§ 620.31 Compensation committees.

Each Farm Credit bank and association must establish and maintain a compensation committee by adopting a written charter describing the committee’s composition, authorities, and responsibilities in accordance with this section. All compensation committees will be required to maintain records of meetings, including attendance, for at least 3 fiscal years.

(a) Composition. Each compensation committee must consist of at least three members. Each committee member must be a member of the institution’s board of directors. Every member must be free from any relationship that, in the opinion of the board, would interfere with the exercise of independent judgment as a committee member.

(b) Duties. Each compensation committee must report only to the board of directors. In its capacity as a committee of the board, the compensation committee is responsible for reviewing the compensation policies and plans for senior officers and employees. Each compensation committee must approve the overall compensation program for senior officers.

(c) Resources. Each institution must provide monetary and nonmonetary resources to enable its compensation committee to function.

PART 621—ACCOUNTING AND REPORTING REQUIREMENTS

Subpart A—Purpose and Definitions

Sec.
621.1 Purpose and applicability.
621.2 Definitions.

Subpart B—General Rules

621.3 Application of generally accepted accounting principles.
621.4 Audit by qualified public accountant.
621.5 Accounting for the allowance for loan losses and chargeoffs.