FARM CREDIT
OF WESTERN ARKANSAS

Charter:	Governance Committee
Board Approval:	October 2026
Authority:	Association Bylaws, Art. VI

PURPOSE

The Governance Committee (Committee) established by this charter is a committee of the Board of Directors (Board) of Farm Credit Services of Western Arkansas, ACA (Association). The primary functions of the Committee are to assist the Board in fulfilling its responsibilities with respect to matters involving oversight and development of governance policies and practices applicable to the Board and its committees.

COMPOSITION AND TERM

The Committee will be comprised of at least three members, each of whom shall be a member of the Board, with the technical knowledge and training needed to effectively address the governance issues before them. The Board shall confirm with the Standards of Conduct Official that each Committee member has no known or potential conflicts of interest with senior officers that could interfere with the Committee member's exercise of independent judgment.

The term of office for each position on the Committee shall be for the lesser of one year or until the next organizational meeting of the Board. At the appropriate annual organizational meeting of the Board, the Board Chair will appoint the members of the Committee. The term of office shall be for the lesser of one year or until the next organizational meeting of the Board.

The Committee members shall determine who will serve as the Chair of the Committee via simple majority vote. The Committee Chair shall be the principal contact between the Committee and the Board of Directors and between the Committee and senior management. In that capacity, the Committee Chair has the discretion to brief the Board Chair and advise him/her of any key decisions in advance so that the Board is prepared to deal with the issue(s) when the Committee and the Board meet. The Committee Chair shall serve until his/her successor shall be duly selected and qualified in accordance with Association guidance. The Committee may elect a Vice-Chair, if the Committee determines that such position is needed.

Any Committee member may be removed at any time for good cause or as otherwise required by applicable law or guidance upon the recommendation of the Committee to the Board. All appointments and removals made shall be made with the consent of the full Board.

MEETINGS

The Committee shall meet at least quarterly or more frequently as circumstances dictate. Meetings may be called by the Committee Chair or by the Board Chair. A majority of the members of the Committee shall constitute a quorum. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee deems appropriate. The Committee may meet with and receive reports from management and professional advisors. The Committee may also hold executive sessions without management to discuss any matters that the Committee believes should be discussed privately.

Meeting agendas will be prepared and provided in advance to Committee members, along with appropriate briefing materials. Minutes of all Committee meetings will be prepared and approved by the Committee, made available to Committee members and Board members, and maintained for at least ten (10) fiscal years. Meeting minutes should provide sufficient detail on reasons for decisions to avoid member disputes on prior decisions. Committee members should have ready access to past minutes for reference or review.

The minutes, resolutions, charter, and other records of the Committee shall be signed by the Committee chair or presiding officer and attested to by the Secretary or the person acting as secretary of the meeting.

RESPONSIBILITIES AND DUTIES

As a committee of the Board, the Committee shall remain accountable, and report only, to the Board. The Committee may report its activities to the Farm Credit Administration (FCA) upon specific request or as otherwise required by law or Association guidance. In order for Committee members to discharge their responsibilities, they shall maintain an awareness of best governance practices and their impact on the Association.

The Committee's responsibilities include evaluating and recommending governance practices applicable to the Board and its committees that, among other things, enable the Board and its members to effectively discharge their duties and responsibilities, assure Association stockholders and investors that their interests and those of the Association are appropriately safeguarded, and better ensure that the board and its members operate with appropriate transparency and fiduciary responsibility.

A. Responsibilities and Duties Relating to Governance

In order to satisfy its responsibilities, the Committee shall:

1. Review, on a periodic basis, the Board's structure, representation, and size to evaluate whether the Board's representation is equitable, reflects the Association's current and future marketplace, and satisfies Association goals and regulatory guidance.

2. Review, on a periodic basis, the Board's committee structure and make appropriate reports, including any recommended changes, to the Board.

3. Review, on a periodic basis, governance-related policies of the Board and make

recommendations to the Board relating to same.

4. Review, on a periodic basis, director compensation and make appropriate reports, including any recommended changes, to the Board relating to same.

5. Review on an annual basis, director qualifications and make appropriate reports, including any recommended changes, to the Board relating to same and provide, for the Board's consideration, recommendations for guidance to be provided to the Nominating Committee before it begins its work each year, including guidance on succession, diversity and inclusion, and any other skill, trait, and qualification needs of the Board.

6. Review, on an annual basis, annual meeting plans and the election process, including any Bylaw changes.

7. Review, on an at least an annual basis, the Association's D&O insurance coverage, and report, and make recommendations relating, to the Board on same.

8. Evaluate and institute, on at least an annual basis, the self-assessment process of the Board and its committees, including the schedule, method, instrument, and any resources related to same.

9. Evaluate and institute the training needs of the Board and its committees, which shall take into account the results of the self-assessment process, reports received by the Board, regulatory or other requirements, published guidance, recommended best practices, or requests of the Board or its members.

10. Ensure that all directors satisfy the training agenda established for the Board and its committees, including any training requirements for new directors or committee members.

