

# GOVERNANCE COMMITTEE CHARTER

## Purpose of Committee

The Governance Committee shall assist the Board with respect to:

1. Board organization, membership and function
2. Committee structure and membership
3. Oversight of evaluation and compensation of the Board

The Committee shall exercise a leadership role in shaping the corporate governance of the Association and shall recommend to the Board corporate governance principles applicable to the Association.

In the course of fulfilling its duties, the Committee shall have the authority to seek advice and assistance from outside consultants, legal counsel, or other advisors and to retain these advisors on such terms as the Committee shall determine to be reasonable without the necessity for Board approval.

The Committee may establish such subcommittees as it deems appropriate to carry out its responsibilities and duties.

## Committee Membership

The Committee shall consist of a minimum of three members of the Board. The Board Chairman, in collaboration with the Governance Committee, must appoint members annually. Governance Committee members shall appoint a Committee Chairman and Vice Chairman annually. The Chairman of the Board may participate in Governance Committee meetings on a non-voting basis.

## Committee Duties and Responsibilities

1. Recommend to the Board on matters of Board policies and practices, including but not limited to Board size, director qualifications, terms of office, and selection process.
  - A. Monitor the implementation of said Board policies and practices.
2. Review and revise standards of conduct, code of ethics and conflict of interest policies.
3. Conduct an annual evaluation of the Committee's performance and make recommendations to the Chairman of the Board regarding appointments and removals.
4. Oversee the Board's annual self-assessment and improvement process.
5. Advise management on the frequency and content of management reports to the Board.
6. Assist the Board in determining the appropriate general qualifications and criteria for board-elected directorships.

7. Identify and recommend qualified candidates for appointments to fill any vacancy on the Board.
8. Assist the Chairman of the Board in proposing committee assignments, including committee memberships and chairs.
  - A. Reaffirm required independence and qualifications for serving on such committees.
9. Advise management on plans for board member education to promote a better understanding of the Board's policies and the Association's business, including
  - A. Orientation, education and training of new directors
  - B. Assist the Chairman of the Board on the assignment of mentors for new board members.
  - C. Continuing education and training programs for all directors.
10. Coordinate with the Secretary to the Board and the Association's CEO on Board meeting arrangements for special functions and other special needs of the Board in carrying out its duties.
11. Recommend oversight procedures for stockholder communications.
12. Periodically review Directors and Officers Liability and Indemnity provisions, and recommend appropriate adjustments to the Board.

### **Committee Meetings**

The Committee will meet at least semi-annually, with additional meetings as deemed necessary to fulfill all of the obligations and duties outlined in the Charter.

The Committee will meet in Executive Session at each meeting. The Committee shall reserve for such Executive Session all matters it determines should be discussed and/or voted on in executive session, including any matter that may be required by FCA regulations to be determined in Executive Session.

Actions taken and/or issues discussed at each meeting will be recorded and reported to the full Board. Minutes will be prepared and submitted to the Committee for Review and approval.

*Approved by the Board of Directors: January 22, 2020*