



## Corporate Governance Guidelines

The Board of Directors (the “**Board**”) of Pathward Financial, Inc. (the “**Company**”) desires to establish a system of corporate governance within the existing organizational structure of the Company and its subsidiaries, including Pathward, N.A. (the “**Bank**”) that permits the Board to carry out its basic responsibility to exercise its business judgment to act in what it reasonably believes to be in the best interests of the Company and its stockholders and in a manner consistent with their fiduciary duties. The Company aspires to the highest standards of corporate governance and ethical conduct. This policy is designed to facilitate principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

### 1.0 Purpose

In fulfilling its basic responsibility, members of the Board (“**Directors**”) are expected to, among other things:

- maintain a high level of integrity on an individual and collective basis;
- apply themselves to understanding the business of the Company, its industries and significant risks;
- participate, with management, in setting the long-term strategies, plans, goals, business objectives and capital planning objectives of the Company;
- review, monitor and support management in implementing the long-term strategies, plans, goals, business objectives and capital planning objectives of the Company;
- evaluate the financial performance of the Company on a regular basis;
- conduct objective and thorough reviews and assessments of the Chief Executive Officer (“**CEO**”) of the Company;
- devote sufficient time to Board and committee meetings and related activities;
- abide by the Company’s Code of Business Conduct;
- evaluate the overall performance and effectiveness of the Board; and



- honor confidentiality in all aspects of board deliberations and encourage dialogue and disagreement while working together to resolve issues in the best interests of all stakeholders.

## 2.0 Selection, Composition and Performance of the Board

### Size of the Board

The Board may fix the number of directors on the Board from time to time, in accordance with the Company's certificate of incorporation and bylaws and as recommended by the Governance, Nominating and Sustainability Committee (the **"Governance Committee"**).

### Selection of New Directors

The Board is responsible for selecting its own members and recommending nominees for election by the stockholders. In addition, the Board fills vacancies on the Board when necessary or appropriate. The Board utilizes its Governance Committee to screen and recommend to the Board candidates based on input from whatever sources the Governance Committee may reasonably choose, including, but not limited to, stockholders, other Directors and members of executive management. Director nominees are selected based on their business and professional accomplishments, integrity, demonstrated ability to make independent analytical inquiries, ability to understand the Company's business, relevant expertise and experience, commitment to stockholders and willingness to devote the necessary time to Board duties. While the Company does not have a formal policy with respect to the consideration of diversity in identifying nominees, diversity is considered in the director identification process, with diversity being broadly understood by the Board to mean a variety of gender identities, demographics, opinions, perspectives, and personal and professional experiences and backgrounds. While attributes such as relevant experience, financial acumen, and formal education are always considered in the identification process, the Governance Committee and the Board will also evaluate a potential Director nominee's personal character, community involvement, ability to devote adequate time, and willingness to serve so that they can help further the Company's role as a financial institution.

### Onboarding of New Directors

Once elected to the Board, the Governance Committee, with the assistance of management, will coordinate an onboarding program for a new Director that includes background materials (e.g., onboarding guide, strategic plans, financial reports), meetings with senior management and visits to certain Company facilities. All new Directors must complete the onboarding program.

### Selection of Chair

The Chair of the Board and the Vice Chair of the Board are elected at the meeting of the Board that follows the Company's annual meeting of stockholders. Although the Board does not have a formal policy requiring the separation of the positions of Chair of the Board and CEO, those roles are, and historically



have been, separate. If not separate, then a “Lead Independent Director” will be designated by the Independent Directors (as defined below).

### **Mix of Non-Independent and Independent Directors**

A majority of the Directors on the Board will be Independent Directors. “Independent Directors” are considered to be those that meet the independence or “non-employee Director” requirements of the Internal Revenue Service, Securities and Exchange Commission, The Nasdaq Stock Market LLC, the Securities Exchange Act of 1934, as amended, and any other government or regulatory body exercising authority over the Company, as interpreted by the Board in its business judgment. The Board believes that the CEO should be one of the non-independent directors.

### **Resignation or Refusal to Stand for Re-Election**

Directors who intend to resign or not stand for re-election at the Company’s annual stockholders meeting are required to notify the Board prior to that meeting. The Director shall offer a letter of resignation to the Board, which will then be approved by the Board in its discretion.

### **Change of Responsibility of Director**

The Board believes a Director who retires from their employment, or whose position of employment materially changes after their original election to the Board, should notify the Chair of the Board and the Chair of the Governance Committee, and volunteer to resign from the Board. It is not the intention of the Board to mandate the resignation of any such Director, but rather to provide an opportunity for the Governance Committee to review the continued appropriateness of Board membership under the changed circumstance.

