

**NUVERA COMMUNICATIONS, INC.  
BOARD OF DIRECTORS  
CORPORATE GOVERNANCE GUIDELINES**

**1. Purpose**

The following Corporate Governance Guidelines (these “Guidelines”) have been approved by the Board of Directors (the “Board”) of Nuvera Communications, Inc. (the “Company” or “Nuvera”) and, together with the Articles of Incorporation, Bylaws and charters of the Board committees (the “Committees”), provide the framework of the governance of Nuvera. These Guidelines serve as a flexible framework within which the Board may conduct its business and not as a set of binding legal obligations and should be interpreted in the context of all applicable laws, Nuvera’s charter documents and other governing legal documents.

These Guidelines detail those responsibilities that both Board members and the management team have in providing oversight to the operation of Nuvera and any related entities it has under its umbrella. The following expectations, reinforced by a separate board-adopted Code of Business Conduct and Ethics and Mission Statement of the Company, reflect the standards expected of members of the Board and corporate officers:

- Commitment to exercising loyalty in administering the affairs of the Company with integrity, candor, and personal honesty; and
- Commitment to exercising care in conducting the affairs of the Company as prudent and diligent business people.

**2. Objectives**

These Guidelines are intended to meet several objectives in promoting sound governance of Nuvera:

- Define the duties and responsibilities of the Board and the corporate officers, thus maximizing good interaction;
- Establish meeting expectations as to agenda, reports, and attendance;
- Define the role of Board Committees within the governance framework;
- Provide the basis for succession planning as to Board members and senior management;
- Provide considerations for Board composition, terms, and retirement;
- Provide considerations for Board compensation; and
- Establish Board assessment and education expectations.

### 3. General Responsibilities

There are several responsibilities that form the basis for the activities of the Board:

Policy Development: The Board will periodically review established corporate policies as to current adequacy and oversee the development and implementation of new policies where regulations, market conditions or certain practices warrant. It is generally the responsibility of corporate management to draft such policies, bring them to the Board for periodic review and adoption or re-ratification, and to subsequently see to their compliance.

Strategic Planning and Budgeting: Setting the direction of the Company, both philosophically and in meeting the needs of its stakeholders (the shareholders, customers, employees, and communities) is another significant responsibility of the Board. This is initiated through comprehensive strategic planning sessions every two or three years and at least an annual review in interim years. It is understood and expected that Board members will utilize strategic thinking throughout its interaction with and guidance of the Company. It is understood that it is management's role to implement actions designed to attain the strategic direction established by the Board, draft a budget that reflects this, and bring the full plan and budget to the Board for review and adoption.

Management Oversight and Succession Planning: The Board is responsible for hiring the Chief Executive Officer of the Company (the "CEO") and the Board, under the leadership of the Chair, provides oversight to the CEO. An annual performance review of the CEO will be conducted under the oversight of the Compensation Committee and will seek input from outside Board members. The Board on a regular basis will work with the CEO to evaluate the Company's succession plans for the CEO and other executive officers and key employees, which will include transitional leadership in the event of an unplanned vacancy.

Board Refreshment and Succession Planning: The Board, utilizing the Nominating and Corporate Governance Committee, will periodically review a refreshment and succession plan for the Board.

Board Orientation and Continuing Education: Management, working with the Executive Committee, will provide an orientation process for new directors, including providing background material on the Company and its business and the industry in which it operates. Board members have an obligation to stay abreast of current industry trends, the market place, products, services and the regulatory environment, as well as topics tailored to directors of publicly held companies. To that end, in addition to reading materials provided Board members and information shared at various meetings, Board members will be offered opportunities to attend seminars or conferences.

#### **4. Chair of the Board**

The Chair of the Board will be an independent director, such independence as determined by the Board but taking into account the rules of any applicable stock exchange on which the Company's securities are then listed, and any other applicable laws, rules and regulations.

The Chair of the Board will be annually elected by the Board. The Chair of the Board will preside at each Board meeting. It is the responsibility of the Chair to facilitate the constructive interaction between the Board and Management of the Company. The Chair should be fully aware of both the condition of the Company and the concerns and recommendations of the directors. The Chair should provide an opportunity for the full and open participation of each director at Board meetings.

