



111:Developing a Code of Conduct for Your Corporation

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Faculty Biographies

J. Alberto Gonzalez-Pita

J. Alberto Gonzalez-Pita is the vice president-international, legal, regulatory and external affairs for BellSouth International. He is responsible for coordinating and providing all legal, regulatory, compliance and external affairs services for BellSouth International in Latin America, Europe, and Asia/Pacific.

Mr. Gonzalez-Pita was previously an executive partner in the international law firm of White & Case where he was chair of the firm's Global Privatization and Latin America Practice Groups. While in private practice, Gonzalez-Pita represented the Governments of Argentina, Panama, Venezuela, and Uruguay in a number of significant transactions, including privatizations of companies in the oil, gas, power, telecommunications, and steel industries. He also represented numerous private sector companies and financial institutions in a wide variety of domestic and international corporate, lending and securities transactions. He previously worked with the law firms of Walton, Lantaff, Schroeder & Carson, Patton & Kanner, and McDermott, Will and Emery in their Miami, Florida offices.

Mr. Gonzalez-Pita is the cochair of the Corporate Counsel Committee of the International Bar Association, and cochair of The Conference Board's Council of Senior International Attorneys. He also is a member of the Florida Bar Association, ABA, American Arbitration Association, and Maritime Law Association of the United States.

He received his Bachelor's from the University of Miami and his JD from Boston University School of Law.

Deborah M. House

Deborah M. House is vice president and deputy general counsel for corporate compliance at Fannie Mae. In this capacity she is responsible for the development, implementation, maintenance, and enforcement of a comprehensive program for managing the company's legal and regulatory compliance risk.

Prior to accepting her current position, Ms. House was responsible for the management of legal services for Fannie Mae's multifamily operations, a corporate operation that did \$23 billion in business in 2002. Fannie Mae is America's second largest corporation (by assets), a Fortune 500 shareholder-owned company, and the nation's largest source of financing for home mortgages. Ms. House has also held positions in the government and with private law firms.

Ms. House is a member of the board of ACCA's Washington (DC) Metropolitan Chapter and coordinates the pro bono activities for Fannie Mae's legal department.

She has a BS from the University of Illinois and a JD from the Washington College of Law of American University.

Robert M. Lindquist

Robert M. Lindquist is a senior director in the legal department of Ingram Micro Inc. responsible for, among other things, legal and ethical compliance for the company's worldwide operations. Ingram Micro is the largest wholesale provider of technology products and services in the world with in excess of \$22B revenue in 2002 and operations in North and South America, Europe, and the Asia Pacific region.

Previously Mr. Lindquist served as assistant group counsel for the systems integration group of TRW Inc. and before then he was a partner in the Los Angeles office of Pepper, Hamilton & Scheetz.

Mr. Lindquist served as chair of the antitrust section of the Los Angeles County Bar Association and the vice chair for publications of the State Bar of California Antitrust Section. He served as the president of ACCA's Southern California Chapter and on the ACCA national nominating committee. He also served on the executive committee of the corporate law department section of the Los Angeles County Bar Association.

Mr. Lindquist received a BA from Lawrence University in Appleton, Wisconsin and his JD from the University of Texas School of Law.



Fannie Mae is a company with strong values of responsibility, accountability, and integrity. We're also a company with strong performance. That is no coincidence. At the end of the day, our strong values support our success—in our mission, our business, and in our return to shareholders.

Although we make ethical decisions at Fannie Mae as individuals, we share a collective responsibility to do the right thing in all business matters. This shared duty is the cornerstone of Fannie Mae's outstanding reputation, and the foundation of our past and future success.

That's why our *Code of Business Conduct* is so important. It gives us guidelines for how to do business the right way. Please take the time to read it carefully, and commit to follow it every day.

Over a century ago, Henry David Thoreau said, "It is truly enough said that a corporation has no conscience. But a corporation of conscientious individuals is a corporation with a conscience." Our values are our most valuable asset. Our strong values as colleagues are what make Fannie Mae a company with strong values, and a strong value for our shareholders.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. D. Raines'.

Franklin D. Raines
Chairman and CEO, Fannie Mae

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- Obey the laws and regulations governing our business transactions
- Foster a safe, healthy, and productive workplace

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Key to the Code

The new format of our *Code of Business Conduct* is designed to make it easier for you to understand and apply the Code and its supplemental policies to your daily work activities. Now, Code standards are grouped together within easy-to-remember “Key Principles.” Under each principle, you’ll find information presented in four sections:

Overview: A summary of the Code standards.

Know the Code: The specific Code requirements that apply to the principle.

Code Breakers: Examples of behaviors that violate the Code. These examples are meant to provide you with guidance, and are not meant to be all-encompassing.

Supplemental Corporate Policies: Pointers to related corporate policies -- which reside, and are updated periodically, under the “Policies and Procedures” site on Fannie Mae’s intranet, HomeSite.

The Code reflects general principles to help you in making ethical business decisions and is not intended to address every specific situation. Whenever you have a question about the Code, you should ask your supervisor, or contact the Policy Clearinghouse by sending an e-mail to policy_clearinghouse@fanniemae.com.

According to the Code, certain situations require you to make a disclosure or seek written approval before you act. You can find our Code Disclosure, Consent, and Determination policy on HomeSite.

Some terms used in the Code have specific meanings. When one of these special terms appears for the first time in the text, we show it in ***bold italic*** typeface that links to its definition. The definitions of these terms are in the Appendix to the Code.

Key Principles of the *Code of Business Conduct*

Be accountable

Overview

Fannie Mae's *Code of Business Conduct* is a key component of our commitment to outstanding corporate governance, and a tool that helps you contribute to our corporate reputation and success. Under the Code, you commit to be accountable for maintaining the highest standards of ethics and professionalism in the workplace. Individually, you help us collectively do business responsibly.

