



**Origination:** 11/2012  
**Last Approved:** 02/2020  
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**Next Review:** 02/2021  
**Owner:** Sarah Jackson: CHRO  
**Manual:** PAOM - Corporate  
**References:**

## Governance Committee Charter

Board Committee/Functional Area	Governance/Administrative
FCA Regulation(s)	N/A

### Purpose and Objectives

Each standing Committee of the Board has adopted a Charter specifically outlining the Committee's responsibility, membership, meetings and specific duties. Annually, the Chairman of the Board shall appoint Board members to serve on a committee.

### Charter

In order to accomplish the objectives of good governance and corporate accountability, the Governance Committee (Committee) is a standing committee of the Board of Directors (Board) and has been established to assist the Board by:

- Developing and recommending to the Board a set of corporate governance principles applicable to the Association, including governance structure, practices and process.
- Keeping the Board informed of current best practices in corporate governance.
- Assisting the Board in evaluating the members of the Board and the related skills, qualities and professional or educational experiences necessary to be effective.
- Developing and recommending plans for Board education, including new member orientation.
- Assisting the Board in its oversight of standards of conduct policies and procedures of the Association.

This charter has been established and shall be maintained pursuant Association Bylaws.

### Membership

The Committee shall consist of three or more members of the Board appointed by the Chairperson of the Board (Board Chair) on an annual basis. New Committee appointments will be effective January 1 of each year. In addition, other members of the Board may participate in the meetings of the Committee on a non-voting basis.

The chairperson of the Committee (Committee Chair) shall be designated by the Board Chair. The members of the Committee shall serve until their resignation, retirement, removal by the Board or until their successors are appointed by the Board Chair in accordance with the Bylaws.

The Committee members should be knowledgeable or become knowledgeable in matters pertaining to

corporate governance. Committee members shall abide by all Bylaws, policies, procedures, and FCA regulations regarding membership, attendance, and conduct. Committee members may be removed at any time, with or without cause, by the Board Chair.

## Meetings

The Committee will meet at least three times a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this Charter. Additional meetings may be held upon reasonable prior notice at such other times as may be determined by the Committee Chair, or if requested by two other members of the Committee.

The Committee shall reserve a portion of each meeting for executive session for all matters it determines should be discussed and/or for which a vote is required in executive session, including any matter that may be required by FCA regulations to be determined in executive session.

A majority of the members of the Committee shall constitute a quorum; however, all Committee members are expected to attend each meeting, in person or via telephone or video conference.

## Minutes

All actions taken and a summary of issues discussed at each 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 shall be kept as permanent records of the Association.

## Responsibilities

1. Develop and recommend to the Board a set of corporate governance principles applicable to the Association, annually review and periodically update such principles, and keep the Board informed of current best practices in corporate governance.
2. Assist the Board in determining annually the appropriate general qualifications and criteria for Board directors; and provide such to the Nominating Committee to be used as a guideline for the recruitment and identification of eligible candidates.
3. Develop a process for the appointment of outside directors to the Board and make appropriate recommendations on qualified candidates.
4. Recommend to the Board the process for filling any vacancy on the Board, and if applicable, identify and recommend qualified candidates for appointment.
5. Ensure sufficient information is provided to and members of the Association's Nominating Committee are adequately trained to carry out their duties and responsibilities.
6. Oversees the annual election process, including but not limited to establishment of the annual election calendar, setting the record date, developing the annual meeting information statement, and approving the ballot format.
7. As needed, assist the Board Chair in proposing committee assignments, including committee memberships and chairs.

8. Periodically, but no less than annually, evaluate and recommend to the Board the appropriate frequency and content of management reports to the Board.
9. Assist the Board in evaluating, maintaining and improving the Board's effectiveness by ensuring that an annual self-evaluation is conducted by the Board and engaging a third party to conduct evaluations every other year, and presenting the results of these evaluations to the Board (with recommendations as appropriate).
10. Periodically, but no less than annually, evaluate and recommend Board meeting schedules and special meeting functions.
11. As needed, evaluate Board meeting materials, agenda, and process, and the conduct and content of Board meetings and committee meetings, and advise Board Chair of recommendations.
12. Conduct an annual evaluation of the Committee's performance and make recommendations to the Board Chair regarding the Committee membership and qualifications.
13. Ensure that the Association conducts an orientation of new directors in order to promote a basic understanding of Board policies and the Association's business. Assist the Board Chair on assignment of mentors for new Board Members.
14. Periodically, but no less than annually, review and assess the adequacy of Board director training and make suggestions to the Board Chair regarding training schedules and content. Develop an annual Board Education Plan.
15. Periodically, but no less than annually, review the Association's policies and procedures related to standards of conduct, including those adopted pursuant to FCA Regulations, and provide a report of the results of such reviews and related recommendations to the Board, if any.
16. At each meeting or as otherwise required by FCA, receive the SOCO report of all loans made to members of the Board and related parties to ensure that all director loans are consistent with the Association's policies and procedures related to standards of conduct and FCA regulations and report such to Board.
17. Evaluate and advise Board Chair and Board, as needed, but not less than annually, about the status of and recommended improvements for the Board's and Board committees' communications with and relation to the Association's executives and stockholders, including the Association's annual stockholders meeting.
18. Periodically, but no less than annually, review the Governance Committee charter and make appropriate recommendations for improvement, as needed.
19. Periodically, but no less than annually, review the Bylaws of the Association and recommend appropriate updates and changes as might be needed.
20. Evaluate and promptly advise Board Chair and Board about changes in FCA regulations and recommendations respecting matters of corporate governance, and assist in implementation.
21. Monitor director attendance at all regularly scheduled meetings and provide compensation recommendations for missed meetings in keeping with Board policy.
22. Carry out such other duties as may be delegated to it by the Board or required by the FCA from time to time.

## Resources

To assist the Committee in fulfilling its responsibilities, the Committee shall have full access to any member of management of the Association and may in its own discretion, and at the expense of the Association, retain

consultants, counsel, search firms, and other advisors, as it may deem appropriate.

## Authorities Retained for Board Approval or Action

Amendments and modifications to this charter are to be approved by the Board.

### Attachments

No Attachments

### Approval Signatures

Approver	Date
Sarah Jackson: CHRO	02/2020
Kathy Heustess: CEO	01/2020
Sarah Jackson: CHRO	01/2020