### **Term Limits**

The Board does not advocate the use of term limits. While such limits could help ensure that there are new ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operation, and therefore, provide an increasing contribution to the Board as a whole.

### **Maximum Age for Directors**

No person who is age 72 or older shall be eligible to serve on the Board after the annual meeting of stockholders following their 72<sup>nd</sup> birthday, with the exception of those individuals whom the Board has, from time to time, determined to be exempt from this policy. This policy does not apply to any Director who was serving as a Director as of January 1, 2020.

### **Additional Board Service**

Directors may not serve on more than four boards of other public companies in addition to the Board.



Members of the Audit Committee may not serve on more than three public company audit committees, including the Company's Audit Committee.

### **Board Compensation**

The Compensation Committee of the Board reviews the compensation of Directors in relation to other publicly owned banks and companies and approves the compensation of the non-employee Directors. In order to align closely the interests of the Directors with those of the stockholders, a significant portion of the Director compensation is provided and held in common stock of the Company. A Director who is also an officer or other employee of the Company shall not receive additional compensation for service as a Director.

### **Executive Sessions of Independent Directors**

An executive session will occur at the end of a Board meeting at least quarterly, and more frequently as appropriate, during which all those attending except Independent Directors are excused from the meeting.

### **Continuing Education**

Knowledge is the foundation for assuring a safe and sound corporation. Each Director should participate in continuing education throughout their tenure. The Governance Committee will suggest continuing education opportunities for Directors and monitor continuing education completed by each Director. The Company will provide adequate funding for continuing education programs in consultation with the Chair of the Governance Committee.

### **Evaluation of Performance**

The Board will perform a self-assessment of the Board's performance at least annually. The Governance Committee will oversee the conduct of the assessment, identify the subject matters to be addressed by the assessment, seek comments from all Directors and communicate the results of any such assessment to the Board for discussion. The Governance Committee may hire external consultants or advisors to advise the Governance Committee in connection with any assessment, to conduct an assessment, or to report results to the Board. The purpose of the assessment will be to improve the performance of the Board as a unit, and not to target the performance of any individual Director.

### **Stock Ownership**

To further align the interests of the Company's non-employee Directors with those of the Company's stockholders, the Compensation Committee has approved stock ownership guidelines for our non-employee Directors.



## **Indemnification and Insurance**

The Company provides reasonable directors' and officers' liability insurance for the Directors and shall indemnify the Directors to the fullest extent permitted by law and the Company's certificate of incorporation and bylaws.

## **3.0 Board Relationship to Senior Management**

### **Attendance of Non-Directors at Board Meetings**

Members of senior management often make presentations during Board meetings at the invitation of the Chair of the Board, however, neither they nor other non-Directors regularly attend Board meetings except for the CEO, Chief Legal and Administrative Officer, and the Corporate Secretary. Should the CEO wish to add additional attendees on a regular basis, it is expected that the suggestion would be made to the Chair of the Board for concurrence. The Board may meet in executive session or with a limited number of management attendees at any time in its discretion.

### **Board Access to Senior Management**

Directors have complete access to the Company's management. It is expected that Directors will use judgment to ensure that such contact is not distracting to the business operation of the Company. The Board encourages senior management to bring managers into Board meetings during designated sessions to provide additional insight into the items being discussed or to provide such managers with exposure to the Board that senior management feels is warranted.

### **Board Hiring of and Access to Independent Advisors**

Directors have complete access to internal audit and to independent advisors of the Company, including the Company's independent accountants, outside counsel, consultants, regulators, investment bankers or other advisors deemed appropriate by the Board. The Board may also hire independent outside counsel or consultants to assist with and advise the Board in connection with its responsibilities. The Board will advise management of the general ranges of anticipated expenses in connection with retaining independent advisors.

### **Board Interaction with Third Parties**

The Board believes management speaks for the Company and its subsidiaries including the Bank. Individual Directors may from time to time communicate with various constituencies that are involved with the Company and its subsidiaries, such as the media, investors and customers. However, it is expected that such communications will only be made after conferring and with the concurrence of the Company's management.



## **Board Interaction with Stockholders**

The Board believes that effective corporate governance must include a procedure that permits free and open exchange between stockholders and Directors. To that end:

- Stockholders may communicate with the Board by submitting written correspondence to the Company to the attention of the Chair of the Board at the Company's physical headquarters or at its published mailing address.
- All other written correspondence that requests a response from the Board, whether implicitly or expressly, will be referred, likewise, to the Chair of the Board.
- The Corporate Secretary shall make copies of these Corporate Governance Guidelines available to any stockholder on written request to the Company.
- All Directors will attempt to attend the annual meeting of stockholders and will permit time for meeting stockholders in attendance if the meeting is in person. Any Director who is unable to attend or unable to meet with stockholders in attendance will submit an explanation to the Chair of the Board.