Know the Code

- All **employees*** must be familiar with and follow the Code and our corporate policies, which supplement the Code. The Code and our policies are updated periodically, so be sure to review them regularly.
- People managers should demonstrate their commitment to the Code by: setting the example for other employees in their conduct; maintaining a workplace environment that encourages open communication about and compliance with the Code; and acting affirmatively to prevent prohibited conduct in which they **know*** an employee plans to engage.
- Except as described in Fannie Mae's Complaint Process policy for reporting certain types of conduct, employees must report any possible violations of the Code to any officer or to the Office of Corporate Justice, via its hotline, 1-877-CORPJUS (1-877-267-7587), or by e-mail, corporate_justice@fanniemae.com. Any officer who has or receives any information about a possible Code violation must report it promptly to the Office of Corporate Justice.
- Any employee who violates the Code or a corporate policy is subject to remedial and/or disciplinary action (up to and including termination of employment). In addition, some violations may result in referral for civil or criminal prosecution.
- If you retain **consultants*** or agents whom you expect to work at our offices for more than 90 days or earn more than \$100,000 in fees from us in a calendar year, you must ensure they have signed the Certification Form for New Consultants.

Code Breakers

- Violating any Code principle or corporate policy.
- Failing to report any possible Code violation.
- Retaliating against an employee because of any report that an employee makes under the Code.

* Please see Appendix-Glossary of Terms

- Not cooperating in an investigation of a possible Code violation.

Supplemental corporate policies:
OCJ Site, Policies and Procedures site

Uphold Fannie Mae's core commitment to diversity

Overview

Our greatest strength is our workforce that is rich in differences. We recognize and value every individual's unique skills and perspectives, a respect we extend to all our business relationships – with employees, contractors, vendors, and customers. As an employee, you are obligated to treat colleagues and customers with respect and to foster a workplace free of any type of discrimination or harassment.

Know the Code

- Foster a work environment where people feel comfortable and respected, regardless of individual differences, talents, or personal characteristics.
- Commit to non-discrimination and equal opportunity for all employees and applicants in all aspects of employment.
- Support diversity in all aspects of our business.

Code Breakers

- Making sexual advances toward or unwelcome physical contact with another individual in the workplace or at a work-related event.
- Making derogatory comments or e-mailing jokes, stories, or images based on sex, race, national origin, or other characteristics identified in Fannie Mae's EEO/Non-Discrimination and Prevention of Harassing Behavior policies.
- Asking a job applicant in an interview specific questions that do not relate to his or her ability to perform the job, such as questions about his or her age, marital status, and/or child-rearing responsibilities.

Supplemental corporate policies:

Law and Ethics -- Policies

Protect Fannie Mae's corporate assets

Overview

For Fannie Mae to maintain its competitive edge and success, every employee must be a careful steward of our corporate assets. We have a duty to protect our corporate assets from loss, damage, misuse, theft, and sabotage. You may not use Fannie Mae resources for personal activities (except as provided in our policies), private gain, or to compete with Fannie Mae. This means you must safeguard our physical assets, our "knowledge assets" (such as **confidential information*** and **intellectual property***), our technology, and our name and business reputation.

Fannie Mae owns, and you assign to Fannie Mae, all rights of any kind, and any associated intellectual property rights, that you may have in any work products and innovations that relate to Fannie Mae's business and are made or conceived by you, either alone or with others, during your employment with Fannie Mae.

Know the Code

- Protect appropriately the confidential and proprietary information you acquire while employed at Fannie Mae -- even after you no longer work here.
- Safeguard the confidential information and intellectual property owned by others.
- Protect the confidentiality, security, and integrity of personal information about individual borrowers obtained in our secondary market activities.
- Make all required disclosures and, at Fannie Mae's request, sign all necessary agreements to help the company obtain or enforce its rights in its work products and innovations. Refer to our Confidential Information, Proprietary Assets, and Intellectual Property policy for more information.
- Receive approval from the Senior Vice President of Communications before using Fannie Mae's name, logo, influence, or other assets (such as our trademarks, service marks, and copyrighted documents) in connection with any outside personal or business activity.
- Follow our Technology Use and other policies on using Fannie Mae technology resources (such as computers, e-mail, voice-mail, and Internet access). Remember that Fannie Mae reserves the right to access, monitor, copy, record, or disclose the use of any technology resource it provides you.
- Obey the law that prohibits Fannie Mae from making contributions to candidates in federal, state, or local elections. Although we encourage you to take an active role in the political process, you must do so on your own time, at your own expense, and on your own behalf.

* Please see Appendix - Glossary of Terms

Code Breakers

- Distributing any confidential or proprietary documents – such as information posted on HomeSite or sent via Fannie Mae e-mail – to a non-employee.
- Using someone else's user identification or password without his or her express permission.
- Communicating with any member of the media or committing to an advertisement on behalf of Fannie Mae without express permission from the Senior Vice President of Communications or the General Counsel.
- Taking any potential business opportunity for Fannie Mae for your personal benefit or the benefit of your family or friends.
- Using corporate resources to further your or anyone else's political campaign, or to support your own work in an appointed or elected office.

Supplemental corporate policies:

Protecting Our Corporate Assets – Policies

Technology – Policies

Be open and trustworthy in all financial reporting and public communications*Overview*

To maintain our superior financial performance, we all need to protect the integrity of Fannie Mae's financial transactions – both large and small. You must support our commitment to exemplary financial reporting by accurately reflecting all transactions in our books and records, and by cooperating fully with internal and external auditors. In addition, you must support the company's commitment to make disclosures to the public through various communications.

Know the Code

- Make sure all transactions are reflected promptly and accurately in our financial statements, books, or records.
- Never make false or fictitious statements or entries for any purpose in our financial statements, books, or records. Never establish an undisclosed or unrecorded asset or liability for any purpose.
- If you are a senior officer, make sure that the internal accounting, operational, and disclosure controls and procedures in your business area are in place, understood, and followed.
- If you are an employee responsible for the preparation of Fannie Mae's public communications (such as Securities and Exchange Commission filings and press releases), or an employee who provides information as part of that process, make sure that such communications comply with Fannie Mae's disclosure controls and procedures. These controls and procedures are designed to ensure full, fair, accurate, timely, and understandable disclosure in all public communications.
- If you are a people manager, make sure your employees' expense reports and time reports are promptly and accurately recorded.

Code Breakers

- Shredding documents requested by an auditor.
- Creating trading records that are misleading.
- Falsifying an expense report or any supporting information on or related to it.

