



Directorship Policy
Approved on: January 19, 2018

Table of Contents: Board of Directors Directorship Policy

1. Purpose and General Policy Statement
2. Board Packet and Meeting Style
3. Term Limits and Assessments
4. Regular Board Meeting Time
5. Responsibilities – Board
6. Responsibilities – Directors
7. Officers
8. Qualifications
9. Officer Elections
10. Annual Meeting: Nominating Committee and Election Process
11. Committees
12. Compensation
13. Integrity
14. Leadership
15. Conflict of Interest
16. Confidentiality
17. Promotion
18. Policies
19. Compliance
20. Continuity
21. Attendance
22. Removal
23. Executive Dispute Resolution
24. Review and Revision
25. Appendix - CCCU Board Team Operating Agreements (updated Dec. 2018)

1. **Purpose and General Policy Statement**

- a. This Board of Directors Policy is intended to serve as an accurate guideline for members of the Board of Directors of Community Choice Credit Union (CCCU) as they carry out their responsibility as directors pursuant to the Michigan Credit Union Act and the bylaws of this Credit Union.
- b. The Board of Directors believe that the quality of the CCCU leadership is one of the most important factors in its success. As a member of the Board, each Director must maintain an understanding of CCCU policies and conduct themselves within the Code of Ethics adopted by the Board of Directors.
- c. The Board of Directors views its role in guiding the Credit Union as:
 - i. Providing sound financial stewardship of the assets of the credit union.
 - ii. Providing the membership with high quality financial services at competitive prices.
 - iii. Providing opportunities for the membership to improve their economic and social wellbeing.
 - iv. Ensuring compliance with all applicable laws and regulations.
 - v. Supervising and evaluating the President/CEO.
- d. The goal for the number of Board Directors is nine (9). This number will be achieved by natural attrition. This will be reviewed annually.

2. **Board Packet and Meeting Style**

- a. CU Boardroom or another system designated by the Board will be used as a communication tool to distribute and archive board packets, conduct Q & A's, store documents, maintain calendar and contact lists and hold on-line votes.
- b. The Chairman is empowered to call for an electronic vote or phone conference meeting when necessary. If an electronic vote is selected it is preferred that a phone conference be part of the process.
- c. The desired culture for our meetings places emphasis on preparation, including reading the board packet before the meeting to ensure an efficient and productive board meeting.

3. **Term Limits and Assessments**

- a. The Chair through Secretary shall be referred to as the Board Officers or Executive Committee.
- b. There shall be no term limits for officer positions or board positions.
- c. There shall be a periodic board assessment conducted with results to be shared with all of the directors. This process, at the discretion of the board, may be done with an external facilitator.

4. **Regular Board Meeting Time**

- a. The 3rd Thursday of the month shall be the regular board meeting time unless advance notice of a change is given. Dinner will begin at 6: 00p.m. and the meeting will start at 6:30p.m. The meetings will last two (2) hours.
- b. Board members may call in to a regular board meeting if they are unable to attend in person. However, board members are encouraged to attend in person whenever possible.
- c. Conference Call Meetings shall be conducted as needed using toll free numbers with pass codes. In person board meetings are preferred over conference call meetings.

5. Responsibilities – Board

- a. Define the scope of the Chief Executive Officer's job; establish goals and objectives.
- b. Hire the Chief Executive Officer.
- c. Delegate authority to the Chief Executive Officer to manage the operations of the Credit Union as defined by Board approved policies.
- d. Review and evaluate the Chief Executive Officer's performance.
- e. Develop a succession plan for the Chief Executive Officer position.
- f. Review pertinent Credit Union policies annually.
- g. Assure policies comply with applicable laws and regulations.
- h. Assure the Credit Union adheres to pertinent laws and regulations.
- i. Assure the Credit Union maintains a sound financial position.
- j. Assure the assets of the Credit Union are protected against loss.
- k. Develop a strategic plan and review the plan annually.
- l. Approve the Credit Union budget.
- m. Review all regulatory examination and audit reports; oversee implementation of corrective actions or recommendations.
- n. Report to members at the Annual Meeting.

