat | One, Two, or Three | |

By mail ballot following the 2021 Annual Stockholders’ Meeting, the voting stockholders of the Association shall elect individuals to serve as Stockholder-Elected Directors for the two Stockholder-Elected Director seats designated as Seats No. 3 and 4 described above.

The nominees for the two Stockholder-Elected Director seats selected by the 2021 Nominating Committee are identified in the attached Exhibit A. Additional nominations for the Stockholder-Elected Director seats may be made from the floor at the 2021 Annual Meeting of Stockholders. Each nomination from the floor must meet the same eligibility and qualification requirements as candidates nominated by the nominating committee. Each nominee must be a stockholder that is an owner or joint owner of the Class C Common Stock of the Association or an individual designated in accordance with the bylaws of the Association to vote the Class C Common Stock held by a voting stockholder. Each nominator must be a voting stockholder or an individual designated in accordance with the bylaws to vote the Class C Common Stock held by a voting stockholder.

The floor nominee must be present either in-person or virtually during the 2021 Annual Meeting of Stockholders to state whether he or she accepts the nomination. Nominations from the floor do not require a “second” before being placed on a ballot, although the chairman conducting the meeting, in his sole discretion, may permit voting stockholders to second a nomination to show support. Upon receiving a floor nomination, the Annual Meeting process will be stopped until initial eligibility is determined. After initial eligibility is determined, the meeting will proceed. Subsequent due diligence will be performed to determine if the nominee meets all the eligibility requirements imposed by the FCA regulations and the Association’s bylaws and policies.

Any voting stockholder desiring to be nominated as a candidate for director from the floor shall be responsible for providing to the Association such nominee’s biographical and disclosure information no later than three (3) business days after the nomination. In the event a nominee’s biographical and disclosure information is not received in proper form by the Association before the expiration of such three (3) business day period, the nominee shall be removed from the ballot. Floor nominees meeting all eligibility requirements will be placed on the ballot mailed to the voting stockholders after the conclusion of the meeting.

Each voting stockholder, regardless of the residence of the voting stockholder, is entitled to vote for a candidate for each director position. Through the mail ballot process, the candidate receiving the greatest number of votes for each director position shall be declared elected.

A stockholder who neither resides nor has its farm operations headquartered in the Association’s chartered territory is not eligible to serve as a Stockholder-Elected Director. The bylaws of the Association provide that no person shall be nominated, elected or appointed, or allowed to continue to serve as a Stockholder-Elected Director, if that person is the spouse, parent, sibling, natural or adopted child, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law of a: (i) director of the Association, (ii) nominee for election to the Board, (iii) member of the nominating committee of the Association, (iv) nominee for election to the nominating committee of the Association, or (v) salaried officer of the Association.

BOARD OF DIRECTORS CURRENTLY SERVING –

| Name | Stockholder-Elected Director Seat Number | Position | Type(s) of Agriculture | Age | Terms of Office | Period Served |
|----------------------------|------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------|-----|-----------------|----------------------|
| Jonathan (Jon) A. Pope | 4 | Chairman/ Stockholder-Elected Director | Poultry, tobacco, row crops, cattle, hay | 46 | 2017 to 2021 | 12 years |
| Nash Johnson | 3 | Vice Chairman/Stockholder-Elected Director | Swine, poultry, row crops | 63 | 2017 to 2021 | 4 years |
| Alton (Al) D. Bain | Outside Director | Outside Director | | 60 | 2017 to 2021 | 7 years |
| David R. Gooden | 2 | Stockholder-Elected Director | Row crops, hay, strawberries, cattle, timber, swine, poultry, sweet corn | 71 | 2018 to 2022 | 6 years ¹ |
| Anthony T. Grant | Outside Director | Outside Director | | 62 | 2019 to 2023 | 8 years |
| Gary A. Hendrix | 6 | Stockholder-Elected Director | Cotton, row crops, swine, timber | 60 | 2018 to 2022 | 14 years |
| Dean Hilton | 9 | Stockholder-Elected Director | Swine, poultry | 42 | 2019 to 2023 | 2 years |
| Adrian B. Locklear | 5 | Stockholder-Elected Director | Row crops, corn, soybeans, wheat | 41 | 2020 to 2024 | 5 years |
| Paul M. Maguire | 7 | Stockholder-Elected Director | Cattle, poultry, hay, timber | 66 | 2018 to 2022 | 7 years |
| T. Morris Murphy | 1 | Stockholder-Elected Director | Row crops, swine, poultry, sweet potatoes, cucumbers | 60 | 2020 to 2024 | 5 years |
| Gary L. Rouse ² | Outside Director | Outside Director | | 67 | 2017 to 2021 | 7 years |
| Michael T. (Bo) Stone | 8 | Stockholder-Elected Director | Row crops, swine, cattle, strawberries, sweet corn | 49 | 2019 to 2023 | 5 years ³ |

