



## **What is a nominating committee?**

A nominating committee is a committee of stockholders who own voting stock. It is responsible for identifying, evaluating, and nominating candidates for election to the board of directors. The nominating committee is not a committee of the board, and its independence from the influence of the board and management is critical to the success of your financial cooperative and the preservation of stockholder control.

## **Who serves on a nominating committee?**

You must be an owner of voting stock to serve on the committee. At a Farm Credit institution, you must be an authorized representative of the Association's voting stockholders. You may not serve on the nominating committee if you are a director; a director candidate; or an officer, employee, or agent of the institution. Nominating committee members may not stand for election to the board of directors in the same election in which the committee is identifying director candidates.

## **How large is a nominating committee, and how long do members serve?**

A nominating committee consists of at least three members, each of whom is elected by the majority vote of all the institution's voting stockholders. An institution may have a larger committee to better represent its territory. It may also have a larger committee to ensure absences or recusals do not leave it with fewer than the minimum of three members. Alternates may also be used to address this concern. The term of office for association nominating committee members is one year, and members may be re-elected to serve consecutive terms.

## **Must all director candidates be selected by a nominating committee?**

Generally, director candidates are nominated by a nominating committee. However, director candidates may also be nominated from the floor to stand for election.

## **What are my responsibilities as a nominating committee member?**

Your main responsibility is to nominate individuals for service on the board of directors. This involves the following:

- Identifying, from the current list of stockholders and other resources, individuals who are qualified and willing to serve as directors
- Evaluating the qualifications of potential nominees, keeping in mind the desired director qualifications provided by Yosemite Farm Credit
- Considering whether any obstacles exist that would prevent a director candidate from performing his or her duties
- Nominating at least two suitable persons for each open position
- Nominating director candidates for special elections that are held when mid-term vacancies occur
- Keeping records of meetings

When nominating director candidates, keep in mind that the board should represent all areas of your institution's territory and, as nearly as possible, all types of agriculture practiced in the territory. Also, strive to nominate candidates from diverse demographics, with a variety of experience, skills, and viewpoints. Demographic diversity includes income, age, gender, and ethnicity differences.

## **May individuals who are not members of a nominating committee participate in the committee's activities?**

Current directors, director candidates, officers, employees, and agents are not only prohibited from serving on the nominating committee, they also must not be present when the nominating committee deliberates or votes on whom to nominate. However, the nominating committee may invite them to meetings to answer questions on general matters. The committee may also accept from directors and management the names of stockholders who might be willing to serve as directors, although the committee must perform its own evaluation of any person who is recommended. The nominating committee may not allow others to influence the nomination process, and the committee must preserve its committee's independence in selecting director candidates.



## What operational resources may a nominating committee receive from association management?

Yosemite Farm Credit will provide the committee with reasonable access to administrative resources, including the following:

- A current list of stockholders
- The most recent bylaws
- The current policy on desirable director qualifications
- Copies of the policies and procedures your institution has adopted to ensure impartial elections and to govern nominating committee operations

The committee may also request a summary of the current board's self-evaluation; in return, the board may require a pledge of confidentiality before allowing access to the evaluations. Also, management may assist with logistical, clerical, and administrative support to help the committee perform its duties effectively. However, Yosemite Farm Credit team members must not be present when the nominating committee deliberates or votes on whom to nominate.

## How do I indicate interest in serving on my institution's nominating committee?

Contact the CEO at Yosemite Farm Credit or fill out the nominating committee interest form linked [here](#).



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