6. Responsibilities – Directors

- a. Directors are required to understand credit union philosophy and the overall credit union movement.
- b. Complete educational responsibilities that are/will be determined by the Board Education Committee, as approved by the Board.
- c. Attend all regular and special Board meetings and be prepared to participate and discuss information provided.
- d. Contact the Executive Assistant or Chief Executive Officer 24 hours prior to the meeting if unable to attend.
- e. Maintain confidentiality of any discussions or written communications regarding the financial records of individual Credit Union members.
- f. Support all decisions made by the Board of Directors.
- g. Participate actively on any committee to which the Board Chair may appoint you.
- h. Attend the Annual Meeting.
- i. Participate in strategic planning meetings.

7. Officers

a. Chair

i. Responsibilities:

- Acts as the chief elected officer of the Credit Union. Presides at all meetings of the Board and the membership and is an ex-officio member of all committees of the Board.
- Leads all meetings of the Board and of the membership. Works with management to establish the agenda.
- Assures the participation of all members in discussions and decision making.
- Assigns directors and others to the Board committees. Initiates the formation of an executive committee as provided in the bylaws, if desired or required by law.
- Acts on behalf of the Board in emergency situations when action is required and there is insufficient time to call a special meeting.
- Assures that management carries out the actions of the Board.
- Performs such other duties as are customary for the Chair or which he/she may be directed to perform by resolution of the Board. Such other duties must be consistent with credit union laws and regulations or with the Credit Union's bylaws.

ii. Knowledge, Skills and Abilities

- Ability to build consensus among Board members.
- Strong leadership skills.
- Meeting management skills
- Ability to assure that the Board acts in a timely manner.

b. Vice Chair

i. Responsibilities:

- Exercises all duties of the elected Chair when the Chair is absent or unable to perform them:
- Monitors each director's compliance with educational requirements established by the Board Education Committee.
- Performs other duties as assigned.

ii. Knowledge, Skills and Abilities

- Ability to build consensus among Board members.
- Strong leadership skills.
- Meeting management skills.
- Ability to mediate.

c. Treasurer

i. Responsibilities

- Acts to protect the assets of the Credit Union and provides fiscal oversight. Specific responsibilities may be delegated to the Chief Executive Officer and Staff.
 - 1) Protects assets of the Credit Union.
 - Review proposed annual budget prior to Board Review.
 - Provides input to Staff.
 - Reviews prior to Board review.
 - Provides recommendations to Board.
 - Review annual audits prior to Board Review (independent audits and state regulators review).
 - Participates in the planning process to determine the scope of the audit.
 - Reviews audit responses prior to Board review.
 - Provides recommendations to Board.
 - Chairs the Audit Committee

- 2) Monitors expenses.
 - Approves CEO expenses.
 - Reviews monthly financial reports.
- 3) Reports to membership.
 - Approve annual report and distributes at Annual Meeting.
- ii. **Knowledge, Skills and Abilities**
 - Ability to provide oversight in the preparation and keeping of records.
 - Ability to understand financial concepts.

d. **Secretary**

i. **Responsibilities**

- Oversees the preparation, completion and safekeeping of records of all meetings of the membership and of the Board. Record, or supervise recording, of necessary legal documents.
- Prepares and maintains full and complete records of all meetings of the membership and of the Board. Records are to be available for inspections by FIB auditors and members.
- Oversees the preparation of full and complete copies of all Board minutes to all Board members.
- Prepares and sends out notices of meetings to be held in conjunction with staff.
- Performs other duties as assigned by the Board Chair.

