



Governance Committee Charter

I. Purpose

The AgWest Farm Credit, ACA (the Association) Governance Committee (the Committee) is established by and reports to the Association Board of Directors.

The Committee assists the Board in fulfilling its fiduciary responsibilities to oversee and monitor the Association's governance practices and controls and its strategic direction (including making recommendations to the Board) by reviewing:

1. Board policies, issues and activities relating to Board governance, Nominating Committee activities, election practices, and bylaws issues.
2. Practices related to director onboarding, learning and development, and overall Board conduct and performance.
3. Strategic direction, strategic initiatives, branding, and business planning process.
4. Customer outreach, education and engagement, reputation, stewardship and community engagement, and Farm Credit System relationships.
5. Other areas of Association operations, governance, oversight, and control not specifically assigned to other Board committees.

II. Authority and Responsibilities

1. The following responsibilities are set forth as a guide with the understanding that the Committee may expand to other areas not covered by other standing committees of the Board as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities and take any actions reasonably related to the mandate of this Charter.
2. The Committee is authorized and shall:
 - a) Establish and recommend to the Board, and oversee the implementation of, corporate governance guidelines and principles applicable to the Association.
 - b) Consider corporate governance issues that arise from time to time and develop appropriate recommendations for the Board.

- c) Make recommendations to the Board for action regarding changes to governance processes, including recommended changes to Board policies, bylaws, and charter.
 - d) Be responsible for all matters relating to director qualifications, eligibility, assessment, and terms of service.
 - e) Oversee compliance by directors and executive officers with all standards of conduct/conflict of interest policies and regulations other than those relating to improper financial disclosures assigned to the Audit Committee.
 - f) Serve as a sounding board for the strategic direction of the Association and strategic initiatives, including acquisitions and mergers or major capital investments and new business initiatives.
 - g) Review the long-term strategy and philosophy of the Association's patronage program.
 - h) Oversee system-wide/district-wide and other relationship and legislative activities including FCA regulatory matters, the Farm Credit Council/CoBank District, Farm Credit PAC. Monitor state and local public policy issues impacting groups of customers.
 - i) Oversee brand and reputation management, stewardship giving programs and related activities.
 - j) Oversee the Local Advisory Committee (LAC) Program.
 - k) Review policies related to Board elections, Nominating Committee, nominating region boundaries, and all matters relating to director qualifications, eligibility, terms of service and Financial Expert designation.
 - l) Review all Board-appointments to the Association Board, succession planning for these positions (including annual board needs assessments), identify and screen appointment candidates, and develop timelines to appoint or reappoint positions.
 - m) Provide guidance for and review the Board's self-assessments.
 - n) Provide guidance for and review the Board's director orientation and learning and development programs.
3. The committee shall undertake such other responsibilities or duties and shall have such other authority as the Board may delegate or assign from time to time or as may be delegated to the committee by Board-approved policy.

III. Composition/Quorum Power to Act

- A. The Committee members shall consist of at least three but no more than six directors as recommended by the Board Chair and Vice-chair (in collaboration with the CEO) and approved by the Board. Each director appointed to the Committee shall, in accordance with association standards of conduct policies and procedures, be free of any relationship that would interfere with the exercise of independent judgment as a Committee member. In appointing Committee members, the Board will also consider the personal characteristics and qualifications of those appointed to the Committee.
- B. The initial Chair and Vice-chair for the Committee shall be Derek Schafer and Mark Cook respectively. Thereafter, the Committee will elect the chair and vice-chair (subject to Board approval) of the Committee at the same time as the annual Board reorganization following Director Elections. The Board may, at any time and in its complete discretion, remove any member of the Committee and may fill any vacancy on the Committee.
- C. A majority of the total number of members shall constitute a quorum of the Committee. A quorum of the Committee shall be empowered to act on behalf of the Committee.

IV. Procedures

A. Meetings/Reporting

The Committee will meet at such frequency as necessary and appropriate to fulfill its responsibilities and conduct its business. Committee materials (except sensitive material) will typically be distributed to all Board members as part of the Board package.

The Committee shall keep formal minutes of all meetings, including attendance. Minutes will provide sufficient detail on reasons for decisions to avoid disputes regarding prior decisions. Committee members will be provided ready access to past minutes of the Committee for purposes of reference or review. The Committee shall provide meeting minutes and reports of its actions to the Board at its next regularly scheduled meeting.

B. Resources

The Committee shall have authority to retain such consultants, outside counsel and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms. The Committee shall have access to all information, records, and files available to the Board. The Association will provide any other monetary and non-monetary resources necessary for the Committee to fulfill its purpose.

C. Communication/Collaboration

The Chairman will be responsible for liaison with representatives of management to develop meeting agendas and information needed to make decisions. The Committee will communicate

and collaborate with the President/CEO so that the flow of information between the Committee and management is not impeded.

D. Learning and Development

The Committee will establish, in cooperation with the Board and other Board committees, a schedule for learning and development as deemed necessary and/or recommended by management for its members to ensure that Committee members continue to develop their experience and effectiveness in areas of the Committee’s responsibilities.

E. Self-Assessment

As part of the Board self-assessment process, the Committee will complete an annual self-assessment. The purpose of the Committee’s self-assessment survey is to assist the Board in evaluating the Committee’s composition, the Committee’s effectiveness and the support/resources provided to the Committee.

V. Delegation

The Committee may, in its discretion, delegate some of its duties and responsibilities to a subcommittee appointed by and responsible to the Committee.

VI. Disclosure of the Charter

This Charter will be posted on the Association’s website and will be available in print to any shareholder requesting it.

VII. Charter Review

The Board recognizes that, for this Charter to be useful, it must be kept current and relevant. To that end, the Board will conduct a Charter review at least annually and make any changes that are needed to meet the Charter’s purpose.