

# **BECU CORPORATE GOVERNANCE OVERVIEW**

*Revised October 2011*

As a not-for-profit and member-owned financial cooperative, BECU is committed to its members. As part of this commitment, BECU has developed a sound governance system.

The following is a brief overview of corporate governance at BECU. As used below, the term “Volunteers” includes Directors on BECU’s Board of Directors as well as members of BECU’s Supervisory Committee.

## **Election of Directors and Supervisory Committee members**

BECU’s Board of Directors currently consists of eleven members; its Supervisory Committee currently consists of five members. Individuals elected to the Supervisory Committee may also be elected to the Board.

In the spring of each year, BECU members elect Directors and Supervisory Committee members to three-year terms. This election takes place during BECU’s Annual Membership Meeting. Volunteers are elected on a staggered basis and approximately one-third of the seats on the Board and Supervisory Committee are up for election each year.

Volunteers must be members of the Credit Union, but may not be employees of the Credit Union. Qualifications to serve on the Board or Supervisory Committee are set forth in BECU’s Bylaws.

BECU and its members are best served with a diverse group of Volunteers, with a wide range of skills, business backgrounds, community involvement experience, and knowledge of credit unions and financial services.

In the fall before each Annual Membership Meeting, the Credit Union announces that applications are being accepted from eligible members, as prescribed by the Credit Union’s Bylaws, to be considered for nomination as a candidate for election to the Board or Supervisory Committee. The Board’s Nominating Committee interviews applicants and presents a slate to the membership for election. Credit Union members may also become candidates for election to the Board or Supervisory Committee through a petition process outlined in the Credit Union’s Bylaws.

Read the [Credit Union’s Bylaws](#)

## **Key Board and Supervisory Committee Responsibilities**

*The Board of Directors* guides the direction of BECU. Some of the Board's main responsibilities include approving the Credit Union's strategies, policies, and annual budget plan and monitoring the Credit Union's financial performance. Management implements the approved strategies and plans, and regularly provides progress reports to the Board.

The Board is also responsible for selecting the Credit Union's CEO, evaluating the CEO's performance, and approving the CEO's compensation.

Each spring, the Board and Executive Management Team meet to review and discuss strategic issues relevant to the future of BECU and its members, making adjustments to the strategic plan of the Credit Union as appropriate. In November, the Board approves the annual budget plan for the upcoming year.

The Board periodically reviews the performance of the Board and its committees, as well as individual Board members.

The Board elects the following officers: Chairperson, Vice Chairperson, Treasurer and Secretary.

*The Supervisory Committee* guides the external audit, internal audit and internal control functions of BECU.

## **Board Committees**

The Board has an active Committee structure, including the

- Nominating Committee
- Governance Committee
- Asset Policy Committee
- Compensation Committee

The Board may also appoint ad hoc committees as appropriate.

Members of the Board are expected to serve on two Committees.

## **Individual Volunteers**

*Fiduciary Duty:* Each Volunteer has a fiduciary duty to the Credit Union—to act in its best interest.

*Meeting Participation:* Volunteer attendance at meetings is a priority. It is each Volunteer's responsibility to review necessary materials and to be prepared to participate in all meetings. The Board has twelve regular meetings per year, as does the Supervisory Committee.

*Knowledge of Credit Unions:* Volunteers are expected to become knowledgeable about BECU, as well

as the credit union industry. There are many opportunities, both internal and external, for Volunteers to acquire this knowledge.

***Confidentiality:*** Volunteers must keep strictly confidential all non-public, proprietary or sensitive information regarding BECU, its members and/or employees that comes into their possession during their service to the Credit Union.

***Ethics:*** BECU has adopted a Code of Ethics. Volunteers and employees must adhere to the highest ethical standards.

***Avoiding Conflicts of Interest:*** Volunteers should avoid any action, position or interest that conflicts with the interest of BECU, or gives the appearance of a conflict. To prevent real or perceived conflicts of interest, Volunteers must disclose all business relationships with BECU and exclude themselves from discussions and decisions affecting those relationships. BECU annually solicits information from Volunteers in order to monitor potential conflicts of interest.

***Use of Credit Union Products and Services:*** Volunteers are encouraged to use as many BECU products and services as possible. BECU products and services are made available to Volunteers on the same terms and conditions as available to members.

***Volunteers May Not Be Compensated:*** By law, the Credit Union may not compensate Volunteers for their service; however, the Credit Union does reimburse Volunteers for reasonable expenses related to their service.

### **Credit Union Law and Regulatory Examinations**

BECU is chartered under and subject to the Washington State Credit Union Act. It is examined and supervised primarily by the Division of Credit Unions of the Washington State Department of Financial Institutions. It is also subject to examination by the National Credit Union Administration (NCUA), which insures member deposits at BECU.