

Article VI. Board of Directors

Section 1. **Number of members.** The board consists of nine members, all of whom must be members of this credit union. The number of directors may be changed to an odd number not fewer than 5 nor more than 15 by resolution of the board. No reduction in the number of directors may be made unless there is a corresponding vacancy as a result of a death, resignation, expiration of a term of office, or other action provided by these bylaws. The board must file a copy of the resolution covering any increase or decrease in the number of directors with the official copy of the bylaws.

Section 2. **Composition of board and committees.** No more than three directors or committee members may be paid employees of the credit union.

No more than two immediate family members of a director or committee member may be paid employees of the credit union. In no case may employees, family members, or employees and family members constitute a majority of the board. The board may appoint a management official who may or may not be a member of the board and one or more assistant management officials who may or may not be a member of the board. If the management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair.

Section 3. **Terms of office.** Regular terms of office for directors are for a period of 2 years. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting, or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms must expire at each annual meeting.

Section 4. **Vacancies.** Any vacancy on the board, credit committee, if applicable, or supervisory committee will be filled as soon as possible by vote of a majority of the directors then holding office. If all director positions become vacant simultaneously, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article IX, Section 3. Directors and credit committee members appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will hold office until the first regular meeting of the board following the next annual meeting of members, at which the regular term expires, and until the appointment and qualification of their successors.

Section 5. **Regular and special meetings.** A regular meeting of the board of directors shall be held during the third week of each month at any office of the credit union or within a radius of 100 miles of an office, at the time and place as the board determines. One regular meeting each calendar year must be conducted in-person. If a quorum of the board is present at the in-person meeting, the remaining board members may participate by audio or video teleconference.

The other regular meetings may be conducted using audio or video teleconference methods. The chair, or in the chair's absence the ranking vice chair, may call a special meeting of the board at any time and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings. The board will give notice of all meetings in the manner set by resolution. Special meetings may be conducted using audio or video teleconference methods. The board may take action and vote on resolutions without a meeting. The board must first obtain unanimous consent for the action in writing or by electronically recorded means.

Section 6. **Board responsibilities.** The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This includes but is not limited to the following:

- a. Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules and regulations and sound business practices.
- b. Establishing programs to achieve the purposes of this credit union as stated in Article I, Section 2, of these bylaws.
- c. Establishing lending policies, a loan collection program, and authorizing the charge-off of uncollectible loans.
- d. Establishing policies to address training for directors and volunteer officials in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting.
- e. Ensuring that staff and volunteers who handle the receipt, payment or custody of money or other property of this credit union; or property in its custody as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- f. Performing additional acts and exercising additional powers as required or authorized by applicable law and regulation.

If the credit union has an elected credit committee, you do not need to check a box. If the credit union has no credit committee check

 X **Option 1 - No Credit Committee.**

- g. Reviewing denied loan applications of members who file written requests for review.
- h. Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.
- i. In its discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the board. Any denial of a loan by the committee must be reviewed by the board upon written request of the member. The committee must consist of three members and the regular term of office of the committee member will be for two years. Not more than one member of the committee may be appointed as a loan officer.

Section 7. **Quorum.** A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. **Attendance and removal.**

- a. If a director or a credit committee member, if applicable, fails to attend regular meetings of the board or credit committee, respectively, for 3 consecutive months, or 4 meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a credit committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.
- b. The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.
- c. When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum.

Section 9. **Suspension of supervisory committee members.** Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members of this credit union will decide, at a special meeting held not fewer than 7 nor more than 14 days after any suspension, whether the suspended committee member will be removed from or restored to the supervisory committee.

Section 10. **Director Emeritus.** The board of directors may appoint any former director who served on the board at least 10 years as "Director Emeritus." The board may substitute suitable volunteer service time for some of the board service time provided the candidate has served at least 8 years on the board. The individuals appointed directors emeritus function as an advisory committee to the board of directors. Terms for directors emeritus are 5 years. The board may increase or decrease the number of directors emeritus, or shorten or extend any director emeritus's term, by resolution. Unless separately elected or appointed, directors emeritus are not members of any other committee of the credit union. Directors emeritus are not a member or officer of the board of directors; they may not vote on any matter before the board or any other committee of the credit union; they may not receive any compensation from the credit union; and they are not required to attend any meetings or authorized to perform any duties other than providing advice to the credit union's board, staff and other committees as needed.