Supplemental corporate policies:

- Financial Matters -- Policies

Avoid conflicts between Fannie Mae interests and personal interests

Overview

We recognize that employees have interests and responsibilities outside of work, but it's your obligation to avoid any actual or apparent conflict between Fannie Mae's business interests and your personal interests and to do what's best for Fannie Mae. As part of this commitment, you must avoid any appearance of favoritism that could result from giving or receiving gifts, entertainment, or anything of value outside of any Fannie Mae business transaction itself.

Know the Code

- Avoid circumstances that could impair your objectivity or weaken your ability to promote Fannie Mae's and our shareholders' best interests.
- Don't do anything that could give the appearance you have favorably treated certain outside organizations or individuals with whom we do business.
- Follow our Code Disclosure, Consent, and Determination policy and disclose any personal situation or transaction that may give rise to a conflict of interest, or the appearance of a conflict of interest.
- Never offer, give, solicit, or receive any form of bribe, inducement, or kickback -- which also may be a criminal act. You or agents acting on your behalf must never solicit a gift of any kind from anyone you know is doing business with Fannie Mae or seeking to do business with Fannie Mae.
- If you're an officer, neither you nor any **close relative*** may own any Freddie Mac equity securities or debt securities convertible into equity, except through an interest in a **mutual fund***. If you're a non-officer, you must disclose if you, your close relatives, or your **business associates*** own any of these securities, except through an interest in a mutual fund.

Code Breakers

- Owning a **financial interest*** in a company if you're in a position to make a recommendation, or are the decision-maker, with respect to Fannie Mae's relationship or transaction with that company.
- Not disclosing any financial interest or personal interest that you, your close relatives, or your business associates have in any Fannie Mae activities that you are in a position to control or influence.

* Please see Appendix – Glossary of Terms.

- Not disclosing any **material financial interest*** that you hold, or any close relative holds, in entities that you know are currently doing, or seeking to do, business with us.
- Accepting any **substantial gift*** from an individual or entity you know is doing, or seeking to do, business with us, unless you have our prior written consent to accept it.
- Giving any gift to someone interested in doing business with Fannie Mae, such as a potential customer, unless you have the consent of the officer who is authorized to approve the expense.
- Providing entertainment to someone interested in doing business with Fannie Mae, such as a potential vendor, unless you have the consent of the officer who is authorized to approve the expense, and the entertainment costs no more than what is considered reasonable, customary, and accepted business practice.
- Offering, promising, paying, or giving anything of value -- directly or indirectly -- either to a **government employee*** or **government official***, or to a foreign official, foreign political party, party official, or candidate, unless you have written approval from Fannie Mae's General Counsel.
- Not receiving Fannie Mae's written consent before you accept a position or begin to serve on the board of directors, or other managing body, of any not-for-profit corporation or organization engaged in any business area in which Fannie Mae is involved, or of any for-profit entity or venture.
- Not disclosing whether any of your close relatives is employed by, or provides any type of professional or other service to, Freddie Mac or any entity or individual you know is doing business with Fannie Mae or seeking to do business with Fannie Mae.
- Not disclosing any outside business or professional activities that you conduct in any business area in which Fannie Mae is involved.

Supplemental corporate policies:

All about Jobs – Policies

At Work – Policies

Attendance, Leave, and Time off – Policies

Technology - Policies

Protecting our Corporate Assets

* Please see Appendix – Glossary of Terms.

Obey the laws and regulations governing our business transactions

Overview

No matter what, Fannie Mae employees must obey the spirit and the letter of all laws and regulations in every area in which Fannie Mae does business. We seek to succeed through honest business competition, and expect employees to deal fairly with each other, as well as our customers, clients, service providers, suppliers, and competitors.

Employees must not use non-public or “inside” information to trade stock or other securities. You must also support our commitment to conduct our business with all government officials under the highest ethical standards. Violation of a law may result in civil and/or criminal penalties, including fines and/or imprisonment.

Know the Code

- Comply with fair lending, fair housing and consumer laws, which prohibit discrimination based on race, color, religion, national origin, sex, sexual orientation, age, marital status, physical or mental disability, familial status, and other factors. Contact the General Counsel if you have a question regarding whether any policy or practice violates federal, state, or local discrimination laws.
- Comply with the U.S. antitrust laws, which restrict practices that may reduce competition without providing beneficial effects to consumers. Refer to our Antitrust Compliance policy for more information.
- When dealing with nonpublic sources, observe the accepted standards of fair conduct and applicable laws when gathering information about competitors, suppliers, or customers. Never seek information that would violate antitrust laws, court orders, laws that protect proprietary data, laws that restrict access to information about government procurements, or confidential relationships between employers and employees.
- If you negotiate contracts, see that we comply with all applicable laws, regulations, and provisions of existing contracts, including those that relate to contract pricing and proposal preparation. Work to ensure that all statements, reimbursements, communications, and representations to those with whom we do business are truthful and accurate. Also see that all reimbursements sought under a contract are for costs properly allocated to that contract.
- Consult with the General Counsel before you hire or retain any current or former government employee whose duties were related in any way to our business; certain laws and regulations restrict the duties those individuals may perform for us as consultants or employees. Also consult with the General Counsel before you contact any federal procurement official, or acting or former employee of any of our regulators or of any government department or agency that has a contractual relationship with us, about future employment or about a business opportunity.
- Do not buy or sell any Fannie Mae stock or securities, or those of any other publicly traded company, while you possess any “material” non-public information related to

us or the associated issuer. ("Material" information is usually defined as any information that might influence a reasonable investor to buy, sell, or hold stock or other securities.) Officers or employees officially designated as "insiders" may only buy, sell, or transact in Fannie Mae equity securities during designated periods, unless they have special permission under our Securities Transactions Supervision Program. In addition, officers must report their ownership and dealings in Fannie Mae equity securities.