#### **5. Board Committees**

The Board has the following standing Committees: Audit, Compensation, Nominating and Corporate Governance and Executive.

The Board has flexibility to form new committees or disband a current committee.

Each Board Committee has a formal written charter approved by the Board that clearly define their respective functions and responsibilities.

The Board of Directors also has the ability to appoint task forces as needed.

#### **6. Assignment of Committee Members**

The Board, upon recommendation of the Nominating and Corporate Governance Committee and Board Chair, will regularly review the Board committee structure and composition and Chairs of each Committee. The Chair of the Board shall be considered a non-voting, Ex Officio member of the Audit, Compensation and Nominating and Corporate Governance Committees if he or she is not a member of such Committees. The Board does not have a fixed policy on rotation of Board Committee memberships.

#### **7. Committee Meetings**

Meeting frequency and agenda items for Committee meetings will be fixed by the respective Committee Chair working together with the CEO and taking into account the regular Committee meeting schedule and core agendas. The Committee Chair will report to the full Board at each regular meeting on Committee actions and recommendations. Committees may also take action by written consent.

#### **8. Board Meetings**

Board meetings will be scheduled in advance, at least every quarter. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate

notice at any time to address specific needs of the company. The CEO and Chair will establish the agendas for Board meetings, taking into consideration the “core” agenda items and regular meeting dates that the Board establishes in advance. The Board will be free to suggest agenda topics and the CEO will seek Board input on agenda items. The Board may also take action by written consent.

**9. Board and Committee Meeting Materials**

In advance, the Board is to be fully informed of all major proposals and will have an opportunity to make meaningful and deliberate contributions to the decision-making process. Information and data that is deemed important to the understanding of the Board or its Committees of the business is to be distributed prior to the Board or Committee meeting at which such matters will be considered. On occasions where the subject matter is too sensitive to be distributed, certain proposals will be discussed at the meeting without prior written information having been delivered.

**10. Attendance at Board Meetings and Shareholders Meetings**

All directors will make a diligent effort to achieve regular attendance, either in person or by teleconference, all meetings duly scheduled by the Board and its Committees. It is expected that directors attend at least 75% of all Board and such members’ respective Committees.

The Board encourages all directors and officers to attend each annual meeting of shareholders.

**11. Regular Attendance of Non-Directors at Board Meetings**

The Board and the CEO will select senior executives to attend meetings to make presentations to the Board that provides the Board with the opportunity to evaluate senior executives. Board meetings may also be attended from time to time by outside advisors, to the extent such advisors’ participation is deemed necessary and appropriate to assist the Board in understanding the material presented to the Board.

**12. Closed Sessions of Independent Directors**

At least once each quarter, and as deemed necessary by the Board, the Board meeting will include a closed session of all independent directors. The independent directors have an opportunity to meet in closed session without management present. The Chair of the Board presides over these sessions.

**13. Board Access to Senior Management and Advisors**

Board members have complete access to the Company’s senior management, its outside counsel and its independent registered public accounting firm.

Each independent director is expected to become familiar with the condition and operations of the Company through Board and Committee meetings and by personal observation and inquiry.

In addition, it is the responsibility of the Chair of the Board to facilitate constructive interaction between the Board and management of the Company.

**14. Board Compensation**

The Compensation Committee is responsible for reviewing and recommending to the Board compensation for Board members. Management directors will not be paid for Board membership in addition to their regular employee compensation. To attract and retain qualified non-employee directors, director remuneration and benefits should be competitive and reviewed periodically to ensure that they meet this standard.

**15. Size of the Board**

The Company's Articles provide for a Board with up to 9 directors. The Nominating and Corporate Governance Committee will periodically review the size of the Board and, as appropriate, make recommendations to the Board. The size of the Board should accommodate the objectives of effective discussion and decision-making, adequate staffing of Board Committees, and desired mix of management and non-employee directors.

