

**ESSA Bancorp, Inc.**  
**Corporate Governance/Nominating Committee Charter**

This Governance Committee Charter was adopted by the Board of Directors (the “Board”) of ESSA Bank & Trust (the “Bank”) on March 27, 2007.

This Charter is intended as a component of the governance framework within which the Board, assisted by its committees, directs the affairs of the Bank. While it should be interpreted in the context of all applicable laws and regulations as well as in the context of the Bank’s Certificate of Incorporation and By Laws, it is not intended to establish by its own force any legally binding obligations.

**I. PURPOSES**

The Governance Committee (the “Committee”) helps ensure that the board governance system performs well, with specific responsibility for making recommendations to the Board on board organization and procedures, performance evaluation of the Board and individual directors, and nomination of directors. This Committee works closely with the President/CEO and the Chairman of the Board.

The Board believes that diversity is important for the Board to accomplish its work. It is the responsibility of the Committee to recommend for selection a slate of qualified candidates to serve as directors of the Bank. Among the responsibilities of the Committee shall be to advise the Board on matters of diversity, including race, gender, culture, and geography, and recommend, as necessary, measures contributing to a board - that as a whole - reflects a range of viewpoints, backgrounds, skills, experience, and expertise.

**II. COMMITTEE MEMBERSHIP**

The Committee shall consist of three or more members of the Board, each of whom has been determined by the Board to be “independent” in accordance with Section II of the Audit Committee Charter. The Committee members shall be elected annually by the Board for terms of one year, or until their successors shall be duly elected and qualified. Unless a Committee Chairman is appointed by the Board Chairman, the Committee members may designate a Chairman consistent with any recommendation of the Corporate Governance/Nominating Committee.

**III. COMMITTEE MEETINGS**

The Committee shall meet on a regularly scheduled basis at least two times per year, or more frequently as circumstances dictate. Meetings may be called by the Chairman of the Committee, the Chairman of the Board and/or the Chief Executive Officer of the Bank. All meetings of and other actions by the Committee shall be held and taken pursuant to the By Laws of the Bank, including By Law provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters.

- A. Unless otherwise authorized by the full Board, the Committee shall not delegate any of its authority to any subcommittee.
- B. Reports of meetings of and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman or his or her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by and recommendations from the Committee to the Board, In addition, the Committee Chairman or his or her delegate shall be available to answer any questions the directors may have regarding the matters considered and actions taken by the Committee.

#### **IV. KEY RESPONSIBILITIES**

- A. Review with the Board on an annual basis the appropriate skills and characteristics required on the Board in the context of the strategic direction of the Bank. Ensure that each director is provided with a written job description.
- B. Review Board composition to ensure that the Board reflects a balance of knowledge, experience, skills, expertise, and diversity, including racial and gender diversity required for the Board to fulfill its duties.
  1. Develop a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board.
  2. Create a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate environment, government, academia, private enterprise, non-profit organizations, and professions such as accounting, human resources, and legal services.
  3. Strive for the inclusion of diverse groups, knowledge, and viewpoints. To accomplish this, the Committee may retain an executive search firm to help meet the Committee's diversity objective, as well as form alliances with organizations representing the interests of women and minorities. In connection with its efforts to create and maintain a diverse board, the Committee will:
    - 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 at the senior levels 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.
    - Strive to use, to their fullest potential, the current network of organizations and trade groups that may help identifying diverse candidates.
    - Periodically review director recruitment and selection protocols so that diversity remains a component of any director search.

4. The Committee shall seek diverse populations, expertise, and viewpoints for representation on the Board. The Board recognizes, however, that the representation of any specific characteristic may vary over time.
- C. Manage the process whereby the full board annually assesses its performance and then report the results of this evaluation to the Board along with any recommendations for improvements.
  - D. Manage the process whereby the current Board members are evaluated individually by the Board at the time they are considered for re-nomination, and provide advice to individual Board members based on these evaluations.
  - E. Upon receiving the resignation letter required from any director who makes a principal occupation change (including retirement), and after considering advice from the Chairman of the Board and the President/CEO, recommend to the full Board whether to accept the resignation.
  - F. Recommend for Board approval a definition of what constitutes an independent director. The definition should be in compliance with relevant standards by regulators and listing bodies.
  - G. Investigate any potential conflict of interest by a director as assigned to it by the Board.
  - H. Recommend to the Board the existing directors to be re-nominated, after considering the appropriate skills and characteristics required on the Board, the current makeup of the Board, the results of the individual evaluations of the directors, and the wishes of existing Board members to be re-nominated.
  - I. Review with the Board on an annual basis the appropriate skills and characteristics required of new board members.
  - J. Solicit nominations for new directors and screen the list of potential new directors submitted to it by other directors or any other sources. Decide whether the assistance of a search firm is needed, and, if so, choose the firm. This committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fee and other retention terms.
  - K. After a review of board candidates and after considering the advice of the Chairman of the Board and the President/CEO, designate which candidates are to be interviewed. Candidates at a minimum are interviewed by the chair of the governance and nominating committee, the Chairman of the Board, and the President/CEO, but may be interviewed by other directors.
  - L. After the interviews, recommend for board approval any new directors to be nominated. Prior to the final vote of the Board on the nomination of a new director, arrange for the selected candidate to meet all existing directors not yet met.
  - M. Design an orientation program for new directors and consult with them on their progress.
  - N. Recommend committee assignments, including committee chairmanships, to the full Board for approval. This is done after receiving advice from the Chairman of the Board and the President/CEO, and with consideration of the desires of individual board members.

- O. Review annually the corporate governance policy and committee charters and recommend to the Board any needed changes.
- P. Keep abreast of the developments in the corporate governance field that might affect the Bank.
- Q. Jointly with the compensation committee, recommend to the Board the compensation to be paid to directors, including the Chairman of the Board.
- R. Recommend educational requirements.
- S. If a separate Chairman of the Board or a lead director has not been selected, then the governance and nominating committee has two additional duties:
  - 1. Work with the chair of the compensation committee on issues of management objectives, President/CEO evaluation, and management development and succession.
  - 2. Work with the President/CEO to establish an annual schedule of agenda items and present this proposed schedule to the Board for approval at its first meeting of the year. The chair of the governance and nominating committee meets with the President/CEO as needed during the year to discuss a specific agenda for each board meeting.

This Committee has the power to delegate aspects of its work to independent subcommittees, with Board approval. Furthermore, the Board may allocate any of the responsibilities of the committee to a separate committee, provided that the committee is composed of independent directors. Any such committee must have a published committee charter.