

# BECU CORPORATE GOVERNANCE OVERVIEW

*Adopted May, 2010*

As a not-for-profit and member-owned financial cooperative, service to our members is our primary focus. BECU is committed to acting responsibly, ethically and with the highest standards of integrity which ensures we are meeting the needs of our membership.

The following business practices and policies have been adopted by the BECU Board of Directors, Supervisory Committee and Executive Management in support of sound governance of the Credit Union.

## **Election of Members to the Board of Directors and Supervisory Committee**

In the spring of each year, BECU members elect the Credit Union's Board of Directors and Supervisory Committee members to a term of three years. 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.

BECU and its members are best served with a diverse group of individuals on the Board, 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 Governance and Nominating Committee interview applicants and present a slate to the membership for election. In addition, eligible members may file a petition, as prescribed by the Credit Union's Bylaws, to be named as a candidate for the Board or Supervisory Committee.

Read the **Credit Union's Bylaws**.

The Board consists of nine to thirteen members. The Supervisory Committee consists of three to five members.

## **Key Responsibilities**

*The Board of Directors* guides the direction of BECU. One of the Board's main responsibilities is to approve the Credit Union's strategies, policies, and annual budget plan along with monitoring the Credit Union's performance and ensuring compliance. Management implements the approved strategies and plans, and regularly provides progress reports to the Board.

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 as a whole, as well as each Board member.

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

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

### **Roles of the Board**

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

The Board appoints a Governance Committee annually. Among other duties, this Committee nominates individuals for election to the Board and Supervisory Committee. 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.

Qualifications to serve on the Board or Supervisory Committee are set forth in BECU's Bylaws.

The Board has an active Committee structure, including the

- Compensation Committee
- Governance Committee
- Asset Policy Committee

Members of the Board of Directors are expected to serve on two Committees. Visit [Committees](#) for more details on the function of the Committees.

### **Roles of Individual Volunteers**

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

*Meeting Participation:* The Board has twelve regular meetings per year, as does the Supervisory Committee.

Any Volunteer with four unexcused absences in a twelve-month period is automatically removed from the Board or Supervisory Committee, as applicable.

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.

***Credit Union Education:*** Volunteers are expected to be knowledgeable of 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 conflict 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 should 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.

### **Applicable Credit Union Law**

BECU is chartered under and subject to the Washington State Credit Union Act, Chapter 31.12 of the Revised Code of Washington.