

GOVERNANCE COMMITTEE CHARTER

Approval/Revision Date: 11/20/17; 10/18/18

OVERVIEW

The Board of Directors has created a committee of directors to be known as the Governance Committee (Committee) with its purpose, organization and responsibilities as follows.

SPECIFIC POLICIES AND ACTIONS

PURPOSE

This Governance Committee Charter (Charter) governs the operations of the Committee of the Association. The Committee will monitor significant developments in the law, regulation and practice of corporate governance. The Committee will also review the duties and responsibilities of directors of other Farm Credit associations and shall develop and recommend to the Board a set of corporate governance principles applicable to the Association. The Committee shall be provided with such resources as it needs to fulfill its responsibilities, including outside consultants, as appropriate.

ORGANIZATION

The Committee shall consist of three or more members of the Board appointed by the Chairperson of the Board on an annual basis. Any director, including any appointed director(s), is eligible to serve on the Committee. In addition, the Chairperson of the Board may participate on a non-voting basis.

A chairperson shall be elected from among the Committee members to serve for a term of one year.

The Committee may form and delegate authority to subcommittees when appropriate. The Committee shall be subject to the provisions of the Association's Bylaws relating to committees of the Board of Directors, including those provisions relating to removing Committee members and filling vacancies.

MEETINGS

The Committee will normally meet three times a year, in conjunction with regular meetings of the Board of Directors, or on a more frequent basis as necessary to carry out its responsibilities.

RESPONSIBILITIES

In discharging its appointment, the Committee will:

1. Review and recommend a set of corporate governance principles and code of ethics to the Board for adoption. The Committee shall review the principles and code of ethics on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
2. Periodically review the adequacy of the Association's standards of conduct programs and coordinate with the Standards of Conduct official to assure compliance with applicable Board policies and FCA regulations.
3. Annually review the Board's committees and make scope, roles and responsibilities recommendations as necessary to the Board Chairperson and/or Executive Committee.
4. Review and make recommendations to the Board with respect to the compensation of directors at least annually.
5. Develop and recommend to the Board for its approval, a periodic self-evaluation process of the Board and its committees. The Committee shall oversee the Board self-evaluation process. Recommend and supervise a self-assessment process with outside resources at least every three years.
6. Review Director Training needs as a result of the Board's self-assessment or other relevant input and recommend training that is available for directors to further develop their skills, knowledge and expertise.
7. Identify and develop programs that will assist in the orientation of new directors in order to promote a basic understanding of Board policies and the Association's business, and oversee continuing education programs for all directors.
8. Systematically review all Association corporate governance policies on a periodic basis and make appropriate recommendations to the Board regarding each policy.
9. Assist the Board in determining the appropriate general qualifications and criteria for directorships; and identify and recommend qualified candidates for appointments for outside directors, an appointed stockholder director and vacancies in elected board positions.
10. Oversee and conduct any permitted coordination and assistance to the Association Nominating Committee.
11. In carrying out its responsibilities, the Committee may draw on the expertise of management and the corporate staff and, when appropriate, may hire outside legal, accounting or other experts or advisors to assist the Committee with its work.
12. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall also annually review its own performance.
13. Undertake all further actions and discharge all further responsibilities imposed upon the Committee from time to time by the Board or any appropriate supervisory or regulatory agency.

REPORTING

The Committee shall submit the minutes of all meetings of the Committee to the Board and, if requested by the Board, review the matters discussed at each Committee meeting.