- Never disclose any material non-public information about Fannie Mae or other issuers to anyone outside Fannie Mae, except after you have consulted with the General Counsel and appropriate steps have been taken to prevent the misuse of the information. Only disclose material non-public information about Fannie Mae or other issuers to employees within Fannie Mae who need to know the information for business purposes, and do so only if you have no reason to believe that the information will be misused or improperly disclosed.
- Never provide tips or recommend the purchase or sale of Fannie Mae (or any other company's) securities to anyone when you are aware of material non-public information about the company.
- Understand the differences between Fannie Mae and the Fannie Mae Foundation. The Fannie Mae Foundation is a separate entity from Fannie Mae, although it is fully funded by Fannie Mae. Generally, Fannie Mae employees can assist the Foundation, as authorized by their supervisors. However, because of the Foundation's charitable non-profit status, it cannot take actions that benefit Fannie Mae. The Foundation cannot assist Fannie Mae or give Fannie Mae or its employees anything of value. When in doubt, contact the General Counsel.
- Immediately inform the General Counsel if you are contacted by a government investigator or official about a government inquiry or proceeding (except for routine tax audits or audits by our regulator or contracting agency); and do so before you agree to participate in an interview with an investigator.
- Comply with laws and company policy requiring that certain records and documents, both electronic and on paper, be retained for specific periods of time. Preserve, and do not alter or destroy, any record or document that might relate to any pending investigation, proceeding or lawsuit. If you are unsure about the need to keep particular records or documents, contact the General Counsel.

Code Breakers

- Buying or selling Fannie Mae stock after hearing about or seeing a draft of a forthcoming earnings release.
- Making false or misleading remarks about Fannie Mae, our competitors, suppliers, customers, or employees.

- Using tickets purchased by the Fannie Mae Foundation to take your staff to a charity benefit dinner.
- Destroying or altering any record or document in anticipation of a request for that record or document from a government investigator or official or a court.

Supplemental corporate policies:
Law and Ethics – Policies

Foster a safe, healthy, and productive workplace

Overview

Fannie Mae is committed to providing a safe, healthy, and productive workplace where employees flourish. That's why we design and maintain our facilities to protect our people and physical resources. And we conduct our business responsibly, minimizing its impact on the environment. We require our employees and contractors to know and comply with our many corporate policies to support our efforts related to environmental protection, health, and safety.

Know the Code

- Create and maintain a safe working environment. Observe all safety regulations, and exercise maximum care and good judgment.
- Take appropriate steps to prevent accidents from occurring and eliminate hazards likely to cause accidents. Should an accident occur, immediately report it to Health Services and/or the Security Control Office (or regional HR representative or Facilities Management representative).
- Follow Fannie Mae's Substance Abuse policy, which prohibits an employee from reporting to or remaining at work under the influence of alcohol or any illegal drug (including unauthorized use of prescription drugs).

Code Breakers

- Not evacuating the building during a fire drill.
- Drinking alcohol on-site or during work hours except at a company-approved business or social function as described in our Alcoholic Beverages policy.
- Possessing any kind of weapon on Fannie Mae premises.

Supplemental corporate policies:

At Work -- Policies

Key Conductors of the Code

Here are the people – including you – responsible for upholding the Code, and their specific roles.

Board of Directors

Our Board of Directors has adopted this *Code of Business Conduct* to set the standards for ethical conduct by our employees. Only the Board of Directors or a designated committee of the Board may grant a waiver of any provision of this Code involving Fannie Mae's Chief Executive Officer, Chief Financial Officer, or Controller or persons performing similar functions, or any Fannie Mae Executive Officer.

Business Conduct Committee

The Business Conduct Committee (BCC) monitors our adherence to the Code. Fannie Mae's Chief Operating Officer appoints the Committee and its Chair. Its current members are officers from Legal; Human Resources; the Office of the Controller; the Office of Auditing; Enterprise Systems and Operations; and the Office of Diversity, Health and Work Life. The BCC presents an annual report to the Audit Committee of the Board of Directors.

Auditors

Fannie Mae's internal audit staff pays close attention to the requirements of the Code during their auditing activities. In a confidential report to the BCC Chair, they describe any possible violations of the Code. They also review our Code-related policies and recommend any appropriate changes to our Chief Operating Officer.

If, in connection with the examination of our financial statements, Fannie Mae's independent outside auditors discover any possible violation of the Code, they will report their findings in writing to the BCC Chair for resolution.

Office of Corporate Justice

The Office of Corporate Justice receives, investigates and resolves reported violations of the Code or our corporate policies. Contact the Office of Corporate Justice via its hotline, 1-877-CORPJUS (1-877-267-7587); or by e-mail, corporate_justice@fanniemae.com.

Policy Clearinghouse

If you have questions about the Code or Fannie Mae's policies and procedures, please discuss them with your supervisor or contact the Policy Clearinghouse by sending an e-mail to policy_clearinghouse@fanniemae.com.

Fannie Mae Employees

Every year, we will require you to certify that you have complied with the Code during the past year, that you made all required disclosures, and that you do not know of any unreported violation of the Code.

Prospective new employees should review a copy of the Code on Fannie Mae's Internet site, www.fanniemae.com, and discuss questions with their Human Resources contact; they must agree to comply with the Code upon accepting an offer.

Appendix – Glossary of Terms

business associate of yours -- Any entity or individual with whom you have a business relationship outside of Fannie Mae, including but not limited to:

- any organization (other than Fannie Mae) of which you are an officer or partner or are, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities (a "10 percent beneficial owner") and any other partner, officer, or 10 percent beneficial owner of any such organization; and
- any trust or other estate in which you have a substantial beneficial interest (that is, more than a 10 percent beneficial interest in the trust's property or its income) or which you serve as a trustee or in a similar fiduciary capacity.

close relative -- Your spouse, domestic partner, any child under the age of 18, or any other relative who shares the same residence as you.

confidential information -- Information relating to our products, services, business, personnel, or commercial activities, including, but not restricted to, formulas, compilations, programs, devices, concepts, inventions (some of which may be patentable), designs, methods, techniques, marketing and commercial strategies, processes, data concepts, and know-how; and unique combinations of separate items that individually may or may not be confidential, which is information not generally known to the public and either derives economic value, actual or potential, from not being generally known, or has a character such that the party has a legitimate interest in maintaining its secrecy.