## **4.0 Meeting Procedures**

### **Frequency of Meetings**

Meetings of the Board are generally held on a quarterly basis. In addition, special meetings may be called from time to time as circumstances warrant and pursuant to the Company's bylaws. Directors are expected to devote sufficient time and attention to prepare for all Board meetings. Directors are expected to attend all Board meetings. Any Director who is unable to attend a Board meeting will submit an explanation to the Chair of the Board.

### **Selection of Agenda Items for Board Meetings**

The Chair of the Board typically establishes a recommended agenda for each meeting, which shall be based upon input from management. All Directors are encouraged to suggest to the Chair of the Board the inclusion of items for the agenda of any meeting. Any Director may raise at any Board meeting subjects that are not on the agenda for that meeting.

### **Board Materials Distributed in Advance**

To facilitate preparation for Board meetings, information that is important to the Board's understanding of agenda items and the Company's business is provided to the Directors several days in advance of the



meetings. Management attempts to provide sufficient information to apprise the Directors without being overwhelming.

## **5.0 Committee Matters**

### **Number and Structure of Committees**

It is the general policy of the Company that all major decisions be considered by the Board as a whole. Accordingly, the committee structure of the Board is limited to those committees considered to be critical to the efficient operation of the Board or required for the operation of a publicly owned company. The current standing committees of the Board are the Audit Committee, Compensation Committee, Governance Committee, and Risk Committee. From time to time, other committees may be formed as the need arises, including an Executive Committee. Each standing committee will have its own charter. The advice of the Governance Committee should be sought when drafting charters and material amendments to charters to ensure they reflect good governance practices. The charters will set forth the purposes and responsibilities of the committees as well as qualifications for committee membership. The charters will also provide that each committee will at least annually evaluate its performance whenever feasible. Each committee will report regularly to the Board regarding its activities. Committee reports may be verbal or in writing and may be provided by delivering the committee's minutes.

### **Assignment and Rotation of Committee Members**

Committee members are assigned by the Board after consideration of the desires and qualifications of individual Directors, upon the recommendation of the Governance Committee. Membership is rotated periodically, but such rotation is not mandated as policy as there may be reasons to maintain committee memberships for a longer period of time.

### **Assignment of Committee Chairs**

Committee chairs are assigned by the Board after consideration of the desires and qualifications of individual Directors, upon the recommendation of the Governance Committee.

### **Committee Meeting Frequency and Agenda**

The Chair of each committee, in consultation with the committee members and management, will determine the agenda, frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter.



### **Executive Sessions of Independent Directors**

An executive session shall occur at the end of a committee meeting for each committee at least quarterly, and more frequently as appropriate, during which all those attending except Independent Directors are excused from the meeting.

## **6.0 Leadership Development**

### **Executive Succession Planning**

The Governance Committee will be responsible for CEO and executive succession planning in accordance with its charter. The Governance Committee will report to the Board annually regarding CEO and executive succession planning and evaluate and recommend potential CEO successors to the Board.

### **Formal Evaluation of the CEO**

Annually the Board will perform an evaluation of the CEO, which will be communicated to the CEO by the Chair of the Board and, at the Chair's discretion, the Chair of the Compensation Committee. The evaluation should be based on objective criteria including performance of the Company, accomplishment of long-term strategic objectives, development of management, etc. The evaluation will be used by the Compensation Committee when considering the compensation of the CEO.

## **7.0 Interpretation, Review Schedule and Disclosure**

### **Interpretation**

These Guidelines are in addition to and are not intended to change or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the Company's certificate of incorporation (as amended from time to time) or bylaws (as amended from time to time) or any committee charter reviewed and approved by the Board.

### **Review of the Corporate Governance Guidelines**

The Governance Committee has primary oversight responsibility for these Corporate Governance Guidelines and will review these Corporate Governance Guidelines annually, recommending revisions to the Board as it deems necessary. The Board may approve revisions to the Guidelines from time to time in its discretion.





### **Disclosure of Corporate Governance Guidelines**

The Company will make these Corporate Governance Guidelines available on the Company's investor relations website and will disclose in its annual proxy statement or annual report on Form 10-K that these Corporate Governance Guidelines are available on the Company's website.

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