



Community  
Heritage  
Financial, Inc.

# **COMMUNITY HERITAGE FINANCIAL, Inc. BOARD GOVERNANCE & NOMINATING COMMITTEE CHARTER**



Community Heritage Financial, Inc. Companies

**June 2024**

**PURPOSE**

The purpose of the Governance Committee (the “Committee”) is to assist the Board of Directors to achieve its goal of promoting the best interests of Community Heritage Financial, Inc. The Committee has been delegated authority by the Board of Directors to act on behalf of the Board to the extent permitted by law and as provided herein between meetings of the full Board of Directors and to report to the full Board at the next Board meeting. All actions of the Committee, unless otherwise specified by a resolution adopted by the full Board of Directors, shall extend to the fullest under the law.

The Committee’s authority does not extend to the following decisions or matters for Community Heritage Financial, Inc. (collectively, the “Company”):

1. Authorize the payment of any dividend or distribution to shareholders.
2. Approve any action that by law is required to be approved by shareholders.
3. Change the number of directors, remove directors from office, or fill vacancies on the Board of Directors.
4. Appoint or discharge officers of the Company.
5. The amendment of the Company’s Articles of Incorporation or Bylaws.
6. The merger of the Company with or into another corporation, entity or person, the acquisition of the Company by another corporation, entity or person, or the sale of the Company or substantially all the assets of the Company to another corporation, entity or person.
7. The liquidation of the Company.
8. The issuance of securities of and by the Company.
9. Any matter proscribed by law.

**LIMITATIONS**

1. The Committee's job is one of oversight as set forth in this Charter. It is not the duty of the Committee to assure the Company's compliance with all applicable laws.
2. In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by the following persons and groups:
  - a. Officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters presented.
  - b. Accountants, auditors, counsel or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person.
  - c. Another committee of the Board as to matters within its designated authority, which committee the Committee members reasonably believe to merit confidence.
3. The Board shall have the power to revoke any action taken by the Committee.

**MEMBERSHIP**

1. The Committee shall be comprised of five or more directors as determined by the Board, elected by the full Board at its First Meeting held after the Annual Meeting of the shareholders or at such other time as the Board of Directors deems appropriate.
2. The majority of the Committee members shall not be employees of the Company or any of its affiliates
3. The Chair and Vice-Chair of the full Board of Directors shall be members of the Committee and serve as Chair and Vice-Chair of the Committee.
4. The Committee members may include the Chairs of Board standing committees and/or others as deemed appropriate by the Board of Directors.

**MEETINGS**

In accordance with the Articles and Bylaws of Community Heritage Financial, Inc., meetings of the Governance Committee shall be at such times as may be fixed by the Board of Directors, as often as the Committee

determines, or upon call of the Chairman of the Board or the President, provided twenty-four (24) hour prior notice. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

## **RESPONSIBILITIES**

1. At the discretion of the Chair, and in an effort to streamline Board meetings without withholding any relevant information, the Committee will receive financial and other data, including financial, portfolio, risk, compliance and other management reports. It will make recommendations as appropriate for action, and assist the Board in focusing discussions on relevant matters related to those reports.
2. At the discretion of the Chair, the Committee will discuss items and initiatives brought forward by management for Board discussion and action. As appropriate, the Committee will make recommendations for action by the Board or other committees.
3. The Committee will review shareholder proposals duly and properly submitted to the Company, and recommend appropriate action to the Board.
4. The Chair may appoint sub-committees of the Committee from time to time comprised of such Board members as the Chair may designate. Sub-committees will explore various assigned policy matters which may impact the Company.
5. The Committee will perform other functions or duties as may be assigned to it from time to time by the Board.
6. Between Board Meetings the Governance Committee may act, with the full authority of the Board, on any matter requiring immediate attention except as otherwise prohibited herein.
7. Review corporate Bylaws every two years and Articles of Incorporation every five years. Coordinate revisions/additions with an Ad hoc Bylaw Committee. Monitor that an Ad hoc Bylaw Committee is established to review bylaws every two (2) years (2021, 2023, 2025. . . etc.)
8. Review the Board of Directors' compensation for all Company entities to reflect industry standards and make recommendations to the Board of any compensation changes.
9. Make recommendations to the Board on effective board and director evaluation programs.
10. Monitor Directors' attendance at Board and Committee meetings.