consultant -- An individual or business entity that provides services to us as an independent contractor; the employee retaining the contractor expects will work at our offices for more than 90 days in a calendar year or will earn more than \$100,000 in fees from us in a calendar year, except that the individual or entity will not be considered a consultant if the individual or entity is covered by a professional code or standard that prescribes ethical conduct. Consultants include any stockholder, other owner or employee of, or partner in, any such business entity who is significantly involved in helping the entity to provide services to Fannie Mae. Lawyers, real estate agents, and accountants, however, would not be considered consultants because their professional behavior is covered by professional codes of conduct. The Chair of the Business Conduct Committee, with the concurrence of the General Counsel, may make a determination that an individual or business entity is exempt from the provisions of the Code.

employee -- Any individual who is employed by Fannie Mae on a regular full-time or part-time basis, and any individual who is employed by Fannie Mae for a specified term or for specified temporary assignment(s).

financial interest -- An economic interest including an interest as an owner, partner, stockholder, or holder of debt.

government official or government employee -- People who act in an official capacity for or on behalf of the United States, any foreign state, or any state, local, or other governmental unit, including any agencies or instruments of any agency.

intellectual property -- Intangible or tangible property that can be protected under federal or state law, including copyrightable works, ideas, discoveries, inventions, and trade secrets. Such property would include novels, sound recordings, software, business methods, confidential customer or pricing information, a new type of mousetrap, or a cure for a disease.

know -- With respect to a Code violation, knowing about a violation or having information that would lead a reasonable person to believe that a violation has occurred or is likely to occur.

material financial interest -- A financial interest which, in the case of a publicly held corporation, constitutes more than 1 percent of the outstanding shares of stock of such corporation, or has a current market value more than \$50,000 and, in the case of any other organization, constitutes more than 10 percent of the interests in that organization or has a current market value in excess of \$50,000; provided, however, that a material financial interest does not include either:

- an interest in a common carrier or public utility, the rates or charges of which are fixed in conformity with law or governmental authority; or
- an interest in a company or other organization that is involved in transactions with us where the transactions are within standard purchasing or selling guidelines or are entered into solely on the basis of competitive bids and do not involve the potential for unfair or preferential treatment of the institution involved.

mutual fund -- Any widely held publicly traded pooling arrangement that is used for the purpose of diversification of investments that has no more than 20 percent of its investments in any single industry and no more than 10 percent of its assets in the mortgage banking industry, and in which you, your close relatives, and your business associates constitute less than 1 percent of the fund's assets, and do not individually or collectively, direct, or otherwise have a role in making, investment decisions of the fund.

substantial gift – This includes:

- any gift of more than \$100;
- entertainment that costs more than what is considered reasonable, customary, and accepted business practice;
- any loan made on preferential terms; or
- any other substantial favor.



Comparison of 2002/2003 Fannie Mae Code of Business Conduct

Overview:

- Rewrote the Code into a more user-friendly organization and streamlined, electronic format, and increased focus on legal/regulatory requirements
- Strengthened ties between Code and policies via electronic hotlinks and new/amended supporting policies
- Launched and conducted an automated annual certification process and used electronic signature for the first time since the Code's inception 10 years ago
- Enhanced employee understanding of the Code by executing a special financial interests certification process in mid-2002

	2002	2003 Enhancements
Administration	<ul style="list-style-type: none"> ▪ Split responsibilities among several departments 	<ul style="list-style-type: none"> ▪ Centralized administration of the Code and policies in one area
Annual Certification	<ul style="list-style-type: none"> ▪ Paper forms via interoffice mail ▪ Labor-intensive, manual process to distribute, collect, track, and follow up ▪ Paper archives 	<ul style="list-style-type: none"> ▪ Electronic signature via automated survey (first time) ▪ Sustained presence on employee intranet via prominent icon to related information ▪ Targeted, personalized e-mails to employees in addition to intranet communications ▪ Electronic database archives (first time), with ability to print out individual certifications and disclosures and aggregate data for reports



Comparison of 2002/2003 Fannie Mae Code of Business Conduct

	2002	2003 Enhancements
Communications/ Medium	<ul style="list-style-type: none"> ▪ Printed Code booklets for annual certification and new hires ▪ Supplemental electronic version posted on intranet ▪ Series of individual messages on intranet to explain the Code and provide examples 	<ul style="list-style-type: none"> ▪ Eliminated printed booklets (pdf document available upon request) ▪ Made available on-line to new hires and the public (first time) via fanniema.com ▪ Posted employee electronic version on intranet, with hotlinks to on-line supporting corporate policies ▪ Made easily and prominently accessible from Policies & Procedures website on intranet ▪ Improved ability to update in real time
Content	<ul style="list-style-type: none"> ▪ 54 pages ▪ Included supporting processes and detail 	<ul style="list-style-type: none"> ▪ Employed cross-divisional team (Legal, Office of Corporate Justice, Communications, Policy Clearinghouse) to streamline to 15 pages, move details into supporting policies, and incorporate real-life issues and examples ▪ Developed seven new and distinct supporting policies, and amended six existing policies ▪ Created new provisions or increased focus for Sarbannes-Oxley Act, audit accessibility, waiver process for certain senior officers, and making false statements/compliance with all laws



Comparison of 2002/2003 Fannie Mae Code of Business Conduct

	2002	2003 Enhancements
Organization	<ul style="list-style-type: none"> ▪ 10 major sections, with numerous sub-sections ▪ Continuity and organization could be improved to enhance ease of understanding 	<p>Introduced seven consistent, user-friendly sections called <i>Key Principles</i>. Under each is an:</p> <ul style="list-style-type: none"> ▪ <i>Overview</i> (a summary of the Code standards); ▪ <i>Know the Code</i> (specific requirements applying to that Key Principle); ▪ <i>Code Breakers</i> (real-life examples of behaviors that violate the Code); and ▪ <i>Supplemental Corporate Policies</i> (links to related and supporting policies). <p>Also included are <i>Key Conductors of the Code</i> (entities/people responsible for upholding the Code); and</p> <ul style="list-style-type: none"> ▪ a <i>Glossary of Terms</i>.
Security	<ul style="list-style-type: none"> ▪ No assurance that person completing and signing the form was the named employee 	<ul style="list-style-type: none"> ▪ Increased security via unique password for electronic survey combined with the employee's user ID and e-mail password ▪ Enhanced confidence that person completing certification was the named employee



