

directors to act for it with respect to specifically delegated functions and subject to such limitations as prescribed by the board.

**Section 9.** The board may appoint one or more membership officers to approve applications for membership under such conditions as the board and these bylaws may prescribe. Such membership officer or officers may not be a person or persons authorized to disburse funds.

**Section 10.** The board will appoint an ALCO composed of not less than three, including at least one board member, to have charge of making investments under rules and procedures established by the board.

**Section 11.** No member of the executive committee, ALCO or membership officer may be compensated as such. Members of the executive committee, ALCO, and membership officers serve at the pleasure of the board of directors.

#### Addendum

The title and rank of the board officers and management officials of this corporate credit union are as follows:

(a) The chair is to have the title of \_\_\_\_\_.

(b) The vice chair is to have the title of \_\_\_\_\_.

(c) The financial officer is to have the title of \_\_\_\_\_.

(d) The assistant financial officer is to have the title of \_\_\_\_\_.

(e) The recording officer is to have the title of \_\_\_\_\_.

(f) The assistant recording officer is to have the title of \_\_\_\_\_.

(g) The management official is to have the title of \_\_\_\_\_.

(h) The assistant management official is to have the title of \_\_\_\_\_.

#### Article IX. Credit Committee

**Section 1.** The board must determine whether or not this corporate credit union will have a credit committee, and if so, whether the committee members will be elected by the membership or appointed by the board. The board's determination is recorded in the addendum to this Article. If this corporate credit union has a credit committee, either elected or appointed, sections 2 through 7 of this Article apply. If this corporate credit union does not have a credit committee, the board will establish by resolution the procedures for appointing loan officers, delegating authority to the loan officers, and for appeal of loan officer decisions to the board of directors in accordance with applicable law and regulation.

**Section 2.** The credit committee consists of \_\_\_\_\_ members. Members of the credit committee must be selected from among the members of the corporate credit union and/or the designated representatives of members or qualified corporate credit union staff. The number of members of the credit committee may be changed to an odd number not fewer than 3 nor more than 7 by resolution of the board. No reduction in the number of members may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or

other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of committee members must be filed with the official copy of the bylaws of this corporate credit union.

**Section 3.** Regular terms of office for credit committee members are for periods of either 1, 2, or 3 years as the board will determine; provided that all regular terms are for the same number of years and until the election and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expire at each annual meeting.

**Section 4.** The credit committee chooses from their number a chairman and a secretary. The secretary of the committee prepares and maintains full and correct records of all actions taken by it, and such records must be prepared within 3 days after the action. The offices of chairman and of secretary may be held by the same person.

**Section 5.** The credit committee may, by majority vote of its members, appoint one or more loan officers to serve at its pleasure and delegate its powers to such loan officers.

**Section 6.** The credit committee or loan officer must inquire into the financial condition of each loan applicant. No loan or line of credit will be made unless approved by the committee or a loan officer in accordance with applicable law and regulations.

**Section 7.** Subject to the limits imposed by law, regulation, these bylaws, and the general policies of the board, the credit committee, or a loan officer, will determine the security, if any, required for each application and the terms of repayment.

#### Addendum

(a) This corporate credit union (1) will, (2) will not (delete one) have a credit committee (date of board action \_\_\_\_\_).

(b) The members of the credit committee of this corporate credit union will be: (1) Elected by the members (2) appointed by the board of directors (delete one or indicate not applicable) (date of board action \_\_\_\_\_).

#### Article X. Supervisory Committee

**Section 1.** The supervisory committee is appointed by the board from among the members and/or from among the members' designated representatives. The board determines the number of members on the committee, which may not be fewer than three nor more than five. No member of the credit committee or any employee of this corporate credit union may be appointed to the committee. Regular terms of committee members are for periods 1, 2, or 3 years as the board determines; provided that all regular terms are for the same number of years and until the appointment and qualification of successors. The regular terms expire at the first regular meeting of the board following each annual meeting.

**Section 2.** The supervisory committee members choose from among their number a chairman and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and

correct records of all actions taken by it. The same person may hold the offices of chairman and of secretary.

**Section 3.** The supervisory committee causes to be made such audits and to prepare and submit such written reports to the board and the members as are required by the Act and regulations.

**Section 4.** The supervisory committee verifies or causes to be verified the accounts of members in accordance with the Act and regulations.

**Section 5.** By unanimous vote, the supervisory committee may suspend until the next meeting of the members any director, executive officer, or member of the credit committee. In the event of any such suspension, the supervisory committee will call a special meeting of the members to act on said suspension, which meeting will be held not fewer than 7 nor more than 14 days after such suspension. The chairman of the committee will act as chairman of the meeting unless the members select another person to act as chairman.

**Section 6.** By the affirmative vote of a majority of its members, the supervisory committee may, after notification to the board, call a special meeting of the members to consider any violation of the provisions of the Act or of the regulations, or of the charter, or of the bylaws of this corporate credit union, or to consider any practice of this corporate credit union the committee deems to be unsafe or unauthorized.

#### Article XI. General

**Section 1.** The officers, directors, members of committees, and employees of this corporate credit union must hold in confidence all transactions of this corporate credit union with its members and all information respecting their business affairs, except when permitted by state or Federal law.

**Section 2.** No director, committee member, officer, agent, or employee of this corporate credit union may participate in any manner, directly, or indirectly, in the deliberation upon or the determination of any question affecting his/her pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than this corporate credit union) in which he/she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, such director must withdraw from such deliberation or determination and, in such event, the remaining qualified directors present at the meeting, if constituting a quorum with the disqualified director or directors, may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee, ALCO or the supervisory committee, such committee member must withdraw from such deliberation or determination.

**Section 3.** The board has the right, at any time, to impose fees for such services and activities, as it deems necessary or desirable.

**Section 4.** (a) The corporate may elect to indemnify to the extent authorized by (check one) ( ) law of the state of \_\_\_\_\_ or ( ) Model