

Boeing Employees' Credit Union

Bylaws

Approved February 18, 2004

Article I. Name & Purpose

Section 1. Name.

The name of this Credit Union is Boeing Employees' Credit Union ("BECU"). The Credit Union's principal place of business is located in King County, Washington.

Section 2. Purpose.

BECU is a cooperative society organized under Washington law as a nonprofit corporation for the purposes of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest. BECU is dedicated to "people helping people" and will strive to serve as many individuals as possible by providing superior financial products and services.

Article II. Qualification for Membership

Section 1. Membership.

Membership at the Credit Union is limited to those entities listed in the Field of Membership Appendix to these Bylaws, which is incorporated into and made a part of these Bylaws by reference. [The Appendix](#) may be amended in order to add groups to the Credit Union's field of membership.

Section 2. Eligibility.

In order for an applicant to be eligible to join the Credit Union, the applicant must:

- ◆ Agree to purchase one share in the Credit Union.
- ◆ Not have caused the Credit Union a loss. Those persons who have caused the Credit Union a loss, and who have not repaid or are not repaying the loss under an agreed upon plan will not be eligible for membership in the Credit Union.
- ◆ Meet all regulatory, legal and internal requirements as applicable to account opening.

Section 3. Approval of Applications.

Applicants will only become members of the Credit Union upon approval. The Board shall authorize the Credit Union CEO/President to appoint a membership officer to approve membership applications based on membership eligibility.

Section 4. Maintenance of Membership.

In order to remain qualified for membership, a member must maintain at least one (1) share in the Credit Union. A person withdrawing all shareholdings ceases to be a member of the Credit Union, and must re-qualify for membership. Once qualified, however, a member in good standing will remain a member of the Credit Union regardless of whether the member meets the current field of membership qualifications set forth in these Bylaws.

Section 5. Expulsion.

The Credit Union CEO/President or his/her designated membership officer, may expel a member for cause, consistent with any conditions established by the Board of Directors, upon a finding by that officer that expulsion is in the best interests of the Credit Union. Examples of cause for expulsion would include, but not be limited to, members who cause or threaten to cause a Credit Union loss, are deemed by the Credit Union to pose a potential risk to the Credit Union's members, assets, officers, or employees, or are deemed by the Credit Union to engage in any illegal, unethical, or disruptive conduct.

The Credit Union will notify persons of their expulsion, and the reasons upon which it is based. Upon request, the Credit Union will allow a person to challenge the expulsion and seek reinstatement.

Section 6. Restrictions.

Credit Union services may also be restricted to members for cause, upon a finding by the CEO/President or his/her designated membership officer that such restriction is in the best interests of the Credit Union.

Article III. Meetings of Members

Section 1. Time of Annual Membership Meeting.

The Credit Union's annual membership meeting will be held no later than ninety (90) days after the close of the calendar year, unless the Credit Union's Board of Directors sets another date for the meeting and notifies members as provided in Section Three (3) of this Article.

Section 2. Place of Annual Membership Meeting.

The Credit Union's Board of Directors will select the location of the Credit Union's annual membership meeting and will notify members as provided in Section Three (3) of this Article.

Section 3. Notice of Annual Membership Meeting.

Notice of the Credit Union's annual membership meeting will be posted, published, or mailed by the secretary no less than seven (7) days, but no more than fifteen (15) days prior to such meeting. The notice of the Credit Union's annual membership meeting will include both the time and place of the meeting.

Section 4. Initiation of Special Membership Meeting.

A special membership meeting may be called by the majority of the Credit Union's Board of Directors, a majority vote of the Credit Union's Supervisory Committee, or upon written application of the lesser of ten percent or two thousand members. The request for a special membership meeting must be submitted in writing to the Secretary of the Credit Union's Board of Directors. No business other than that specified in the request will be transacted at a special membership meeting.

Section 5. Time & Place of Special Membership Meeting.

Upon receiving an acceptable request for a special membership meeting, the Secretary will designate the time and place for the special membership meeting. Special membership meetings will take place no sooner than twenty (20) days and no later than thirty (30) days after receiving a valid request for a special membership meeting.

Section 6. Notice of Special Membership Meeting.

The Secretary will notify members of the special membership meeting. Notification of the meeting will be posted, published or mailed not less than seven (7) days nor more than fifteen (15) days of receiving the valid request for the special membership meeting. The affidavit of the secretary shall be prima facie evidence of the giving of such notice. The notice of the special membership meeting will include the purpose for which the special meeting is being called. If the special membership meeting is being called for the removal of one or more Directors or the removal of one or more of the Supervisory Committee Members, the notice will also state the name of the Director(s) or Supervisory Committee Member(s) whose removal is sought.

Section 7. Quorum.

For the purpose of all membership meetings, fifteen (15) members will constitute a quorum at annual or special meetings of the members. Meetings adjourned for failure to reach a quorum will be reconvened by following those timing and notification requirements adopted for special membership meetings in Section 5 and Section 6, except that the notice of the adjourned meeting will state that the meeting could not be held as originally scheduled because of failure to obtain a quorum according to the Credit Union's Bylaws. At any meeting in which the membership attendance drops below the quorum during the course of the meeting, three (3) or more members present shall constitute a quorum.