New key to the *Code* Easier access to our standards of business conduct

What's News
January 30, 2003

Our commitment to do business the right way is nothing new, and for years has been reflected in Fannie Mae's *Code of Business Conduct*, through which employees commit to help Fannie Mae operate responsibly. To make the Code even more accessible and easier for employees to understand, this year, it has been reformatted in its first major overhaul since its rollout in 1993. The new edition features:

- An all-electronic format, which will be housed on HomeSite starting **Monday, Mar. 3**; and will link to all the related Fannie Mae policies and procedures. This will put all the Code-related information you need right at your fingertips, speeding your access to these important resources.
- A simplified organization, which groups the information in new ways to make it easier for you to understand your obligations under the Code. You'll find our Code standards broken into "Key Principles," with an overview summary of each. "Know the Code" gives you the specific requirements that apply to each of the Key Principles, and "Code Breakers" give you some examples of the types of behaviors you must avoid.

To get a preview of the new edition of the Code, click on the link below. This new version won't become effective, however, until **Monday, Mar. 3**. Later in March, you'll need to certify your compliance to the Code. Stay tuned to HomeSite for more information on that process. In the meantime, please contact our Policy Clearinghouse if you have questions, and someone will get back to you.

The new Code will appear on fanniemae.com, timed with the upcoming launch of our new corporate governance site. Once again, stay tuned to HomeSite for details, and be sure to check out the new site, which is yet another demonstration of our commitment to cutting-edge corporate governance and glass-like transparency.

Related link:

[Code of Business Conduct](#)



2003 Code certification nears end

Deadline is Friday, Apr. 11

What's News
April 10, 2003

The Code of Business Conduct certification process now is almost complete—this year, it's online! Check your mailbox for an e-mail from the Code of Business Conduct, sent on **Monday, Apr. 7**, for your password to complete the online form.

Your completion and submittal of the online form certifies that

- you have read and understand your obligations under the Code as published on HomeSite on Mar. 5, 2003, and
- your actions complied with the Code up to and including the date you complete and submit the new online form.

All employees annually must certify that they have read our Code of Business Conduct, complied with it during the previous year, and made all applicable disclosures. If you are unsure of whether to disclose a potential conflict of interest, discuss it with your manager.

Fannie Mae's outstanding reputation and the successful operation of our business depend on the conduct of our employees. To preserve our reputation and to promote a work environment based on responsibility, accountability, and integrity, our Board of Directors adopted standards of conduct to guide the actions of our employees and certain consultants. To ensure that we maintain our commitment to high ethical standards, and to support our commitment to superior corporate governance, all employees and covered consultants must follow the Code.

You must complete your certification by **Friday, Apr. 11**. For information on the Code or policies, contact the Policy Clearinghouse.

Related links:

[2003 Code certification form](#)

[2003 Code of Business Conduct](#)

[Related story: Read the 2003 Code, new and amended policies](#)

[Policies and Procedures site](#)

THE INGRAM MICRO CODE OF CONDUCT

Our Ingram Micro value of Integrity states: “We employ the highest ethical standards, demonstrating honesty and fairness in every action that we take.” Just as important is our value of Accountability: “We take responsibility for our performance in all of our decisions and actions.” Building upon these values and upon long-standing company policies of legal and ethical compliance, the following Code of Conduct reaffirms the company’s commitment to the highest standards of legal and ethical conduct.

DOES THIS CODE APPLY TO ME?

This Code of Conduct applies to everyone at Ingram Micro, in every region—all members of the Board of Directors, officers appointed by the Board of Directors and associates.

WHAT ARE THE POLICIES AND PRINCIPLES?

Central to this Code is the principle that members of the Board of Directors (“directors”), officers and associates are expected to conform to the highest standards of legal and ethical conduct, including compliance with all the laws and regulations of the countries in which the company does business.

Abiding by this principle means that directors, officers and associates must comply with specific company policies regarding legal and ethical conduct. Those policies, which may be amended or supplemented from time-to-time, can be found on the Policies and Procedures section of the company intranet site, <http://172.25.35.14/worldwidefinance.policiesandprocedures/>. Some of the key policies are summarized as follows:

- **Anti-Boycott Laws.** Ingram Micro complies with the U.S. Anti-Boycott Law and will not cooperate in any act that supports the boycott of Israel.
- **Antitrust and Competition Laws.** As part of its policy of fair and honest dealing with customers, suppliers and competitors, Ingram Micro complies with applicable antitrust or competition laws, including the prohibitions on fixing prices or margins with our competitors.
- **Conflicts of Interest.** Directors, officers and associates must avoid situations that they know, or should know, create actual or potential conflicts of interest and immediately disclose them to the company, following the procedures described in this Code. Furthermore, directors, officers and associates cannot use company property for personal gain nor take for themselves business opportunities that arise through the use of company property, information or position.
- **Export Laws.** Ingram Micro complies with the export control laws of the United States and all other countries in which it operates, including restrictions on transactions with parties on the Restricted Parties List and with certain designated countries.
- **Financial Disclosures.** Ingram Micro’s filings with the Securities and Exchange Commission as well as all other public communications about the financial condition of the company and the results of operations must represent full, fair, accurate, timely and understandable disclosure.
- **Foreign Corrupt Practices.** Directors, officers and associates cannot pay or offer to pay money or anything else of value to government officials, officials of public international organizations, political candidates or political parties for the purpose of obtaining or retaining business for Ingram Micro. Ingram Micro policy also prohibits the payment of bribes to commercial customers to obtain or retain their business.