**16. Board Composition**

The Board should consist of at least 2/3 independent directors (definition follows below), each of whom has a background of experiences, skills and expertise and attributes such that, collectively, they contribute to forming a strong Board.

**17. Board Definition of What Constitutes Independence for Directors**

No director shall qualify as "independent" unless the Board, upon recommendation of the Nominating and Corporate Governance Committee, reviews and determines that the director satisfies the requirements for independence specified below:

- The director has no direct or indirect material relationship with the Company. The director receives no compensation from the Company other than Board and Board Committee compensation.
- The director is not an officer or other employee of the Company and has not served in such position for the previous three years.
- The director is not a partner, significant shareholder, officer, consultant, or employee of an entity that has a business relationship or business interest in or with the Company.
- The director is not and has not been, for the past three years, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that employs the director.

- The dictates as to independence ascribed to a director as set forth above shall also apply to members of the director's immediate family for purposes of determining "independence".

In applying these standards, the Board and Nominating and Corporate Governance Committee shall consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships can include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationship.

#### **18. Former Chief Executive Officer's Board Membership**

Whether a former CEO should serve on the Board is a matter to be decided in each individual instance, subject to any applicable laws, rules or regulations providing otherwise.

#### **19. Selection of New Director Candidates**

The ultimate responsibility for selection of new director candidates resides with the Board. The screening process for that responsibility is delegated to the Nominating and Corporate Governance Committee, which reviews candidates for election as directors and annually recommends a slate of directors for approval by the Board and election by the shareholders. Potential candidates must have undergone an acceptable background check prior to placement into nomination.

In addition, the Nominating and Corporate Governance Committee periodically reviews and recommends the composition, organization and responsibilities of the Board and its Committees.

#### **20. Assessing the Board's Performance**

The Board will annually review its performance and takes steps (including evaluating its composition, organization, responsibilities and compensation) to improve its performance. The evaluation will also include the performance of each of the Board Committees, as a whole with the goal of improving the effectiveness of the Board as a whole.

#### **21. Retirement, Resignation and Term Limits**

In the event that an individual director attains the age of sixty-nine (69) years, that director shall be disqualified to stand for election or appointment.

All decisions regarding director retirements and resignations shall be communicated in advance and in writing to Nuvera's Secretary.

The Board does not believe that term limits for directors are appropriate. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed

increasing insight into Nuvera and its operations and therefore provide an increasing contribution to the Board as a whole.

**22. Formal Evaluation of the Chief Executive Officer**

An annual performance review of the CEO will be conducted under the oversight of the Compensation Committee and will seek input from outside Board members. The Chair of the Board delivers the annual performance review of the CEO based on input from members of the Board and his/her own observations.

**23. Succession Planning**

The Board is responsible for assuring that the status of organizational strength and succession planning is consistent with the requirements of the long-range goals of the Company.

The Board on a regular basis will work with the CEO to evaluate the Company's succession plans for the CEO and other executive officers and key employees, which will include transitional leadership in the event of an unplanned vacancy.

The Board will also work with the CEO to evaluate the Company's management and talent development plans for its senior executives and other key employees.

The CEO is required to present to the Board an evaluation of the pace, direction and organizational strength of the Company; ensure that the Company has an effective top Company management team, with provision for succession; and ensure the development and implementation of personnel training and development plans and programs which will provide the human resources necessary for the achievement of the Company's goals.

**24. Interaction with Institutional Investors, the Press, Customers, Etc.**

The Board believes that management speaks for the Company. The CEO is charged with responsibility to serve as the chief spokesperson for the Company, and thereby sees that the Company is properly represented. Board members should refer all inquiries from institutional investors, the press, customers or others regarding the Company's operations to the CEO. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chair or a Chair of one of the Board Committee.

**25. Duty of Loyalty and Confidentiality**

Directors owe to the Company a duty of loyalty and a duty of diligence in carrying out their responsibilities. Directors shall deal in strict confidence with all material, non-public matters involving the Company. Such material, non-public information shall not be disclosed to anyone other than Board members without the express agreement or direction of the Board.