No incumbent directors attended less than 75% of total Board meetings and/or any committee meetings on which he or she served during the fiscal year. No director resigned or declined to stand for re-election since the Association's last Annual Meeting because of policy disagreements with the Board of Directors.

DISCLOSURE INFORMATION

The 2019 Annual Report for Cape Fear Farm Credit, as published and sent to each stockholder, is incorporated herein by reference. The 2019 Annual Report was also made available on www.capefearfarmcredit.com. Annually the Association publishes its annual report on its website when it sends the annual report electronically to the FCA. Stockholders should review the information contained in the report. You may also request a copy by contacting Cape Fear Farm Credit at 333 E. Russell Street, Fayetteville, N.C. 28301 or calling 910-323-9188.

This 2021 Annual Meeting Information Statement was mailed to all voting stockholders on or about February 4, 2021, and was posted on www.capefearfarmcredit.com simultaneous with its mailing. It will be available on Cape Fear Farm Credit's website for not less than thirty days. Copies of the 2021 Annual Meeting Information Statement are also available for inspection at all offices of Cape Fear Farm Credit.

There are no other business matters to be discussed at the meeting except listed herein upon which a stockholder vote is required.

¹Mr. Gooden also served as a director of the Association from 2005 to 2008.

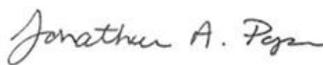
²Designated financial expert and serves on the Audit Committee.

³Mr. Stone also served as a director of the Association from 2007 to 2013.

During the preceding year, the Association had loans outstanding to its senior officers and directors, their immediate family members, or organizations with which such senior officers or directors are affiliated. All such loans were made in the ordinary course of business and were made on the same terms, including interest rate, amortization schedule, and collateral, as those prevailing at the time for comparable transactions with other persons. No such loans involved more than the normal risk of collectability.

CERTIFICATION

The undersigned certify that we have reviewed the 2021 Annual Meeting Information Statement and that the report has been prepared in accordance with all applicable statutory and regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Jonathan Pope
Chairman



Evan Kleinhans
Chief Executive Officer



Charles Hester
Chief Financial Officer

[February 4, 2021]

EXHIBIT A: NOMINEES FOR STOCKHOLDER-ELECTED DIRECTOR POSITIONS

**Director Seat # 3 – Term Expiring in 2025
REGION TWO SEAT – Harnett and Sampson Counties**

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SEAT # 3, NOMINEE 1 | |
| Name: Nash Johnson II Primary Business Address: P.O. Box 25, Clinton, NC 28329 Home Address: P.O. Box 25, Clinton, NC 28329 | |
| Age: | 63 |
| County: | Sampson, 39 years |
| Business and Employment Experience: | Full-time farmer, 40 years |
| Farm Credit Experience: | Member, 32 years; Cape Fear Farm Credit Director, 4 years |
| Type(s) of Agriculture: | Swine, Poultry, Timber, Row Crops |
| Other Business Interests and Other Boards on Which the Nominee Serves: | Deca J. Farms, Inc. (president, agriculture); Ten J's, LLC (member-manager, real estate); NLJ Ventures, LLC (member-manager, automotive repair); (North Shore Holding, LLC (member-manager, real estate); Clinton-Sampson Airport Authority (advisory committee member, aviation) |
| Other Organizations: | Immaculate Conception Church (member, parish council) |

Cape Fear Farm Credit has loans outstanding to members of the nominee's family or organizations with which he is affiliated. The family members are the nominee's spouse.