- Guidelines in Gathering Competitive Intelligence. Competitive intelligence will be gathered in accordance with applicable antitrust and competition laws and with company values. Direct exchanges of competitive intelligence with our competitors are prohibited.
- Guidelines on Trading in Securities. Directors, officers and associates cannot trade in Ingram Micro securities based on material, inside information nor advise others to do so. Furthermore, they cannot trade in the securities of other companies, nor advise others to do so, based on material, inside information gained about those companies in the course of their duties for Ingram Micro.
- Protection of Proprietary Information. Directors, officers and associates must safeguard Ingram Micro proprietary information, and third-party proprietary information entrusted to Ingram Micro, from loss, theft, unauthorized modification and unauthorized disclosure.
- Receipt of Gifts and Gratuities. Directors, officers and associates can accept from present or prospective suppliers, or offer to our customers, only gifts, gratuities, entertainment or other courtesies that are not excessive and are consistent with reasonable standards in the business community. Gifts of cash or cash equivalents are never permitted.
- Records Retention. Directors, officers and associates must retain documents in accordance with any records retention schedule adopted by Ingram Micro for that country.
- Theft and Loss Prevention. Directors, officers and associates must protect Ingram Micro's assets against theft and loss and report any theft or loss to their supervisor, the security department or the human resources department.

WHAT ARE MY RESPONSIBILITIES?

All of us—directors, officers and associates—are responsible for complying with this Code and all company policies on legal and ethical conduct.

Just as important, all of us are responsible for immediately reporting any issue of legal and ethical compliance that we encounter, in accordance with the procedures discussed later in this Code. Do not hide problems, hoping that they might not be discovered—all issues must be brought to the light of day, immediately.

Also, all of us are responsible for raising questions about the Code and the policies, and seeking guidance, whether from a supervisor or, for example, the human resources department or the legal department. Ignorance is not an excuse for violating this Code.

The General Counsel has primary responsibility for enforcing the Code of Conduct and all company policies on legal and ethical conduct, as well as issuing guidance and explanatory materials, subject to supervision by the Audit Committee of the Board of Directors.

WHERE DO I REPORT VIOLATIONS, DISCLOSE ISSUES OR ASK QUESTIONS?

Associates suspecting violations of the Code of Conduct or company policies regarding legal and ethical conduct should immediately report them, and disclose any potential conflict of interest, to their supervisor, to the human resources department or to the General Counsel. Associates are encouraged, if they prefer anonymity in reporting violations, to utilize procedures developed for that purpose, a list of which can be found on the legal department's intranet site, <http://172.25.35.14/legal/default.htm>.

All **officers** suspecting violations of the Code of Conduct or company policies on legal and ethical conduct must immediately report them, and disclose any potential conflicts of interest, to the General Counsel. Furthermore, the Chief Executive Officer and the principal financial officers (meaning the Chief Financial Officer, the Corporate Controller and all other officers and associates so designated by the General Counsel) must immediately disclose to the General Counsel any material transaction that could reasonably be expected to give rise to a conflict of interest. The General Counsel must in turn notify the Audit Committee of any such disclosure. Conflicts of interest and other issues of legal and ethical compliance involving the General Counsel must be disclosed to the Audit Committee.

All **directors** suspecting violations of the Code of Conduct or company policies on legal and ethical conduct must immediately report them, and disclose any potential conflicts of interest, to the General Counsel, who shall in turn notify the Audit Committee.

Any associate with questions about the interpretation of this Code or its application to a particular situation is encouraged to contact the human resources or legal departments for further assistance; officers and directors should direct their questions to the General Counsel.

HOW CAN THIS CODE BE AMENDED OR WAIVED?

The Board of Directors must approve any amendments to this Code of Conduct. Any amendments affecting the Chief Executive Officer and the principal financial officers will be promptly disclosed to the company's shareowners. Company policies on legal and ethical compliance implementing this Code can be amended, or additional policies adopted, only in accordance with procedures established by the General Counsel.

The Board of Directors must approve any waiver of the Code of Conduct or company policies on legal and ethical conduct for directors and officers. Any waiver affecting the Chief Executive Officer or the principal financial officers will be promptly disclosed to the company's shareowners. The General Counsel must approve any waiver of the Code of Conduct or company policies on legal and ethical conduct for associates and report any such waiver to the Audit Committee at its next meeting.

Norne Corp.

Ethics Are Our Only Product

Codes of Conduct and SOX

- **Does Sarbanes-Oxley require a code of conduct?**
- **Does such a code apply to everyone?**

Sox-Continued

- **These codes must provide for:**
 - **Honest and ethical conduct**
 - **Full, fair, accurate, understandable and timely disclosures**
 - **Compliance with laws and regulations**
 - **Prompt internal reporting of violations**
 - **Accountability for violations**
- **Changes to code must be disclosed**

NYSE Proposal

- **Does the NYSE require companies to adopt codes of conduct?**

NYSE (cont.)

- **Codes must address:**
 - **Conflicts of interest**
 - **Use of corporate property for personal gain**
 - **Confidentiality**
 - **Fair dealing, with**
 - ♦ **Customers**
 - ♦ **Suppliers**
 - ♦ **Competitors**
 - ♦ **Employees**
 - **Protection of assets**
 - **Compliance with laws (in particular, insider trading)**

NYSE (Cont.)

- **What about?**
 - **Records retention?**
 - **Export Compliance?**
 - **Anti-Boycott?**
 - **Sexual Harassment?**
- **Can the code simply refer the reader to some other source of information?**
- **Waivers for top execs and directors**
 - ♦ **Only per board of directors**
 - ♦ **Must be disclosed**
- **The code must encourage reporting of unethical behavior**

Hotlines

- **Hotlines**
 - Outside versus inside staffing
 - Telephone versus email
 - Can non-employees have access to them
 - Who receives calls
 - Who reviews reports
 - Who decides whether to act on reports
 - Who decides what reports go to Audit Committee
 - Should the Audit Committee receive everything
- **Outside access to hotlines**
- **Confidentiality and anonymity**

Globalizing the Code of Conduct

Considerations

- Tone at the Top
- Concepts vs. References to U.S.
- Local Laws and Other Requirements
- Cultural Issues
- Language
- Local Partners
- Foreign Corrupt Practices Act (“FCPA”)

