



**Emclaire Financial Corp.  
Farmers National Bank of Emlenton**

**CHARTER OF  
NOMINATING AND CORPORATE  
GOVERNANCE COMMITTEE  
OF  
THE BOARD OF DIRECTORS**

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Board Approved: April 2017*

## **CHARTER OF NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS**

### **I. Nominating and Corporate Governance Committee Purpose**

The Nominating and Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Emclair Financial Corp. (the "Corporation") to assist the Board in fulfilling its oversight responsibility, and promoting the best interests of the Corporation and its shareholders through the implementation of sound corporate governance principles and practices. The primary duties and responsibilities of the Committee are to:

- identify and recommend to the full Board the selection of qualified individuals to serve as Board members and recommend to the full Board director nominees for each Annual Meeting of Shareholders (provided that directors who are also employees of the Corporation or any of its subsidiaries shall not participate in the nomination process);
- review existing corporate governance documents and establish corporate governance principles applicable to the Corporation and to govern the conduct of the Board and its members; and
- review nominations for director submitted by shareholders pursuant to the Corporation's Articles of Incorporation.

The Committee has the authority to access any consultant of the Corporation to aid it in its responsibilities. The Committee has the authority and ability to retain, compensate and terminate, at the Corporation's expense, any search firm used to identify director candidates as is necessary to undertake its responsibilities.

### **II. Nominating and Corporate Governance Committee Membership and Meetings**

Members of the Committee must meet applicable Nasdaq Capital Market listing standards and other statutory or regulatory requirements relative to director independence. The Committee must have two or more independent directors as determined by the Board, each of whom must be independent, non-employee directors, free from any relationship that would interfere with the exercise of each member's equitable judgment. Non-independent directors may attend Committee meetings and assist the Committee in establishing its meeting agendas. The Board shall select members based on prior experience in matters considered by the committee, probable availability at times required for consideration of these matters, and each individual's independence and objectivity.

Members of the Committee, as well as other committees of the Board, are nominated by the Committee and appointed by the Board of Directors at its Annual Meeting. Each committee of the Board will select the chair of such committee.

The Committee shall establish its own schedule for meetings throughout the year. The Committee Chair must approve an agenda in advance of each meeting. If the Chair is not present, the members of the Committee may designate a Chair by a majority vote of those present. The Committee shall meet in executive session annually to review the performance of the Board and/or to discuss any other matters that it believes should be discussed without management present and will present a report to the Board.

The Committee shall report to the Board of Directors. The Committee shall have authority to delegate any of its responsibilities to subcommittees as it may deem appropriate in its sole discretion and to retain, terminate and obtain advice, reports or opinions from search firms or other internal or outside advisors and legal counsel in the performance of its responsibilities, and shall have the sole authority to approve related fees and retention terms.

### **III. Nominating and Corporate Governance Committee Goals, Responsibilities and Duties**

#### **A. Recommend qualified individuals for Board membership**

- Review individual qualifications for service of individuals on the full Board;
- Recommend to the Board individuals for Board membership;
- Review any shareholder submitted nominees for election of directors at the Annual Meeting of Shareholders;
- Recommend to the Board nominees for election of directors at the Annual Meeting of Shareholders;
- Confirm that each standing committee of the Board has a charter in effect and that such charter is reviewed at least annually by its committee;
- Oversee the Board's director orientation and continuing education programs;
- Review and assess the Corporation's compliance with the corporate governance requirements established by NASDAQ and the requirements established under the Sarbanes-Oxley Act, by federal banking laws and regulations or otherwise as applicable to the Corporation;
- Review and assess the processes used to promote the quality and clarity of the information provided to the Board and the committee and make recommendations to management as the Committee deems appropriate from time to time for improving such processes;
- Oversee the annual evaluation of the performance of the Board and its committees and report to the Board on the evaluation results following the end of each calendar year;
- Provide a leadership role in shaping the corporate governance of the Corporation; and
- Review, at least once every two years, the Code of Personal and Business Conduct and Ethics.

In identifying candidates for membership on the Board of Directors, the Committee shall take into account all factors it considers appropriate, which may include (a) ensuring that the Board of Directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a "financial expert," as that term is defined by the rules of the SEC), local or community ties and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Corporation's business and industry, independence of thought and an ability to work collegially. The Committee also may consider the extent to which the candidate would fill a present need on the Board of Directors.

**B. Committee Membership and Qualifications**

- Recommend to the full Board the establishment of Board committees and subcommittees, as necessary, at the Annual Meeting of the Board and at other times during the year, if necessary;
- Recommend to the full Board the membership and composition of each of the Board committees and sub-committees and recommend removal of any committee member, if necessary; and
- Review qualifications of Directors for committee membership.

**C. Develop and Oversee Corporate Governance Principles**

- Establish and annually review Corporate Governance Principles for the overall governance of the Board of the Corporation and its subsidiaries and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board in light of such developments as may be appropriate.

**D. Other**

- Maintain minutes of meetings, which are circulated to the full Board and report to the Board of Directors on a regular basis.