

# CoBANK BOARD 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 board of directors, is to develop for board consideration recommendations that will implement the bank's strategic plan, monitor the bank's business and financial performance, 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. No member of the committee shall accept any consulting, advisory or other compensatory fee from the company 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 four 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 secretary, or any other individual acting in their place at the meeting. Minutes will be available for review by the committee at 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. Management representatives will be excused from any meetings where their presence might discourage open discussion among directors or unduly influence decisions that are within the board'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 proposed business and financial plans including the bank's budgets and provide recommendations to the board;
3. Review reports of the operations of the bank in comparison to the bank's budget;

4. Review and recommend to the board dividends on any non-patronage based equity securities of the bank;
5. Review and recommend to the board patronage distributions and stock retirements;
6. Provide advice and counsel to the board and management on policy matters relative to capital and finance, including, but not limited to, the following:
  - a. Portfolio strategy;
  - b. Capital plan;
  - c. Patronage distributions; and
  - d. Strategic financial planning;
7. Assist in communicating and enhancing understanding of financial matters and capitalization to the board of directors;
8. Provide input or direction to bank management or the chairman on policy or significant matters requiring attention between board meetings;
9. Act as liaison with the bank's regulator, the Farm Credit Administration;
10. Receive reports from management on legal matters and litigation of material concern;
11. Make recommendations regarding the election of bank representatives or designation of representatives who will serve on various boards and committees important to the bank;
12. Make recommendations about the bank's position on public policy or regulatory issues;
13. 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;
  - c. The Governance Committee and full board annually reviews and reaffirms, if appropriate, the Executive Committee's authority.
14. Address other matters, as necessary; and
15. Review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the board for approval.