

NUTMEG STATE FINANCIAL CREDIT UNION
Board of Directors
Governance Committee Charter

I. Purpose

The Governance Committee (“Committee”) plays a pivotal role in overseeing effective governance practices of Nutmeg State Financial Credit Union (“NSFCU”) to ensure compliance with regulations and promoting transparency, accountability, and ethical conduct. The Committee collaborates closely with full Board of Directors (“Board”), other Board Committees and NSFCU Management to fulfill its responsibilities effectively.

II. Authority

The Committee operates as a Subcommittee of, and on behalf of, the Board. Any decisions requiring Board review and approval will be presented to the Board. Meeting minutes and information packages will be provided to the Board at the next Board Meeting. All reporting outlined in Board-approved policies may be provided to the Committee or the Board as outlined in policy or at the direction of Board, as recorded in the Board meeting minutes.

III. Committee Composition

The Committee shall have the following composition:

1. **Committee Membership:** The Committee is made up of members from Board. The Chairperson of the Committee shall be a Board member appointed by the Board Chairperson.
2. **Board Chairperson and Board Vice-Chairperson:** The Chairperson and Vice-Chairperson of the Board may serve on the Committee, attend all meetings and vote on any issues at any meetings of the Committee, in order to provide leadership and continuity.
3. **Compliance Officer:** NSFCU’s Compliance Officer, or the individual appointed by the Board to be responsible for regulatory and compliance matters, shall work with the Committee to ensure alignment with all regulatory requirements.
4. **Legal Counsel:** The Committee shall have access to the services, as needed, of an attorney with experience and expertise in governance and compliance matters.

IV. Roles and Responsibilities

The Committee shall have the following roles and responsibilities:

1. **Governance Policy Oversight:** Oversee governance policy development, review and recommend updates to governance policies and procedures and ensure the governance policies align with best practices, current regulatory requirements and NSFCU’s strategic goals.
2. **Bylaws Review:** Regularly review and recommend changes to NSFCU’s bylaws to ensure they are up-to-date and in compliance with all applicable laws and regulations. Ensure NSFCU bylaws are followed and guidelines are in place that align with the bylaws.

3. **Work with the Nominating Subcommittee:** Collaborate and support the Nominating Subcommittee in the process of ‘onboarding’ new directors and ‘offboarding’ directors at the end of their term as needed.
 4. **Board Training & Development:** Oversee the new Board member orientation and ongoing development for Board members, including providing training on credit union operations, financial literacy and governance best practices.
 5. **Board Evaluation:** Develop and recommend a Board evaluation process for annual Board Member peer-to-peer and self-evaluation review.
 6. **Ethical Conduct & Compliance:** Establish, create and help to maintain a culture of ethical behavior within the credit union by assuring Board members and Management comply with both the spirit and intent of compliance guidelines and ethical behavior in the governance of .
 7. **Board Structure:** Review the Board structure and, when appropriate, provide recommendations to the Board on structure and process to ensure continuity of leadership.
 8. **Governance Reporting:** Provide regular reports to the Board on governance-related matters, including updates on policy changes, bylaws amendments and ethics conduct.
 9. **Alignment with Strategic Goals:** Ensure that governance practices align with NSFCU's strategic goals and objectives in support of its mission and vision.
 10. **Legal & Regulatory Compliance:** Monitor changes in laws and regulations that may impact the credit union's governance structure and work to enact and support policies and procedures that ensure the credit union remains in compliance with laws and regulations.
 11. **Committee Structure:** Review and recommend changes to the Committee structure, including establishment and oversight of various Board subcommittees as necessary.
- v. **Quorum Requirements**
A minimum of at least three (3) voting members must be present to establish a quorum for convening and taking voting and decision making. Voting and decision making may be conducted via electronic mail (“email”) with concurrence recorded in the minutes of the next meeting.
- vi. **Review And Amendment**
The Charter shall be reviewed, as needed and necessary, to ensure relevance and effectiveness. Amendments to this Charter may be proposed and approved by the Committee with Board concurrence.
- vii. **Meeting Frequency**
The Committee will meet as frequently as needed, but no less than once each quarter, during each calendar year.
- viii. **Approval**
This charter was approved by Nutmeg State Financial Credit Union Board of Directors on October 26, 2023.