8. Qualifications

Each individual elected or appointed to serve as a Director shall meet all of the following criteria as established by the Michigan Credit Union Act:

- a. He or she is a member of the Credit Union, in good standing. "Member in Good Standing" shall mean maintenance of at least one share and no delinquencies reported on any loans to the Director, or loans for which he or she is a cosigner, for the previous 24 months.
- b. He or she is acceptable as a bonding risk by the bonding company licensed to do business in Michigan that is used to bond Credit Union team members.
- c. He or she has not been removed as a director, officer, or employee of a financial institution by a federal regulator, a state regulator other than the OFIR Commissioner, or a court of competent jurisdiction.
- d. The OFIR Commissioner has not removed him or her as a director, officer, or employee of a credit union, financial institution, or other legal entity pursuant to the Commissioner's enforcement powers under any law of this state.
- e. He or she has not been convicted within the preceding 20 years of a crime involving dishonesty or breach of trust.
- f. He or she is not habitually negligent in paying his or her financial obligations to the credit union or other creditors. "Habitually negligent" shall mean that there are no reported delinquencies in the previous 24 months, the person has not filed bankruptcy in the previous seven years, and has not missed more than two payments on any obligations due to any creditor in any twelve month period.
- g. He or she has not been convicted by a court of competent jurisdiction of a violation, or found in violation by a court of competent jurisdiction or the OFIR Commissioner, of any law of this state enforced or administered by the OFIR Commissioner.
- h. He or she shall successfully earn CUNA Financial Literacy Certification, which entails studying certain on-line courses and passing corresponding knowledge tests within 12 months of being elected.

If an individual no longer meets any of the requirements of this policy while serving as a Director, he or she is immediately removed from that office, without further action of the members or Board, and the Credit Union shall appoint or elect a replacement to fill the vacancy in the manner described in the bylaws.

9. Officer Elections

- a. Directors who wish to hold an officer position may express interest in the position as early as February, but no later than the March meeting (assuming an April Organizational Meeting).
- b. While early declaration of interest is desired and encouraged, nominations and self-nominations will be allowed from the floor at the Organizational Meeting. A second nomination is not required.
- c. A Director must be a Board member for a minimum of 12 months and attend a minimum of 9 meetings before he/she may run for an officer position.
- d. Interested candidates will be given the opportunity to provide a written position statement to the other Directors prior to the Organizational Meeting (this written statement is not required).
- e. Directors will be allowed to ask questions of officer candidates at the meeting prior to the vote.

10. Annual Meeting: Nominating Committee and Election Process

- a. A 3 person nominating committee will be appointed every year comprised of directors not up for reelection.
- b. Elections to be open and publicized.
- c. The nominating committee shall utilize a screening process, including a face-to-face interview of non-incumbents.
- d. Nominations from the floor of the annual meeting will not be allowed.
- e. The nominating committee shall put forth all qualified candidates without a specific endorsement.
- f. Specific questions for the Nominating Committee to ask of a potential candidate will be developed prior when needed.
- g. In general, Directors shall be sought for their business acumen, strategic thinking skills, and board experience, rather than for their specific technical knowledge. Nor will directors have additional responsibilities/expectations over all other directors in the areas of their specific technical knowledge. The composition of the board should reflect diversity of business and professional backgrounds and of genders, ages, and races.

11. Committees

- a. There shall be no supervisory committee.
- b. The Executive Committee will be comprised of the Board Officers consisting of the Chairman, Vice Chairman, Treasurer and Secretary.

- c. There shall be an audit committee appointed by the board. The board shall define scope of work and authority for this committee. Generally, this committee will be the primary Board contact with the CU's external auditors and shall attend the auditor's presentation of their final report. This committee shall consist primarily of sitting directors and chaired by treasurer.
- d. The CEO Compensation - Performance Review/Director Loan Approval Committee shall have generally 3 members who are currently sitting on the board of directors. This committee will facilitate the CEO's performance review and shall approve director loan requests. Director Loans shall require the signature of two directors. The members of this committee shall be looked to first to approve director loan requests. However, any two directors may approve a director loan request.
- e. Ad Hoc committees shall be formed as needed. CCCU will have the following Committees such as but not limited to:
 - CEO Comp-Performance Review/Director Loan Approval
 - Audit Committee
 - Asset Liability Management Committee
 - Board Governance & Education
 - Foundation Board
 - Enterprise Risk Management