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SEAT # 3, NOMINEE 2 | |
| Name: Jeffery J. Warren Primary Business Address: 1366 Bass Lake Road, Roseboro, NC 28382 Home Address: 2353 Mount Elam Church Road, Roseboro, NC 28382 | |
| Age: | 53 |
| County: | Sampson, lifetime |
| Business and Employment Experience: | Farmer, 35 years; Vostermans Ventilation, Inc., General Manager USA |
| Farm Credit Experience: | Member, 29 years |
| Type(s) of Agriculture: | Swine |
| Other Business Interests and Other Boards on Which the Nominee Serves: | ADJ Farms, Inc. (partner, agriculture); Sampson County Friends of Agriculture (member, agriculture); Advisory Council Select Bank and Trust (member, finance); NC Pork Council (member, agriculture); NC Farm Families (member, ag advocacy) |
| Other Organizations: | |

Cape Fear Farm Credit has loans outstanding to members of the nominee's family or organizations with which he is affiliated. The nominee has loans with business partners.

**Director Seat # 4 –Term Expiring in 2025
REGION TWO SEAT – Harnett and Sampson Counties**

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| SEAT # 4, NOMINEE 1 | |
| Name: Jennifer B. Daniels Primary Business Address: 1220 Howard Rd, Autryville, NC 28318 Home Address: 1310 Howard Rd, Autryville, NC 28318 | |
| Age: | 50 |
| County: | Sampson, 45 years |
| Business and Employment Experience: | Full-time farmer, 6 years |
| Farm Credit Experience: | Member, 22 years; Cape Fear Farm Credit Harnett County Advisory Board (member, agriculture lender) |
| Type(s) of Agriculture: | Swine, Poultry, Sweet Potatoes, Tobacco, Row Crops, NC Sweet Potato Certified Seed Grower |
| Other Business Interests and Other Boards on Which the Nominee Serves: | NC Pork Council Board (member, agriculture); Tobacco Trust Fund Commission (member, agriculture) |
| Other Organizations: | Union Grove Baptist Church, choir director, Sunday School Teacher, member, outreach project leader; 2018 Tobacco Leader Program award recipient |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| SEAT # 4, NOMINEE 2 | |
| Name: Jon T. Locklear Primary Business Address: 1231 Indian Town Rd, Clinton, NC 28328 Home Address: 1231 Indian Town Rd, Clinton, NC 28328 | |
| Age: | 43 |
| County: | Sampson, 8 years |
| Business and Employment Experience: | Farmer, 5 years; HealthKeeperz, Vice President of Business Development, 13 years |
| Farm Credit Experience: | Member, 2 years |
| Type(s) of Agriculture: | Poultry, Row Crops, Cattle |
| Other Business Interests and Other Boards on Which the Nominee Serves: | J & B Farms, LLC (partner, agriculture) |
| Other Organizations: | Clinton Family Worship Center, Associate Pastor |

Cape Fear Farm Credit has loans outstanding to members of the nominee's family or organizations with which she is affiliated. The family members are the nominee's spouse, father-in-law, and mother-in-law.

Cape Fear Farm Credit has loans outstanding to members of the nominee's family or organizations with which he is affiliated. The family members are the nominee's spouse.

EXHIBIT B: 2021 NOMINATING COMMITTEE

| Region | Name | City of Residence or Business Headquarters |
|---------------|-----------------------------|---------------------------------------------------|
| One | Christopher Shane Harrelson | Clarkton, NC |
| One | Stewart Ryan Young | Clarkton, NC |
| Two | Charles Brad Pope | Dunn, NC |
| Two | Thomas G. Strickland, Jr. | Dunn, NC |
| Three | Alfred K. Leach, Jr. | Raeford, NC |
| Three | Samuel D. Walton | Lumberton, NC |
| At-Large | William W. Howell | Lumberton, NC |
| At-Large | Krystal M. Tyndall | Autryville, NC |



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