



## Nominating Committee Charter

### I. Purpose

The AgWest Farm Credit, ACA (AgWest) Nominating Committee (Committee) is established subject to the AgWest Bylaws (Bylaws) and is elected annually by the Voting Members of AgWest.

The Committee shall identify, evaluate, and nominate qualified and willing candidates to run for election to the AgWest Board of Directors (the Board) as well as candidates to serve on the succeeding Committee.

To preserve stockholder control, the Committee operates independently from management and the Board (except to the extent the Board determines the number of Committee seats for the succeeding year pursuant to the Bylaws).

Employees and agents of AgWest are prohibited from taking any part, directly or indirectly, in the nomination or election of members to the Board, or making any statement, either orally or in writing, which may be construed as intended to influence any vote in such nomination or election. Notwithstanding the foregoing, employees and agents of AgWest may provide biographical and other similar information and engage in administrative activities pursuant to Board policy and as permitted by Regulation. AgWest directors may also provide the Committee with their general views on the role and functions of the Board, desired skills and expertise of directors, time and attendance requirements for Board activities and learning and development expectations of directors.

### II. Authority and Responsibilities

The authorities and responsibilities of the Committee include those identified in this charter, the Bylaws, and Board-approved policies and procedures. The Committee shall:

1. Operate impartially, objectively, and in the best interest of AgWest and in compliance with the Bylaws, the Farm Credit Act (the Act) and Regulations.
2. As described in Section 510.3 of the Bylaws, prior to each annual meeting of AgWest stockholders, review a list of stockholders assigned to each region with a director position up for election and prioritize a list of potential candidates to be contacted to ascertain their interest to be interviewed and serve if elected. The Committee may consider stockholders recommended by employees or customers, and stockholders who have expressed interest in being a candidate for election.
3. In preparing and prioritizing the potential director candidate list, the Committee should:

- a. Consider the current Board skills inventory, the needs of AgWest, and the roles and responsibilities of Board members (as outlined in the Board Charter). The committee may also request a copy of a summary of the Board's most recent self-assessment.
  - b. Consider candidates possessing all or some of the diverse skills, experience and qualities identified as necessary and desirable in the Board Charter for effective Board service.
  - c. Reasonably consider broad commodity and geographic representation and diverse demographics with a variety of experience, skills and viewpoints.
  - d. Determine any reason which might prevent a director candidate from effectively serving.
4. Contact potential director candidates in the order prioritized to determine their interest in Board service and willingness to interview with the Committee.
  5. Conduct sufficient director candidate interviews to source at least two candidates to be placed on the election ballot for each position up for election.
  6. Conduct all formal deliberations and Committee voting with only Committee members present and otherwise in such a manner as to assure independence, impartiality and confidence in the process and selection of the most qualified candidates.
  7. If two director candidates are not identified for each position up for election, provide a written explanation to the Board of the Committee's efforts to name two candidates and why the Committee was unsuccessful.
  8. In the event a stockholder-elected director position is vacated prior to the end of the term, the Committee may be asked by the Board to nominate at least two eligible candidates to run for election to fill the remainder of such term through either a special election or the next regular election cycle.
  9. Select Committee candidates to be submitted to the AgWest Voting Members for service on the succeeding Committee.
  10. Hold in strict confidence any confidential information acquired during their term(s) on the Committee. Confidential information means any information not otherwise available to AgWest stockholders or the public.

### **III. Composition/Quorum Power to Act**

- A. The Committee shall consist of one to three members from each Nominating Region as provided for in the Bylaws. The Board of Directors will establish the number of Committee seats annually

for the succeeding year and may, at its discretion, allot more Committee seats in the Nominating Regions with a seat up for election.

- B. Committee members shall be stockholders who own voting stock. The Committee shall be elected by AgWest Voting Members each year, as provided for in the Bylaws, the Act and Regulations. Terms are one year in duration. No Committee member may serve more than five consecutive terms.

No individual may serve on the Committee who, at the time of election or during the one-year term, is an AgWest director, employee, or agent. A Committee member may not be a board director candidate for the Committee term in which they are serving. A Committee member must resign prior to participating in any Committee meetings or activities if they wish to be considered as a director candidate. No director candidate, or immediate family member of a director candidate, may serve on the Committee. . Committee members will recuse themselves from participating in a Committee activity if such participation presents an actual conflict of interest or the appearance thereof.

- C. The Committee shall elect a Chair to coordinate and oversee annual Committee activities. The Chair reviews and verifies accuracy of Committee minutes, reports, and the slate of director and Committee candidates selected. The Chair also oversees Committee meetings. The Committee may also elect a Vice or Co-Chair to act in the absence of the Chair.
- D. A majority of the Committee members shall constitute a quorum of the Committee. A quorum shall be empowered to act on behalf of the Committee.
- E. Committee members shall be paid honorarium in the amount of \$1,000 per day, including travel days for in-person committee business and \$250 for Committee conference calls if needed. Committee members who are designated to contact potential director or Committee candidates to discuss Board or Committee service and confirm their interest to run for a position will be paid a one-time special honorarium of \$500.

#### **IV. Meeting and Reporting Procedures**

- A. The Committee will meet at such frequency as necessary and appropriate to fulfill its responsibilities and conduct its business. There are typically two meetings per year: the first to include orientation and review/prioritization of potential director and Nominating Committee candidates and the second to interview and select director candidates to place on the ballot. The Committee may schedule such other meetings as it deems necessary to accomplish its responsibilities.

Committee members are strongly encouraged to attend scheduled in-person meetings to facilitate orientation and provide for effective dialogue and deliberations when interviewing and selecting candidates. Should a Committee member be unavailable to attend the first meeting in person, the alternate in that position will be asked to attend in their place and fulfill the remainder of the term.

Committee materials (except sensitive material) will typically be distributed to Committee members sufficiently in advance of scheduled meetings.

- B. The Committee shall review and approve 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 Committee meetings for purposes of reference or review.
- C. AgWest staff or agents may administratively assist the Committee in the conduct of its business including preparation of meeting materials and keeping of meeting minutes. In no case will AgWest staff be present or participate in the Committee's deliberations or voting for either director or Committee candidates to be placed on the ballot for open positions.

## V. Delegation

The Committee may not further delegate its duties and responsibilities.

## VI. Disclosure of the Charter

This Charter will be posted on AgWest's website and will be available in print to any stockholder requesting it.

## VII. Charter Review

Annually, or as otherwise appropriate, the Committee shall be provided and review this Charter and various resource materials (noted below). The Committee may recommend to the Board changes to this Charter.

### *Committee resource materials:*

- [Farm Credit Act of 1971](#) (as amended)
- FCA Regulations [611.320](#) and [611.325](#): Impartiality in the Election of Directors and Bank and Association Nominating Committees
- Farm Credit Administration - [The Director's Role: A Guide to Leading Your Institution Effectively](#)
- [FCA Bookletter-043 – Guidance on Farm Credit bank and association nominating committees](#)
- [FCA brochure on The Role of Farm Credit System Nominating Committees](#)
- AgWest's Bylaws
- Board Nominations and Elections Policy
- [AgWest Farm Credit Board Charter](#)