All committees are required to prepare minutes of each meeting. These minutes should satisfy regulatory requirements where applicable and should provide insight into their thoughts and decision making process for their fellow board members. The board agreed at the May 2016 regular board meeting to the following goals and solutions;

| Goal of Sharing Committee Minutes | Agreed Upon Solutions |
|--|--|
| • Assist Board in oversight responsibilities | • Centralization of meeting minutes by committee |
| • Stay informed of decisions and actions of committees | – Make easier to read and find |
| • Create awareness of important concerns | • Provide rationale (the Why) for: |
| • Expand knowledge of non-committee members | – Decisions and actions |
| • Reference documents for future | – Follow up items |
| • Provide updates and highlights | – Topics discussed |
| • Provides opportunity for non-committee members to provide input | • Verbal reports by the chair |
| • Minutes provide evidence of Board participation | – At the chairs option like we are currently doing |
| • Gains Board consensus | • Chair will ask Board if they have questions of any of the committees |
| • Summarize committee activities | |
| • Mechanism to escalate concerns that committee's detailed reviews uncover | |
| • Builds cohesiveness to share info | |

12. Compensation

Board members shall not receive compensation for their services as Directors. Board members may be compensated by the Credit Union for services they provide as contractors, vendors, or professionals but not as Directors. Any matter upon which the Board of Directors acts that involves the compensation or services to be rendered by a Director shall be acted upon in strict compliance with the Conflict of Interest section of this Policy as set forth below and the Board of Director Code of Conduct.

13. Integrity

- a. Directors are to discharge their duties in good faith and with a degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position.

- b. As directors of Credit Union, members of the board are required to maintain the highest standards of personal conduct. As further guidance in this regard, directors are referred to the Code of Conduct adopted August 16, 2007, which is incorporated by reference into this policy. Violations of the Code of Conduct are violations of this policy.

14. Leadership

It is the mission of the Board of Directors to provide adequate direction and control for the management of Community Choice Credit Union without interfering with the day-to-day operation of the Credit Union.

15. Conflict of Interest

Unless the matter involves setting dividends, loan rates, or fees for services, or other general policies applicable to all Members generally, a Director shall not in any manner directly or indirectly participate in the deliberation or Board action on any matter that affects his or her pecuniary interest or the pecuniary interest of any family member of the Directors, or any pecuniary interest of an entity in which he or she holds an interest. Refer to the Community Choice Credit Union Board of Directors Conflict of Interest Policy for full expectations in this regard.

16. Confidentiality

- a. All business brought before the board including information and discussion is confidential.
- b. A Director shall not disclose any confidential information related to the conduct of business of the Credit Union including but not limited to:
 - i. Personnel matters,
 - ii. Matters involving actual or potential litigation,
 - iii. Real estate transactions,
 - iv. Other matters related to the strategic business endeavors of the Credit Union, or Disclosure of information concerning transactions between the Credit Union and its members or other persons.
- c. This section does not apply to any disclosure of information authorized or required by law, court order, or is necessary to conduct the business of the Credit Union.

17. Promotion

- a. All directors are expected to demonstrate their commitment to understanding and meeting the needs of the membership by actively promoting the Credit Union and Credit Union issues whenever possible.

18. Policies

It is the Board of Directors' ultimate responsibility to ensure that all Credit Union policies clearly and concisely state intentions, limitations, and controls that will dictate a specific course of action. Policies will be comprehensive, reduced to writing, approved by the Board and reviewed and revised when needed, but not less than annually or as required in the by-laws.