Section 8. Voting.

At all meetings each member with one or more fully paid shares will have one vote. In order to be eligible to vote at a membership meeting, the member must be eighteen (18) years of age as of the day of the membership meeting. No votes may be cast by proxy. Membership held by entities other than natural persons will have one vote, which will be

cast through an agent designated in writing by the entity. When not otherwise provided in these bylaws, the vote of a majority of the members present at the meeting shall be the act of the corporation. The conduct of elections may be by mail, telephone, or electronic ballot during a contested election or when authorized by the Board as needed.

Section 9. Parliamentary Procedure.

Meetings held under this section will be conducted according to those rules of parliamentary procedure described in Robert's Rules of Order.

Article IV. Governance

Section 1.

The affairs of the Credit Union shall be directed by the Board of Directors and the Credit Union's day to day activities shall be conducted by a professional staff reporting to the Chief Executive Officer (CEO). Unpaid member-volunteers shall be elected to the Board of Directors and Supervisory Committee with duties as described below and in Articles V through VIII. Such volunteers must be members of the Credit Union and may not be an employee of the Credit Union or its subsidiaries.

Section 2.

A Governance and Nominating Committee shall be appointed by the Board annually with duties as described below. The Committee shall consist of three to five Board members. The Chairperson of the committee shall be a Board member.

Duties. Under the guidance of the Board, the duties of the Committee include the following:

- (1) Conduct periodic reviews of Board and Supervisory Committee policies and procedures for volunteer participation, conflict of interest, confidentiality, and regulatory compliance.
- (2) Plan and implement processes for volunteer identification and succession planning.
- (3) Establish and monitor processes for volunteer orientation and education.
- (4) Nominate individuals for election by the membership to the Board of Directors and the Supervisory Committee.
- (5) Recommend volunteers for election by the Board as Officers.
- (6) Recommend volunteers for assignment to the various committees of the Board.
- (7) Initiate periodic formal reviews of the performance of volunteers and of the Board as a whole.

Section 3.

The Board of Directors may appoint one or more directors, executive management or members to oversee the operations of the Credit Union's CUSOs and/or Subsidiaries. The directors, executive management or members so appointed shall have the authority to request and review such information of the CUSO and its officers, employees, and agents as they may deem appropriate to discharge their oversight responsibilities.

Article V. Election of Board & Supervisory Committee

Section 1. Nomination Process.

The Governance and Nominating Committee shall nominate a complete list of candidates, who have been interviewed regarding their qualifications and willingness to serve, for such Director and Supervisory Committee member positions as are to be elected. The Committee shall submit the complete list of candidates to the secretary at least thirty (30) days prior to the annual meeting.

Section 2. Petition Process.

Candidacy for a position on the Board or Supervisory Committee may also be established by a petition signed by at least two percent of the eligible voting members, defined as being a member for a period of three (3) months prior to the annual meeting. To be effective, such petition shall be accompanied by a certificate from the nominee stating that the nominee is agreeable to candidacy and will serve if elected to office. Such petition shall be filed with the Secretary of the Credit Union at least forty-five (45) days prior to the annual meeting. The Secretary shall validate the petition, by such means as he/she deems appropriate, prior to the annual meeting.

Section 3. Publication.

The secretary shall cause such nominations to be posted in a conspicuous place in each Credit Union office at least thirty (30) days prior to the annual meeting. Neither Directors nor Supervisory Committee member positions may be nominated from the floor of a membership meeting nor submitted as write-in candidates on any ballot.

Section 4. Voting.

All voting shall be non-cumulative voting. Elections shall be by secret ballot provided that for uncontested Director and Supervisory Committee member positions the election may be by voice or hand vote at the annual meeting. The conduct of elections may be by mail, telephone, or electronic ballot.

Section 5. Vacancies.

Any vacancy occurring on the Board or Supervisory Committee shall be filled for the unexpired term as provided in Articles VI and VII, respectively.

Article VI. Board of Directors

Section 1. Composition.

The Board of Directors will consist of eleven (11) to thirteen (13) voting members. All Board members will be elected in accordance with the procedures established in Article V of these Bylaws. Persons appointed to fill vacancies occurring on the Credit Union's Board of Directors will be chosen in accordance with the procedures established in this Article.

Section 2. Term of Office.

Directors shall be elected for terms of three (3) years. Directors shall be divided into classes so that as nearly as possible the same number of directors' terms expire each year.

Section 3. Eligibility.

In order to qualify to serve on the Credit Union's Board of Directors, a member must:

- ◆ Be bonded by the Credit Union.
- ◆ Be eligible to vote in Credit Union elections and at membership meetings.
- ◆ Be a member in good standing at the time of taking office.
- ◆ Not be an employee of the Credit Union or its subsidiaries.

Section 4. Meetings.

The Credit Union's Board of Directors will meet at least once a month, with the date of the meeting to be set by the Board. A majority of the Board will constitute a quorum. Additional meetings of the Board may be called at any time by the Chair of the Board or upon request to the Chair by three (3) or more Board members.

