



### **Mission Statement**

The Board of Directors (“Board”) of Farm Credit East, ACA (“FCE” or “Association”) has created a committee of Directors to be known as the Governance/Stewardship Committee (“Committee”) with its goals and objectives, authorities, composition, duties and responsibilities, as set forth herein.

### **Membership**

The Committee shall consist of a minimum of three (3) Directors appointed by the Board Chair, who will also appoint the Chair of the Committee. The appointments made by the Board Chair will be subsequently ratified by the Board. The number of Committee members may vary at the discretion of the Board and/or Board Chair. Every member must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member.

The Association CEO shall appoint member(s) of the Association executive management to act as a liaison to the Committee.

### **Meetings**

The Committee will meet at least four (4) times a year with additional meetings as deemed appropriate. The Committee will endeavor to ensure that meetings include the Association stewardship initiatives, including: Young, Beginning Small, and Veteran Farmer Program (YBSV); Farm Start LLP; Farm Credit Northeast AgEnhancement; Farm Credit East Scholarship Program; and Farm Credit East Cares. A majority of Committee members at a meeting will constitute a quorum.

Committee member voting will be on a one member, one vote basis. Directors who are not members of the Committee may attend meetings of the Committee but will not be authorized to vote.

The meeting agenda will be prepared and provided in advance of the meeting to Committee members, along with related meeting materials.

The Committee will meet with other Board committees, as appropriate and/or necessary to fulfill their specific duties and responsibilities.

### **Minutes**

All actions taken and a summary of issues discussed at each Committee meeting will be reported to the Board no later than the next scheduled Board meeting. The Committee Chair shall appoint a secretary for the purpose of keeping minutes and submitting such minutes to the Committee for review and approval. Meeting minutes shall include a list of the members attending and a description of the items discussed, and actions taken.

Meeting minutes, including attendance, shall be kept as permanent records of FCE for at least three (3) years.

## **Specific Duties and Responsibilities**

The Committee is an extension of the Board, and as such, is tasked with responsibilities related to the training and education of Board members as well as primary oversight of the outside director selection process, inside (customer) director selection process, director compensation, ethics, and conflict of interest matters. In addition, the Committee will provide oversight and direction of the Association's stewardship initiatives and Knowledge Exchange program, including Marketing and Communications and public policy activities.

The Committee will inform the Board of outcomes from meetings and discussions related to their specific responsibilities. The Committee will also make recommendations for Board approval related to policy changes or other governance and stewardship related actions, as necessary.

The duties and responsibilities of the Committee include the following:

- On an annual basis, or more frequently as needed:
  - Review and recommend to the full Board Director compensation levels and expense reimbursement process.
  - Review the expense reports of the entire Board.
  - Coordinate the Board's self-assessment process consistent with FCA regulations and recommend and supervise a Board self-assessment process with an outside resource at least once every three (3) years.
  - Review Association Policies and FCA regulations relating to nominating committees, director candidates, the Director election process and YBSV issues and report findings and/or make recommendations to full Board.
  - Make recommendations to the entire Board regarding Board leadership and committee structure.
  - Review a report of criminal activity including Association policies and procedures to ensure regulatory compliance.
  - Review of YBSV reporting activity to be submitted to CoBank.
  - Review and recommend changes to the Farm Credit East Scholarship Program.
  - Conduct a self-assessment relative to the Committee's performance against its Charter.
  - Evaluate Committee training needs and opportunities in alignment with the Board Director Training Policy.
  
- On a quarterly basis, or more frequently as needed:
  - Make recommendations for Board training and development.
  - Review any Association Policies identified as needing amendment or updating to ensure regulatory compliance and in accordance with emerging/changing business needs.
  
- In addition, the Committee will:
  - Review the skills sets of the entire Board.
  - Review and make recommendations relative to Outside or Inside Director re-appointments and lead the selection process as needed to fill vacancies.
  - Monitor compliance and provide recommendations to the Board with respect to YBSV policy and the use of incentives.
  - Review educational opportunities and other resources available to support the YBSV program.
  - Monitor the Association's public policy activity.

- The Board Chair shall designate a Committee member and alternate to represent the interests of Farm Credit East by serving on the Governing Council of FarmStart LLP.

### **Authority/Resources**

The Committee has authority to:

- Utilize or request information from Association employees or external/outside professional resources as required to effectively carry out its duties.
- Meet with the CEO, any Association management or others to perform its duties. These meetings may be in Executive Session, as determined by the Committee Chair.
- Schedule regular meetings to keep open lines of communications among the Board, Board Committees and others, as appropriate.
- All requests for financial resources should be forwarded to the Board Chair.
- *Resource: The Director's Role, Farm Credit Administration.*

### **Authorities Retained for Board Approval or Action**

The Committee functions at the will of the Board, must only report to the Board and has no other authority other than prescribed in this Charter, or as the Board may otherwise delegate or assign from time to time. The Committee's responsibilities cannot be delegated to a subcommittee.

### **Charter Review**

The Committee will conduct a review of this Charter at least annually and recommend any changes to the Board for approval.

### **APPROVAL**

Approved by Governance/Stewardship Committee on July 25, 2024  
Ratified by the Board of Directors on July 30, 2024