19. Compliance

It is the Board of Directors' ultimate responsibility to ensure that the integrity of the credit union remains intact and to reduce reputation, legal and financial risks by ensuring compliance with applicable laws and regulations. It is critical that Management provide Directors with information necessary for understanding legal and regulatory requirements imposed upon the Credit Union and the Board. Management is authorized to hire professional counsel, subject to Board approval, as necessary to ensure that Management and the directors have an appropriate understanding of legal and regulatory requirements for credit unions.

20. Continuity

- a. It is the Board of Directors' ultimate responsibility to ensure that the Credit Union remains in sound financial and operational condition and is strategically positioned for future operations. As such, the Directors are required to retain oversight in crucial areas such as:
 - i. **Strategic Planning**
Directors will participate and work with Management to develop 3-5 year strategic plan. This strategic plan shall provide clear annual goals and objectives and be the written statement of the Board of Director's vision of the Credit Union.
 - ii. **Asset Liability Management**
The Board has adopted and maintains an Asset Liability Management (ALM) Policy which sets financial goals and limits to guide the decision making of the credit union in the day-to-day management of assets and liabilities.
 - iii. **Succession Planning**
The Board of Directors shall maintain and annually review a written Succession Plan for the CEO position.
 - iv. **President/CEO Development and Accountability**
Hiring and retaining a competent President/CEO is one of the most important duties of the Board. Clear, objective, and measurable short-term and long-term performance goals and standards shall be developed and communicated to the CEO annually. These goals and standards shall be formally reviewed and incorporated into the CEO's annual performance appraisal.
- b. The Board is also responsible for assuring that the CEO is provided with adequate guidance and training to assure successful implementation of the Credit Union's strategic goals, compliance with laws and regulations, as well as those areas to be measured in a performance evaluation.

21. Attendance

- a. Directors are expected to attend all regular and special meetings of the Board. Article VI, Section 8 of the Community Choice Credit Union Bylaws requires that every Director attend meetings of the Board. Teleconferencing, videoconferencing or electronic communications are acceptable forms of attendance, particularly when achieving a quorum is difficult due to unusual circumstances. However, attendance in person is strongly preferred.
- b. The minutes will reflect an absence as "excused" if notice of absence is given in advance of the meeting. Providing advance notice supports team unity and meeting efficiency.
- c. If a Director is absent from 25% or two (2) consecutive regularly scheduled Board meetings in a rolling 12 month timeframe, the Board Chairman will initiate a discussion on level of commitment.
- d. It is important that Board meetings are an efficient use of time. A clear agenda is to be developed prior to each meeting and adhered to. Directors shall focus on business that needs to be addressed and relevant issues.

22. Education

Education is a necessary element of maintaining Director Competence and the confidence of the Membership. As stewards of the assets of the membership of the Credit Union, all Directors shall follow the requirements recommended by the Board Education Committee and approved by the Board. Spouses or significant others/companions are encouraged to attend also. Directors are encouraged to participate as requested in these educational conferences.

23. Expense Reimbursement

- a. Although no director shall be compensated for his or her service as a director, the Credit Union will reimburse directors for expenses incurred in the performance of their duties.
- b. Refer to the Community Choice Credit Union Board of Directors Travel, Entertainment and Meeting Policy for travel expense reimbursement matters.
- c. No reimbursement for expenses will be received unless the Director submits a completed expense report, which can be obtained from management. All expense reports from Community Choice Credit Union Board members are subject to the review of the Treasurer.

24. Removal

A Director may be removed from his or her position for good cause as set forth in the Michigan Credit Union Act or the bylaws of this Credit Union. "Good Cause" shall include, but is not limited to:

- a. Fraud or other illegal conduct
- b. Breach of confidentiality
- c. Conflict of interest that is not disclosed
- d. Loss of bond ability
- e. Failure to meet any of the eligibility requirements stated above
- f. Violation of the Michigan Credit Union Act, the bylaws of this Credit Union or any order or rule.

