

Farm Credit Services of Western Arkansas

Board of Directors

Governance Committee Charter

Governance Committee Purposes:

- To address issues of Board governance and Board's continuing efforts to strengthen and renew itself.
- To administer a process for maintaining and periodically reviewing board policies.
- To administer a planning process focused on achieving the mission of the association and maintaining a viable, competitive institution.
- To administer the process of CEO selection.

Committee Structure:

Membership: The Governance Committee shall be comprised of no less than three (3) and no more than six (6) members of the Board. The Chairman of the Board shall be a member as available.

Appointment: The Chairman of the Board will appoint committee members. Changes in membership on the committee will be reviewed by the board chairman as part of the annual re-organization for the Board.

Leadership: Committee members shall review committee leadership annually and determine who will serve as chairman.

Quorum: A majority of members.

Meeting Schedule:

- The Governance Committee will generally meet quarterly or at any such time as determined necessary by the Chairman of the Committee.
- Committee members will determine date and timing of the meetings for the coming year during their annual reorganization meeting.
- Meetings may be called to address issues assigned by the board or its' chairman.

Key Duties:

Make recommendations to the full Board of Directors regarding the following:

- Manage the Board annual self-evaluation/performance review process and the Board's fulfillment of its responsibilities.
- Oversee the Board election process:
 - Maintain election procedures
 - Bylaw changes
 - Consult with director candidates about director responsibilities
 - New board member orientation
- Identify, attract and recommend appointed director candidates as openings occur.

- Evaluate Board processes and suggest improvements
 - Annually, review and recommend changes, as appropriate, to the Board compensation and other benefits
 - Board meetings (dates, supportive material, overall process)
 - Board planning process and agenda
- Annual shareholder meeting plans.
- Annually review Board committee responsibilities and work plans.
- Review corporate governance issues and any shareholder proposals and make recommendations to the Board.
- Review and discuss strategic direction of the association.
- Recommend and review proposed policies to insure that those policies are in furtherance of the vision and mission of the association, provide clear direction to management, and comply with all requirements regarding operations, provided, however, that any policy for which the subject matter is more closely related to the oversight of another committee shall be subject instead to the approval of that committee.
- Oversee a periodic review of all association policies to ensure that they remain relevant and are consistent with the mission of the association.
- Oversee the periodic review of the association code of ethics and standard of conduct.
- Review the program for monitoring compliance with the Standards of Conduct Regulations and at least annually with the Standards of Conduct (SOC) Officer, management and the independent and internal auditors, compliance with the Association's Code of Ethics for senior management and principal accounting officers.
- Consider topics for ongoing board training and recommend a board training schedule to the full board.

Resources:

- The Chief Executive Officer and other association management/staff are available as requested.
- Association Corporate Counsel will provide information, analysis and recommendations as needed and requested.
- Outside legal counsel and consultants are available as requested.

Approved by Governance Committee:

1-10-19
Date

Steve Bender
Signed:

Approved by Board of Directors:

1-10-19
Date

Ginger Tippit, Secretary
Signed: