

## **CoBANK, ACB AND CoBANK, FCB BOARDS OF DIRECTORS Executive Committee Charter**

### **Overall Objective of the Executive Committee**

The primary purpose of the Executive Committee, established by and reporting only to the CoBank, ACB and CoBank, FCB (collectively, the “bank”) boards of directors (collectively, the “board”), is to develop for board consideration recommendations that will implement the bank’s strategic plan, provide advice and counsel to the board and management on policy matters relative to capital and finance, address other matters as necessary and act on behalf of the board between board meetings when necessary.

### **Committee Operations**

The Executive Committee shall consist of at least three board members and a majority of the members shall constitute a quorum. The act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. No member of the committee shall accept any consulting, advisory or other compensatory fee from the bank other than in connection with serving on the committee or board.

The committee shall meet as often as it determines, but no less frequently than three times annually. The committee shall retain records of its meetings, including attendance, for at least three fiscal years. The committee shall report on its meetings at the next regular meeting of the board. Minutes of each committee meeting will be signed by the committee chair and recording secretary, or any other individual acting in their place at the meeting. Minutes will be available for review by the committee in advance of its next regularly scheduled meeting.

Bank management will ensure the availability of staff and financial resources to support the function of the committee. The committee may retain outside resources to assist in carrying out its responsibilities. The committee is encouraged to meet in executive sessions and may excuse management representatives from any meetings where their presence might discourage open discussion among directors or unduly influence decisions that are within the committee’s prerogative.

### **Authorities and Responsibilities**

The Executive Committee shall have the following authorities and responsibilities that have been specifically assigned by the board and/or that are required by regulation. From time to time, the board may adjust existing authorities and responsibilities or assign additional authorities and responsibilities on either a continuing or one-time basis.

The committee shall:

1. Act as liaison between board and management on the development and implementation of the strategic plan;

2. Review preliminary financial baselines for the business and financial plans, and review and recommend to the board proposed business and financial plans including the bank's budgets, and any interim changes to any plans that are part of the board approved business and financial plans;
3. Review and recommend to the board issuances, repurchases and redemptions of any non-patronage based equity securities of the bank, and record dates and special meeting dates for any stockholder votes related thereto;
4. Review and recommend to the board patronage distributions and stock retirements, and any transfers of equity requiring board approval;
5. Provide advice and counsel to the board and management on policy matters relative to capital and finance, and periodically review and recommend changes to board policy, including, but not limited to, the following:
  - a. Capital plan;
  - b. Capital bylaws;
  - c. Patronage distributions; and
  - d. Strategic financial planning.
6. Review and recommend to the Governance Committee for board approval capital bylaws and amendments thereto, and record dates and special meeting dates for any stockholder votes related thereto;
7. Assist in communicating and enhancing understanding of financial matters and capitalization, including the Farm Credit Administration (FCA) capital regulations, to the board of directors;
8. Review and recommend to the board agreements regarding capital and financial matters with other Farm Credit System ("System") institutions, including the joint and several liability reallocation agreement, the market access agreement, the contractual interbank performance agreement, and amendments thereto;
9. Provide input or direction to bank management or the board chair on policy or significant matters requiring attention between board meetings;
10. Act as liaison with the bank's regulator, the FCA;
11. Make recommendations about the bank's position on public policy or regulatory issues, including a review of Farm Credit Council policy resolutions with the board;
12. Act on behalf of the board between board meetings when necessary as long as:
  - a. Bank management provides the same information to the full board when it is provided to the Executive Committee;
  - b. The Governance Committee post-reviews the circumstances giving rise to the action and reports to the full board; and

- c. The Governance Committee and full board annually reviews and reaffirms, if appropriate, the Executive Committee's authority;
13. Review annual self-evaluation results of the committee's performance;
14. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Governance Committee for board approval;
15. Make recommendations regarding the process for nomination, election or designation of bank representatives who will serve on various boards and committees of System institutions and other entities important to the bank, and make recommendations regarding the process for board leadership succession for such System institution and other entity boards and committees;
16. Make recommendations regarding annual meeting delegates for various System institutions or other entities important to the bank;
17. Review and make recommendations regarding stockholder votes (including, without limitation, proposed changes to bylaws) for System institutions or other entities in which the bank is a stockholder;
18. Review and make recommendations regarding proposed mergers between or among Farm Credit System associations within the CoBank district;
19. Periodically review reports on non-commercial air travel by associates and non-associates (excluding board members), which reports shall summarize written pre-authorizations by the Chair of the board, together with the Chief Executive Officer, pursuant to board policy;
20. Review and make recommendations regarding charitable contributions or citizenship activities that are unbudgeted or budgeted but unallocated in excess of the Chief Executive Officer's delegated authority limit;
21. Review and provide input to the board and management on the development and implementation of the bank's policies, strategies and initiatives relating to customer-focused and mission centric sustainability matters; and
22. Address other matters, as necessary.