

Policy 1200: Organization

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General Policy Statement:

The Credit Union will be governed by the State of Ohio Department of Commerce Laws Governing State-Chartered Credit Unions & Rules Relating to State-Chartered Credit Unions, its articles of incorporation, and bylaws adopted and approved by the Ohio Division of Financial Institutions.

Operations Manual and Human Resource Manual policies must be in accordance with the laws, rules, and bylaws referenced in the preceding paragraph. It is the intent of the Credit Union to emphasize its status as a membership organization and to provide maximum communications to members, consistent with applicable laws.

The Credit Union is managed by a Board of Directors (Board) assisted by committees as set forth in the Credit Union's bylaws.

Guidelines:

1. BOARD OF DIRECTORS.

- A. The Board consists of nine (9) members. Terms shall be for three (3) years, with terms staggered so that three (3) positions are up for re-election every year. A member of the Credit Union Board is one who has been duly elected by the membership or appointed by the Board to fill an unexpired term vacancy, to represent members' interests, and to act on their behalf in matters which affect the proper and efficient management of the Credit Union.
 1. Newly elected members to the Board of Directors are eligible to serve three consecutive three-year terms.
 2. Current Board members at the time this policy is approved are exempt from the policy until they are re-elected for a new three-year term.
 3. All Board members are able to run for reelection after a one-year absence from the Board. Following the one-year hiatus, former Board members are eligible to run for reelection and to serve up to three, consecutive three-year terms before rotating off again.
 4. Former Board members, by invitation of the Board Chair and with the concurrence of current Board members, may fill vacated seats until the next election cycle. If the Board member filling the vacated seat has been off the Board for at least one year, he/she/they will be eligible to run for election to fill the seat for three consecutive three-year terms.
 5. Long-term Board members who are not on the Board but want to remain engaged with OUCU may apply for Emeritus status. Emeriti members may serve as mentors to newly elected members, help with onboarding, serve on various committees, and assist with identifying potential new board members. Emeriti may not vote in Board meetings.
 6. Associate members may be identified, recruited, and recommended by current and emeriti Board members and by senior management. Up to two Associate members may be appointed by the Board to serve two-year terms. Associate members have all rights and privileges of full members, except for voting.
- B. The Board is ultimately and inescapably responsible for all the operations and functions of the Credit Union. To carry out this responsibility, it must clearly (a) establish policies, (b) select competent management, and (c) assure itself conclusively that management is performing properly.
- C. The Board shall elect from its number the Board officers specified in the bylaws: a chairperson, a vice chairperson, a treasurer, and a secretary.
- D. Provisions of the bylaws relating to the Board, officers, and management are supplemented as follows:
 - i. The CEO shall not be a member of the Board of Directors.
 - ii. The Executive Committee shall be comprised of the officers of the Board.
 - iii. In addition to the general authority conferred upon the Board of Directors by Section 1733.15(A) of the Ohio Revised Code, the Board of Directors shall:
 - a. Meet at least once per month.
 - b. Approve an annual budget.
 - c. Fill vacancies on the Board between annual meetings.
 - d. Fill vacancies on the Audit Oversight Committee, the Nominating Committee, and other committees established by the Board.

- e. Review and act upon delinquent loans.
- f. Receive and take appropriate action on the reports of the Audit Oversight Committee, external auditors, State of Ohio examiners, and other regulatory authorities.
- g. Plan for the long-term development and needs of the Credit Union.
- h. Evaluate the performance of the CEO at least annually.

2. COMMITTEES AND OFFICER APPOINTMENTS.

- A. The Board shall elect, or appoint the following committees to assist it:
 - i. The elected Board Officers will serve as the Executive Committee.
 - ii. An Audit Oversight Committee consisting of not less than three (3) persons who are appointed in accordance with the Code of Regulations.
 - iii. A Nominating Committee shall be designated as outlined in Policy 1201.
- B. The Board may establish and/or abolish committees that are not designated in the bylaws as it deems appropriate.
- C. The Executive Committee of the Board may establish ad hoc committees consisting of Board members, staff members, and/or members of the Credit Union for specific purposes as deemed appropriate.
- D. The Board will appoint a Compliance/BSA/OFAC Security Officer.

3. BYLAWS AND MEETING MINUTES.

- A. The Credit Union will keep a current set of bylaws and minutes of the meetings of the Board and its committees.
- B. The Board and the committees will follow the bylaws and applicable policies approved by the Board in carrying out their responsibilities, electing or appointing their members, filling vacancies, and holding meetings.