11. Direct or oversee any special projects or initiatives of the Board relating to governance as deemed necessary by the Committee to the extent permitted by Association guidance.

12. Serve as a search committee for an outside director whenever an outside director's term is scheduled to expire or concludes prior to the end of a scheduled term in accordance with Association guidance.

13. Evaluate any training, travel, and other expense requests made by directors outside of Board policy and make recommendations to the Board relating to same.

14. Provide input and recommendations to the Board concerning Association operations or matters of concerns that have been reported to, or identified by, the Committee.

15. Direct or oversee the Association's Whistleblower program in conjunction with the CEO and Standards of Conduct Official. The Governance Committee shall ensure the Association maintains a whistleblower program in compliance with applicable laws and regulations to provide a means for confidential and anonymous reporting, from sources inside and outside of the Association, of matters appropriately within the scope of a whistleblower program.

16. Ensure that: (a) special investigations within the Committee's scope of responsibility, including any report or complaint made through the Association's hotline or online reporting system, are performed as needed or as otherwise required, which investigations shall be performed, or cause to be performed, by the Standards of Conduct Official or as otherwise provided by Association guidance and applicable law; nothing herein or otherwise shall authorize the Committee or any other person to interfere with an investigation that is properly being performed by another person; and (b) procedures are established for the receipt, retention, and treatment of complaints made by employees, directors, and others regarding questionable accounting, internal controls, or auditing matters, as appropriate; nothing herein authorizes the discovery or disclosure of any confidential complaint, report, or investigation made by the Standards of Conduct Official or by a third-party.

17. Provide appropriate oversight of the Association's Standards of Conduct program, to the extent such oversight is the Board's responsibility, in conjunction with the Standards of Conduct Official and CEO, and periodically report to the full Board on pertinent matters related to the SOC Program if and as needed.

18. Periodically review and recommend to the Board changes to its Code of Ethics, if and as needed.

B. Responsibilities and Duties Related to Legislative Affairs

1. Monitor legislative or agency activities at the state and federal level, as relevant to support the mission of the Farm Credit System, and report on the same to the Board.

2. Ensure the Association provides support to the Farm Credit Council and the Farm Credit Political Action Committee (PAC), as appropriate and if aligned with the operations and strategy of the Association and in accordance with applicable laws.

3. Monitor the activities of the Farm Credit Services Arkansas Advocacy Committee, and ensure the Board and Management receive adequate reports on the activities of said Advocacy Committee.

4. Ensure that Management has the necessary resources to monitor governmental activities and engage in legislative affairs activities, as appropriate to fulfill the mission of the Farm Credit System and in accordance with applicable laws.

C. Responsibilities and Duties Related to Young, Beginning, and Small Farmer (YBS) Program

1. Ensure Management has appropriate and effective programs in place to extend credit to YBS borrowers, in accordance with applicable regulations of the Farm Credit Administration and as aligned with the operations and capabilities of the Association.

D. Additional Duties and Responsibilities of the Committee

1. The Committee should carefully consider all of the issues before it and the concerns of the cooperative membership of the Association, paying particular attention to the current environment and any potential reputation risks it may have as a GSE.

2. Review the Association's succession plan from time to time as necessary for effective planning and make recommendations to the Board relating to same.

3. Review the adequacy of this charter on an annual basis and recommend any proposed changes to the Board for approval.

RESOURCES

The Committee shall have access to monetary and nonmonetary resources of the Association as necessary to discharge its duties and satisfy its responsibilities, including access to books, records, facilities, and personnel of the Association and direct access to advisors to obtain needed information and to gain the best overall understanding of governance requirements and best practices. The Committee has the power to hire and retain counsel and other advisors, who are needed to assist the Committee in

performing its duties, and to conclude the retention of any such persons. Any outside advisor retained by the Committee as provided by this charter must be qualified and reputable for the work to be performed, satisfy applicable guidance, including FCA regulations and the Association's Standards of Conduct Policy for Agents, regarding the retention of agents before any such person is retained, shall work directly for, and report directly to, the Committee, and shall be independent of management. The Committee needs to communicate and collaborate effectively with the CEO and should communicate regularly with senior officers and managers so that the flow of information between the Committee and management and that is necessary for the Committee to discharge its duties and responsibilities is not impeded.

The retention of outside counsel or other expert advisors is subject to prior notification of the Board Chair or Board Vice-Chair, as the situation may dictate. A two-thirds majority vote by the full Board is required to deny the Committee's request for resources. The provisions of this charter shall be applicable to the extent permitted by law.

CONSTRUCTION AND APPLICATION

This charter shall be construed and applied in a manner that is consistent with applicable law and Association guidance, and the Committee shall discharge its duties and responsibilities as required by law and applicable Association guidance, notwithstanding anything to the contrary.

Approved by Governance Committee:

Jennifer Cook
Committee Chair

10/23/26
Date

Attested to:

J. Bass
Secretary

10/23/26
Date

Approved by Board of Directors:

Stephen W. Yager
Chair

10/23/26
Date