Communication

- Intranet postings
- Posters
- On-going dialogue
- E-mails
- Contests



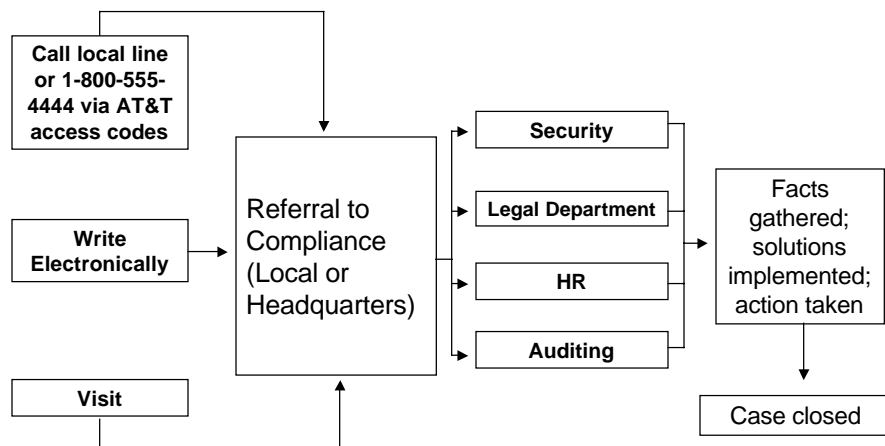
Establishing Reporting Mechanisms

- **Complaint Channels**

Communicating the Existence and Operation of the Complaint Channel to Employees outside the U.S.

- Hotlines -- International Access
- Email
- In Person

Reporting Mechanisms



**“No objective is worth achieving if
it is not done legally and ethically.”**

Ralph de la Vega
President
BellSouth Latin America

Norne Corp.

What's In-- What's Out

Corporate Codes Of Conduct

The opinions reflected in this presentation are solely those of Deborah House and not Fannie Mae.

*Deborah House
Vice President and Deputy General Counsel
Office of Corporate Compliance
Fannie Mae*

What's In
Codes of Conduct
What's Out
CEOs like WorldCom's indicted Ebbers who think Codes are "a colossal waste of time!"

What's In

Understandable Codes with supporting policies that provide good infrastructure.

What's Out

Codes that don't define what "Is, Is;" a question raised by President Clinton during his testimony.

What's In

Great Codes that are actually enforced.

What's Out

Great Codes that are not actually enforced, like the Code at Enron.

What's In

Open internal communications about legal issues, accounting processes, and other matters.

What's Out

Whistleblowers like those named as Time Magazine's "Persons of the Year."

What's In

Executives who think honesty is "A Good Thing."

What's Out

Executives who might do "A Bad Thing" as demonstrated by Martha Stewart's insider trading indictment.

What's In

Fixing corporate problems from the inside.

What's Out

Reading about corporate problems in the Newspaper.

What's In

Wearing business casual.

What's Out

Wearing prison jumpsuits!

How Do You Assure You Are “In?”

- **Codes must set clear standards.**
- **Employees must be trained about the Code.**
- **Compliance must be monitored.**
- **Infrastructure of Policies And Procedures to support Code; cover the waterfront.**

How Do You Assure You Are “In?”

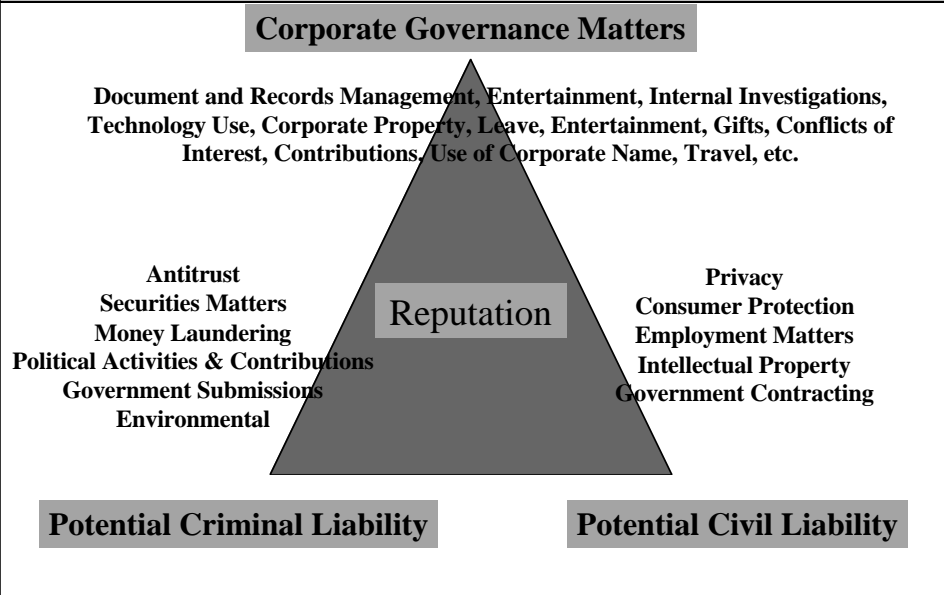
- **The Code must be enforced.**
- **Employees must have safe outlets for reporting potential wrongdoing where resolution is provided.**
- **The message must come from the Top.**

Codes Must Set Clear Standards.

Examples

- **Ten Commandments.**
- **General principles of the U.S. Office of Government Ethics.**
- **Fannie Mae Code of Business Conduct**
- **Codes that include realistic examples.**

Coverage of Code and Policies



Employees Must Be Trained About Their Code.

- **Across the corporation.**
- **Customized for business unit.**
- **Repeated messages to remind existing employees and train new ones.**
- **Undertake activities that support compliance.**

Compliance Must Be Monitored

- **Variety of reporting mechanisms and responses.**
- **Certification that Code is read, understood and complied with.**

The Code Must Be Enforced.

- **Corrective action that is not punitive.**
- **Adverse employment action, as appropriate.**
- **Follow-up to assure remedies are actually implemented.**

Safe Outlets for Reporting Must Exist.

- **Supervisory Chain**
- **Officers**
- **Adjudicator, Compliance Group**
- **Confidential, no retaliation, no adverse action, no treating differently.**
- **Follow-up to make sure no reprisals.**

Message Must Come from the top of the Corporation

- **Openness**
- **Integrity**
- **Responsibility**
- **Accountability**