25. Executive Dispute Resolution

- a. In the event a written complaint, {hereinafter referred to as a "Complaint") is made against the President/CEO or a director of the Credit Union alleging a violation of the President/CEO's or a director's duties or of a Credit Union policy, the following procedure shall be used. In the event a verbal Complaint is made, the party making the Complaint shall be asked to submit the Complaint in writing. In the event the party making the Complaint fails to submit the Complaint in writing, the Complaint shall not be deemed valid, shall not be subject to the procedure set forth herein and shall not be considered by the Board of Directors or any committee of the Board of Directors.
- b. All written Complaints shall first be submitted to the Executive Committee. It shall be the duty of the Executive Committee to determine if the subject matter of the Complaint is serious enough to be brought to the entire Board of Directors for review and a final determination. The Executive Committee shall also determine whether sufficient information exists to justify the Complaint and to bring the Complaint to the entire Board of Directors for review and a final determination. In the event the Executive Committee determines that either the Complaint is not serious enough to warrant review by the full Board of Directors or that there does not exist sufficient information to warrant review by the full Board of Directors, the Executive Committee shall state its reasons in writing and request that the Board of Directors dismiss the Complaint or recommend other action without further review or investigation. The Board of Directors shall always retain the right to make any final determination it deems reasonable and necessary under the circumstances.
- c. Any person who shall be the subject of a Complaint described hereunder shall not participate in the investigation or deliberation of any issue involving the Complaint. Such person shall be entitled to a copy of the Complaint and any information submitted or obtained in connection with the Complaint. In the event the Complaint warrants consideration by the entire Board of Directors, any person who is the subject of a Complaint described hereunder shall be given an opportunity to respond to the Complaint in writing and shall be entitled to submit any information they deem relevant to the Executive Committee and/or Board of Directors.

- d. In making the determinations required under this Policy, the Executive Committee shall have the power to employ attorneys, accountants, investigators, consultants or any other third parties deemed reasonably necessary to investigate the validity of the allegations raised within the Complaint. If the Executive Committee or Board of Directors determine that the Complaint is valid, and is considering action against an individual, it is required that the Executive Committee obtain legal counsel for guidance in the matter. If necessary, upon the recommendation of the Executive Committee, the Board of Directors shall authorize and approve the expenditure of Credit Union funds for this purpose.
- e. In the event the Executive Committee determines that the Complaint should be brought to the attention of the entire Board of Directors, the Executive Committee shall set forth its reasons, in writing, and submit the Complaint and all information obtained during its investigation to the entire Board of Directors for review and final determination. In making its determination, the Board of Directors may request additional information or conduct a formal hearing. In the event the Board of Directors conducts a formal hearing, all persons who are the subject of a Complaint shall be entitled to appear at the formal hearing and submit any information they deem reasonable and necessary in order for the Board of Directors to make a final determination of the Complaint.
- f. Either upon review of the findings of the Executive Committee or upon the completion of any formal hearing, the Board of Directors shall issue a finding of whether the Complaint is justified or, if so, the Board of Directors shall take whatever action it deems necessary to resolve the Complaint. The actions of the Board of Directors may include, but not be limited to, censure, suspension or removal of those persons who are the subject of the Complaint. The decision of the Board of Directors shall be by majority vote of those Directors present at the meeting called upon to make this determination, provided that a quorum exists, and shall be conclusive and binding upon the Credit Union and all parties subject to the Complaint. No court of law shall have the power reverse or otherwise alter the decision of the Board of Directors unless that Court shall conclude that the findings, decisions and determination of the Board of Directors were arbitrary and capricious.

26. **Review and Revision**

This policy shall be reviewed and revised as needed, but in no case shall it be reviewed less frequently than annually.

Appendix

COMMUNITYCHOICE

CREDIT UNION

BOARD OF DIRECTORS TEAM OPERATING AGREEMENTS

REVISED FALL/WINTER 2018

How will we Conduct our Meetings?

We agree the Board will meet at 6:00 p.m. for dinner. The formal board meeting will commence at 6:30 p.m. or once there is a quorum. Late comers are expected to join the group with minimal disruption. Time will not be taken to bring the late comers up to speed.

