



# **Charter of the Nominating and Corporate Governance Committee**

*Approved:02/28/2024*

# Purpose

The primary objectives of the Nominating and Corporate Governance Committee of the Board of Directors of Isabella Bank Corporation are to identify individuals qualified to become Board members; recommend that the Board select the director nominees for election at the next annual meeting of shareholders or elect such directors in the interim; lead in the annual review of Board performance; and engage in such other activities as may be delegated to the Committee from time to time by the Board of Directors.

# Membership

The Committee shall be comprised of no fewer than 3 members, all independent under Rule 5605(a)(2) of the NASDAQ Marketplace Rules and shall satisfy such other requirements as shall be provided in the Corporation's Bylaws or as the Board shall otherwise determine.

The members of the Committee and the Committee Chair shall be appointed, and may be replaced, by the Board upon consideration of the recommendations of the Committee. Changes in Committee composition and leadership shall be considered at the annual organizational meeting of the Board. However, the Board reserves the authority to make changes to Committee composition and leadership at any time. Committee members and the Chair shall serve until they are replaced, they resign, or their successors are duly elected and qualified.

# Meetings

The Committee shall meet as often as may be deemed necessary or appropriate, but at least annually. The Committee may ask members of management or others to attend meetings or to provide relevant information. The Committee shall periodically meet in executive session absent management.

The Committee shall maintain a high degree of independence both in establishing its agenda and directly accessing various members of management.

# Responsibilities and Duties

The Committee shall be responsible for matters related to service on the Board of Directors of the Corporation and associated issues of corporate governance. To fulfill its responsibilities, the Committee shall:

1. Review with the Board the criteria for Board membership. The Committee shall develop a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board. The Committee shall also create a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate and banking environment, government, academia, private enterprise, non-profit organizations, and professions such as accounting, human resources, and legal services.
2. Review the qualifications of individuals for consideration as director candidates and recommend individual director candidates for election. Among the qualifications considered in the selection of candidates: business skills and experiences, prominence and reputation in their profession, a primary residence or significant business interest in Isabella Bank's CRA defined area, a broad business and social perspective, concern for the long-term interests of the shareholders, and personal integrity and sound judgment. In addition, directors must have time available to devote to Board activities.
3. In the process of searching for qualified persons to serve on the Board, the Committee shall strive for the inclusion of diverse groups, knowledge, and viewpoints. In connection with its efforts to create and maintain a diverse Board, the Committee will:
  1. Develop recruitment protocols that seek to include diverse candidates in any director search. These protocols should take into account that qualified, but often overlooked, candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, nonprofit organizations, and trade associations, in addition to the traditional candidate pool of corporate directors and officers.
  2. Strive to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates.
  3. Periodically review director recruitment and selection protocols so that diversity remains a component of any director search. While the Committee shall seek diverse populations, expertise, and viewpoints for representation on the Board, it recognizes, however, that the representation of specific groups may vary over time.

4. Prior to each annual meeting of shareholders, recommend to the Board of Directors the individuals to constitute the nominees of the Board of Directors, for whom the Board will solicit proxies.
5. Recommend to the Board of Directors candidates to fill any vacancies on the Board of Directors.
6. After consultation with the Board Chair and the Committee Chair, review each Director's continuation on the Board prior to their nomination for re-election.
7. On an annual basis, consult with the Chair concerning the size and composition of each standing committee.
8. Assure that there is an orientation process for new Directors.
9. Make recommendations annually to the Board as to the independence of Directors as defined by the Corporation's Bylaws and the NASDAQ Marketplace Rules and SEC.
10. To the extent delegated to it by the Board, periodically review and recommend to the Board revisions, as appropriate, to the Board's Code of Business Conduct and Ethics and other corporate governance guidelines.
11. Receive comments from all Directors and review annually the overall effectiveness of the Board.
12. Periodically review the adequacy of this Charter.
13. Regularly report on Committee activities and findings to the Board.
14. Review and recommend nominees for membership of subsidiary board of directors to the Corporation's Board.
15. Periodically review Board composition to assess how well the Corporation has achieved its goal that the Board reflects a balance of knowledge, experience, skills, expertise and diversity, including racial and gender diversity, desired for the Board to most effectively fulfill its duties.
16. Have and exercise such other powers, authority and responsibilities as may be determined by the Board of Directors.
17. Annually review the performance of the Committee.

The responsibilities and duties set forth above are meant to serve as a guide, with the understanding that the Committee may diverge from the specific duties enumerated as necessary or appropriate given the circumstances.

## **Committee Authority**

The Committee shall undertake any other action or exercise such other powers, authority and responsibilities as necessary or appropriate to the discharge of the responsibilities and duties set forth in this Charter or the Corporation's Bylaws, or otherwise required by other applicable laws, rules or regulations, or as shall otherwise be determined by the Board.

In discharging its responsibilities and duties, the Committee is empowered to investigate any matter brought to its attention that it determines to be within the scope of its authority with full access to all books, records, facilities and personnel of the Corporation. The Committee has the power to retain outside counsel or other consultants or experts for this purpose, or to advise the Committee, and shall receive funding from the Corporation to engage such advisors.

The Committee shall have the sole authority to retain (and terminate), set retention terms and approve the fees of any search firm used to identify director candidates or any outside counsel or advisor it seeks to provide such advice as the Committee shall deem necessary to the discharge of its responsibilities and duties.

The Committee may delegate authority to individuals or subcommittees when it deems appropriate. However, in delegating authority it shall not absolve itself from the responsibilities it bears under the terms of this Charter.