4. REGULAR AND SPECIAL MEETINGS OF THE BOARD.

- A. It shall be the joint responsibility of the chairperson of the Board and the CEO of the Credit Union to prepare the agenda for distribution in advance of all meetings. The CEO and staff of the Credit Union shall prepare necessary reports, exhibits, and supporting documents for each meeting for distribution with the agenda.
- B. It shall be the responsibility of the Board to set any regular Board meeting dates.
- C. It shall be the responsibility of the Board to suspend any director, executive officer, or committee member who fails to attend regular meetings for three (3) consecutive meetings without cause, or who fails to attend nine (9) or more regular meetings, within a rolling calendar year, or who otherwise fails to perform any of the duties devolving upon him/her as an officer, or in accordance with other provisions as stated in the Ohio Revised Code, but only after such official has been given notice and opportunity to be heard. A board member may request a leave of absence for up to one year for medical reasons. This must be approved by the Board of Directors.
- D. Special meetings will normally be preceded by written or verbal notice at least three (3) days in advance of the meeting. Where notice of three (3) days is given, the majority of a quorum of the Board shall be adequate to take action. In the event of an emergency, the chairperson of the Board can call a special meeting at his/her pleasure with reasonable notice. An effort shall be made to contact each Board member. The vote of at least five (5) of the nine (9) members of the Board shall be necessary to take action at such an emergency meeting.
- E. Meetings of the Board are closed to member participation for the protection of members' interests due to the confidentiality of the deliberations (consistent with the ruling of the regulatory agency).
- F. When matters pertaining to the specific personal interest of a Board member are discussed, the affected Board member or members shall not engage in the discussion nor shall he/she participate in the vote, and the minutes shall so state. If more than one Board member is involved in matters involving a conflict of interest and a vote is called, the number voting must exceed the quorum requirements for the meeting or unanimous action is required of the voting Board members.
- G. At least once a year, a special strategic planning retreat will be held. Board attendance is required. The CEO and the Executive Committee of the Board will recommend an agenda for the retreat to the Board.
- H. A meeting of the Credit Union members is held Annually. Board attendance is required.

5. EDUCATION PLAN. In accordance with the provisions of Section 1733.151 of the Ohio Revised Code, the Board shall annually prepare a plan for educating each of its directors as to the duties and responsibilities that accompany their respective positions.

- A. Newly elected or appointed Board members are required to complete the following CUES courses within the first three years of their appointment or election to the Board.
 - i. Director 1 Level Pathway: CUES Recommendations (7 hours)
 - ii. Director 2 Level Pathway: CUES Recommendations (7 hours)
 - iii. Director 3 Level Pathway: CUES Recommendations (3 hours)
- a. Board members who do not complete the required educational pathways will not be eligible for re-election.
- B. Board members who are re-elected to another three-year term are required to complete 15 hours of continuing education within their term. There are a variety of educational opportunities available through CUES, CUNA, conferences, specialized seminars and workshops, webinars,

and training programs offered at our Credit Union. A list of recommended courses is available on the resources tab in the OnBoard meeting portal.

- i. The annual required BVS courses count toward fulfilling the required 15 hours of continuing education.
- ii. Current Board members at the time of the policy adaptation are exempt from this requirement until they are reelected or appointed.

B. Board members completing continuing education requirements will be acknowledged as follows:

- i. Having training milestones acknowledged in the credit union newsletter.
- ii. May designate a \$100 donation to a charity of their choice (one donation per three-year term).

C. The Executive Administrative Assistant of the Credit Union will compile a list of completed education by the beginning of November each year for the Board Vice Chairperson. The Vice Chairperson will be responsible for auditing education hours and will follow-up with Board members as needed. The Vice Chairperson will serve as the contact person for questions about continuing education requirements or guidance.

- i. Board members who do not meet the continuing education requirements will not have their name placed on the ballot for re-election.

6. **QUALIFICATIONS.** No person shall serve as a director, officer, committee member, or employee of the Credit Union who has been convicted of any criminal offense involving dishonesty or breach of trust.

7. **RELATIONS TO CREDIT UNION ORGANIZATION AND ASSOCIATIONS.**

A. It is the policy of the Credit Union to take advantage of all possible assistance from credit union organizations and associations. Participation in, Ohio Credit Union League, and other association affairs is anticipated.

B. The Board of Directors' prime responsibility is to its members, and not to any other group.