The Board believes that strong relationships among the Directors are important and contribute to the success of the Credit Union. To promote these relationships, we will take the following actions in our meetings and social activities:

- We will be aware of seating arrangements to ensure the Directors have opportunities to interact with each other and with the Executive Team.
- We will plan social events to build our team formally. These events will occasionally include spouses or significant others.
- The Board Chairperson will take time at the beginning of each regular board meeting to facilitate a check-in for the Directors to share significant personal and professional events.
- The above actions will be supported by structured team building, sometimes with a facilitator, along with a regular robust self and group assessment led by the Governance Committee.

If an urgent or emergency call comes in during the board meeting – the Board member involved will retreat to the hallway to take the call. If the Board Chairperson needs to take a call, the meeting will be handed over to the Vice Chairperson.

The projector will be used as needed to facilitate discussions.

We encourage the use of technology for all Board Member communications.

We agree to recognize the importance of staying on topic during discussion and recognize the Board Chairperson as the facilitator in charge of monitoring this.

We agree to allow the Board Chairperson to determine the length of time we spend on a topic and expect him/her to be open to our feedback related to this.

We agree to use the “hand-raising” method to determine who will speak. We will use a “check-in” process to ensure that all Board Members are given an opportunity to speak.

Appendix

How will we Discuss Topics?

We agree that the Board Chairperson will facilitate board discussions. In the case of the Board Chairperson being unavailable to carry out this duty we agree that the Vice Chairperson, Secretary and Treasurer in that order will take on this responsibility.

We agree that in the case of committee reports the Committee Chairperson will facilitate the discussion following the meeting operating agreements.

We agree that the discussion facilitator will be responsible for stating and restating the topic of discussion so that the Board stays on track.

We agree to the "hand-raising" method to determine who will speak during discussion. We give each other permission to point out when the following occurs during discussion:

-When somebody "cuts-off" someone who is speaking.

-When someone goes "on-and-on."

-When someone "echoes on-and-on" about what somebody else has already said.

-When someone is off topic.

-When someone is using stories from the past that are not concise or pertinent to the topic.

We agree to use the "check-in" method to ensure that everyone who chooses has had a chance to speak.

We agree that it is acceptable to "call-out" someone we notice is "checking out," becoming agitated, or appearing highly emotional.

How will we Make Decisions?

We define *decisions* (as opposed to *problems*) as having no urgency and no "unrest" related to it. We agree to make decisions with this sequence of behaviors:

1. Present the issue or question.
2. Ensure clarification on issue or question.
3. Discuss ideas, options, suggestions (see agreements on "discussions").
4. Make comments brief, concise.
5. Hear from all Board Members.
6. A final decision is made using consensus or majority vote if necessary.

Appendix

How will we Solve Problems or Issues as they Arise?

We define problems as having a sense of urgency or unrest. We

agree to solve problems using this sequence of behaviors:

1. Follow the Operating Agreement for discussion, acknowledging the elevation of emotion and/or polarization.
2. The discussion leader will facilitate discussion on the problem or issue as well as manage the "tense" dynamics.
3. Use a "check-in" to ensure everyone has contributed.
4. If consensus is close to 50/50 split – continue the discussion.
5. Formally vote on the final decision.

Communication Inside/Outside the Team

When meetings-before-the-meetings occur, or meeting-after-the-meeting occur we will encourage the Director to bring the thoughts ideas, and questions to the full Board for open discussion.

We agree that all aspects of the meeting are confidential to all non-board members including family, friends and relatives.

With regards to Member access to board meeting records we will follow our legal opinion obtained from Chuck Holzman – dated January 14, 2009. In summary – Under the Credit Union Act -

- Members do not have a right to review board minutes, agenda or other credit union records.
- It is a violation of the Act to disclose any information related to the conduct of business of the Credit Union, personal matters, matters involving actual or potential litigation, real estate transactions, strategic business endeavors, and transactions of the Credit Union and/or its Members, except as otherwise required by law, and there are no other legal requirements.