**26. Conflicts of Interest and Director Independence**

Directors shall promptly disclose to the Board any existing or proposed situation or relationship that could reasonably be considered as a conflict of interest with service as a director, or having the appearance of such or which could affect the independence of the director under any applicable listing standards or any additional standards as may be established by the Board from time to time, including direct relationships between Nuvera and the director and his or her family members, and indirect relationships between the company and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant shareholder, or is materially financially interested. Both the existence or proposed situation or relationship and the nature thereof (e.g., financial, family relationship, professional, charitable or business affiliation) should be disclosed.

**27. Change of Principal Occupation or Other Circumstances that May Adversely Reflect Upon the Director or the Company**

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify the Nominating and Corporate Governance Committee of such circumstances. The Nominating and Corporate Governance Committee will consider the circumstances, and may in certain cases consider requesting that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.

**28. Limitation on Number of Boards**

No director shall sit on the board of directors of more than three other publicly held companies without the approval of the Nominating and Corporate Governance Committee.

No director who is an active full time employee of the Company shall serve as a director of more than one other publicly held company and there shall be no interlocking board memberships without the approval of the Nominating and Corporate Governance Committee.

**29. Directors Who Receive Less Than a Majority Vote**

In an uncontested election of directors (i.e., an election where the only nominees are those recommended by the Board), any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election by shareholders present in person or by proxy at the annual meeting of shareholders and entitled to vote in the election of directors (“Majority Withheld Vote”), shall tender a



written offer to resign from the Board within five business days of the certification of the shareholder vote by the Inspector of Elections.

The Nominating and Corporate Governance Committee shall promptly consider the resignation offer and recommend to the full Board whether to i) accept the resignation offer; (ii) defer acceptance of the resignation offer until a replacement director with certain necessary qualifications held by the subject director (e.g., Audit Committee financial expertise) can be identified and elected to the Board; (iii) maintain the director but address what the independent members of the Board believe to be the underlying cause of the “against” or “withheld” votes; (iv) resolve that the director will not be re-nominated in the future for election; or (v) reject the resignation offer. In considering its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors deemed relevant by its members, including, without limitation, (i) the perceived reasons why shareholders withheld votes “for” election from the director; (ii) the length of service and qualifications of the director, (iii) the director’s contributions to the Company; (iv) compliance with any required listing standards; (v) the purpose and provisions of these guidelines; and (vi) the best interests of the Company and its shareholders. Any director who tenders his or her offer to resign from the Board pursuant to this provision shall not participate in the Nominating and Corporate Governance Committee or Board deliberations regarding whether to accept the offer of resignation.

The Board will act on the Nominating and Corporate Governance Committee’s recommendation within 90 days following the certification of the vote of the Company’s shareholders by the Inspector of Elections, which action may include, without limitation, acceptance of the offer of resignation, adoption of measures intended to address the perceived issues underlying the Majority Withheld Vote, or rejection of the resignation offer. Thereafter, the Board will consider disclosing its decision whether to accept the director’s resignation offer and the reasons for rejecting the offer, if applicable, in a current report on Form 8-K to be filed with the Securities and Exchange Commission.

The Board believes that this process enhances accountability to shareholders and responsiveness to shareholders’ votes, while allowing the Board appropriate discretion in considering whether a particular director’s resignation would be in the best interests of the Company and its shareholders.

### **30. Share Ownership by Directors and Executive Officers**

In order to align the interests of shareholders and management, directors and executive officers are encouraged to have a financial stake in Nuvera.

### **31. Loans to Directors and Executive Officers**

Loans from Nuvera to directors and executive officers are prohibited.

**32. Communication with Directors**

Shareholders may communicate with the Board or one or more director, by sending correspondence, addressed to Nuvera's Corporate Secretary (Board Matters), Nuvera Communications, Inc., 27 North Minnesota Street, New Ulm, MN 56073 with an instruction to forward the communication to the Board or one or more particular directors. Nuvera's Corporate Secretary will promptly forward all such shareholder communications to the Board or the one or more particular directors, without first screening those communications.

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Approved by Board of Directors of  
Nuvera Communications, Inc.  
September 26, 2019