

July 2018

Marine Corps Association/ Marine Corps Association Foundation {MCA&F}

CHARTER OF THE GOVERNANCE COMMITTEE OF THE BOARD OF GOVERNORS
AND BOARD OF DIRECTORS

PURPOSE. The Governance Committee of the Board of Governors and Board of Directors of the Marine Corps Association & Foundation (MCA&F) shall be appointed by the Board to implement provisions of this charter to assist the Board in the exercise of its duties and responsibilities. This will include (1) Provide for effective corporate governance policies that promote the mission of the MCA&F; (2) Assist with development and implementation of the MCA&F corporate governance principles; (3) Ensure that the Board is sufficiently constituted with qualified Governors and Directors; (4) Coordinate the appointment of Governors and Directors to appropriate Board Committees and (5) **Assess** Board effectiveness.

This Charter is in addition to, and is not intended to change any federal or state law or regulation, or the MCA&F Articles of Incorporation or By-Laws. This Charter shall be subject to modification and interpretation by the Board.

COMMITTEE COMPOSITION. The Committee shall be composed of at least four Governors or Directors.

The Committee may form and delegate authority to a subcommittee when appropriate in certain circumstances. The Committee shall be subject to provisions of the MCA&F By-laws and Board operating procedures relating to Committees of the Board of Governors and Directors. This will include those provisions relating to the removal of Committee members and filling vacancies.

MEETINGS. The Committee shall meet as scheduled in conjunction with regular Board meetings and may also meet for specific purposes as requested by the Committee Chair. The Committee may invite to its meetings other Governors or Directors as well as Association management as the Committee Chair deems necessary to complete business. The Committee through its Chair shall report its activities to the Board at Board meetings as well as to the MCA&F Chairman and CEO as required. This may also be accomplished by teleconference or email if the meeting is not held in conjunction with a Board meeting and the results need to be communicated in a timely manner.

DUTIES AND RESPONSIBILITIES. The Committee will be responsible for the following:

1. Review and recommend a set of corporate governance principles to the MCA&F Boards for adoption when required. The committee shall review the governance principles at least annually and recommend changes as necessary.
2. Review the MCA&F Committee structure and recommend to the Chairman and CEO of the Boards a slate of Governors and Directors to serve as members of each committee. The Committee shall review, and in coordination with the Chairman and CEO, recommend individual committee slates annually for approval at the Board meetings. This will also include the leadership billets on the Advisory Panel. The Committee should recommend additional Committee members to fill vacancies as needed during the year.
3. Develop and recommend to the MCA&F Boards for approval an annual evaluation process of the Boards and the committees to include Governance.
4. Coordinate the review, revision and adequacy of the By-Laws of the MCA&F Boards as required.
5. Periodically review the adequacy of the ethics compliance programs of the **MCA&F.**
6. Review and reassess the Governance Committee Charter annually and recommend any proposed changes to the MCA&F Boards for approval.
7. Conduct the MCA&F Board nominating process in coordination with the Chairman and CEO. Develop a slate of nominees for either the Board of Governors or the Board of Directors for approval based upon the established criteria in the By-Laws. This slate will be briefed and voted upon as required at the annual Winter Board meeting. Specific circumstances may dictate the nomination of an individual to either Board at any time during the year. Following coordination with the MCA&F Chairman and CEO, the Committee may communicate with Board members via email or teleconference recommending approval of the nomination.

Review and assess annually, with management's input, policies and procedures covering MCA&F's Information Technology Systems and Cyber Security issues to include but not limited to the following:

- A. MCA&F management to annually update the Committee on its IT Systems and Cyber Security operations.
 - B. MCA&F management to comment annually on IT System and Cyber Security Budget and refresh plan.
 - C. MCA&F to report to the Committee any Cyber Security breaches to its system. The Committee shall determine at what level such breaches shall be reported to the full Board.
8. Nomination process for the MCA&F Chairman and Vice Chairman of the Boards. When there is a requirement to nominate candidates for election to the position of Chairman of the Boards or the Vice Chairman, the CEO will appoint a Nominating Committee (NC). This committee will prepare a slate of potential nominees in accordance with the selection criteria established in the By-Laws. The NC normally under the leadership of the Governance Chair will prepare the nomination process for briefings and a vote at one of the annual MCA&F Board Meetings. All MCA&F Board members will be notified of the impending briefings and election 30-60 days prior to the scheduled Board meeting.

AUTHORITY. In carrying out its responsibilities, the Committee may draw on the expertise of management and the corporate staff. When appropriate, the Committee may propose to the MCA&F Chairman or CEO hiring outside legal, accounting or other experts to assist the Committee in its work. In any activity, the Committee shall have unrestricted lines of communication to the MCA&F Chairman and CEO.

GOVERNANCE POLICY. The MCA&F Governance Policy shall consist of a Code of Business Ethics Policy, a Conflict of Interest Policy, a Record Retention and Destruction Policy, and a Whistleblower Policy.

STATEMENT OF VALUES. The MCA&F BOG, BOD officers and employees shall:

- Be committed to the execution of the MCA&F's mission
- Serve all members of the MCA&F impartially
- Be responsible stewards of the MCA&F's resources
- Conduct all MCA&F business with integrity, honesty, courtesy, and accountability to our members

Approved July 31, 2018