Under the Bylaws

- Credit Union Members have a right to receive financial reports and a report on the annual audit.
- Credit Union Members have a right to see a monthly financial report. This report is required to be posted in a conspicuous place in the principal place of business of the Credit Union.

Under Common Law

- Credit Union Members may have the right to review specific, limited, books and records of the Credit Union that relate to a legitimate issue that the Members would have the right to have a voice or an interest in. A legal opinion would be sought if such a situation would arise.

Appendix

How will we Deal with Conflict?

We agree that our definition of *conflict* is when two or more individuals have escalated emotion due to personalizing interactions or polarizing viewpoints.

We agree that the Board Chairperson must attempt to facilitate this delicate situation as soon as possible to prevent the situation from becoming toxic and affecting other Board Members.

We agree that if for any reason the Board Chairperson cannot address a conflict – another Board Member has permission to address the issue.

We agree that at times a “cooling-off” period is necessary when individuals are engaged in “heated” conflict.

We agree that at times a one-to-one coaching session with the Board Chairperson may be the most appropriate approach to resolution on the conflict.

How will we make Ethical Decisions?

We agree to consider any ethical situation addressing the following questions:

1. Is the behavior or action illegal?
2. Does the behavior or action violate compliance/regulatory rules?
3. Might the behavior or action lead to harm of others?
4. How high is the potential for harm?
5. How does society/culture view the behavior or action?
6. What safeguards are in place to prevent behavior or actions from becoming unethical?

How will we provide Team Leadership?

We agree that the Board Chairperson will be responsible for facilitating board meetings.

We agree that the Board Chairperson can ask others to facilitate and that if unavailable, the Vice Chairperson, Secretary and Treasurer in that order will resume the role of facilitating the meeting.

We agree that the Board Chairperson has the authority to end discussion, extend time on a discussion or table a discussion for a future date.

We agree that the Board has permission to give the Board Chairperson or whoever is facilitating the discussion “real time” feedback on their facilitation skill and style.

Appendix

Community Choice Credit Union Board of Directors Rules of Order

1. A quorum is a majority of the Directors. Once a meeting is under way, actions require a quorum to be present.
2. The CEO will prepare an agenda containing the issues and action items management needs resolved to facilitate operations. Directors desiring to have an issue or action item will get it on the agenda by providing the written documentation or proposal at least one week prior to the meeting to accompany the agenda.
3. At the start of the meeting, the board will act on the agenda, so all attendees know what business will be addressed, can set an appropriate time to adjourn, and govern themselves accordingly. Credit Union management and persons other than Directors may participate fully in discussion unless the Chairperson specifies otherwise.
4. Participants at the meeting will use the "raise hand" technique to signal to the Chairperson they would like to speak. They should wait for acknowledgement from the Chairperson before speaking. In cases where there are many opinions, the Chairperson may limit debate by any means that does not prevent any attendee from speaking at least once.
5. When the Chairperson believes there is agreement by a majority (consensus) or unanimity, for an action that is clearly laid out in a proposal, the proposal has a clear call for an action, the Chairperson may simply ask if there is any objection to adopting the proposal. The Chairperson will ask that the record show any Director's objection and call for the record to show the proposal is adopted. This does not apply to any regulatory proposal that requires a documented vote.
6. For issues on which the Chairperson or other Directors feel the Board ought to vote, the Chairperson may ask for a Director to make a motion and request a second, with discussion following. The Chairperson can put the action to a vote following discussion.
7. Should a Director desire to change a motion, the Chairperson will allow it and if friendly, accept the change which then becomes a part of the motion. The Chairperson may entertain discussion that the changed motion may stimulate.

I, _____ have read the revised CCCU Board of Directors revised Team Operating Agreements and Rules of Order and commit to personally complying with them as well as supporting other CCCU Board Members in complying with them.

Date

Signature