Five (5) days advance notice of all meetings of the Credit Union's Board of Directors will be provided to each Board member, however, advance meeting notice may be waived by unanimous consent of Board members. All notices will be delivered via mail, facsimile, telephone, or e-mail. Meetings of the Credit Union's Board of Directors may take place in person, or via electronic technology in accordance with a policy established by the Board.

Section 5. Expenses.

Directors will not be compensated for services rendered to the Credit Union in their capacity as volunteers. However, Directors may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.

Section 6. Non-preferential Treatment.

All Credit Union products and services extended to Directors will be made under the same terms and conditions as those extended to other members of the Credit Union.

Section 7. Non-Delegable Powers & Duties.

The Board shall:

- (1) Set the par value of shares, if any, of the Credit Union;
- (2) Set the minimum number of shares, if any, required for membership;
- (3) Establish the loan policies under which loans may be approved;
- (4) Establish the conditions under which a member may be expelled for cause;
- (5) Fill vacancies on all committees except the Supervisory Committee;
- (6) Approve an annual operating budget for the Credit Union;
- (7) Designate those persons or positions authorized to execute or certify documents or records on behalf of the Credit Union;
- (8) Review the Supervisory Committee's annual report; and
- (9) Select the Chief Executive Officer (CEO), evaluate the performance of the CEO and establish the compensation for the CEO.
- (10) Perform such other duties as the members may direct.

Section 8. Delegable Powers & Duties.

Unless delegated, the Board shall:

- (1) Act upon applications for membership in the Credit Union;
- (2) Determine the maximum amount of shares and deposits that a member may hold in the Credit Union;
- (3) Declare dividends on shares and set the rate of interest on deposits;
- (4) Set the fees, if any, to be charged by the Credit Union to its members for the right to be a member of the Credit Union and for services rendered by the Credit Union;
- (5) Determine the amount which may be loaned to a member together with the terms and conditions of loans;
- (6) Establish policies under which the Credit Union may borrow and invest; and
- (7) Approve the charge-off of Credit Union losses.

Section 9. Fiduciary Duties.

Members of the Credit Union's Board of Directors must perform their duties in a fiduciary manner as required by law.

Section 10. Authority to Remove & Suspend.

The Credit Union's Board of Directors may, for cause, suspend members of the Board and members of the Supervisory Committee until a membership meeting is held in accordance with Article III of these Bylaws. A membership meeting contemplating the removal of a party suspended under this section will be held within thirty (30) days of the suspension, and Credit Union members attending the meeting will vote on whether to permanently remove the suspended party or parties.

Section 11. Removal & Suspension of Board Members.

Members of the Credit Union's Board of Directors may be suspended or removed from their position for cause. For cause will include but is not limited to demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities that threaten the safety and soundness of the Credit Union.

Section 12. Automatic Removal.

Members of the Credit Union's Board of Directors will automatically be removed from their position under the following circumstances:

- ◆ Should the Director cease to be a member of the Credit Union;
- ◆ Should a Director, unless reasonably excused by the Board, be absent from four (4) or more regularly scheduled Board meetings during a twelve (12) month period in a term; or
- ◆ Should a Director fail to meet the requirements for bondability.

Section 13. Vacancies & Interim Directors.

If the members of the Credit Union remove a Director at a special membership meeting, the members may either elect an Interim Director to complete the remainder of the removed Director's term of office, or authorize the Credit Union's Board to appoint an Interim Director.

All vacancies, other than those filled by members at a special membership meeting, will be filled by Interim Directors appointed by a majority vote of the remaining members of the Credit Union's Board of Directors. However, terms scheduled to expire in less than ninety (90) days need not be filled by the Board. Interim Directors will serve out the unexpired term of the Director leaving the Credit Union's Board.

Article VII. Supervisory Committee

Section 1. Composition.

The Credit Union's Supervisory Committee will consist of three to five members. All of the members of the Credit Union's Supervisory Committee may also be a member of the Credit Union's Board of Directors. No member of the Supervisory Committee may serve on the Asset Policy Committee of the Credit Union while serving on the Supervisory Committee. All Supervisory Committee Members will be elected in accordance with the procedures established in Article V of these Bylaws. Persons appointed to fill vacancies occurring on the Credit Union's Supervisory Committee will be chosen in accordance with the procedures established in this Article.

Section 2. Term of Office.

Members of the Supervisory Committee shall be elected for terms of three (3) years. Committee members shall be divided into classes so that, as nearly as possible, the same number of committee members' terms expire each year.

Section 3. Eligibility.

In order to qualify to serve on the Credit Union's Supervisory Committee, a member must:

- ◆ Be bonded by the Credit Union.
- ◆ Be eligible to vote in Credit Union elections and at membership meetings.
- ◆ Not be an Operating Officer or employee of the Credit Union or its subsidiaries.
- ◆ Be a member in good standing at the time of taking office.

At least one committee member must be a financial expert and the chairperson may not serve as a Board Officer.

Section 4. Meetings.

The Credit Union's Supervisory Committee will meet regularly or as often as duties are required, and at least quarterly, with the date of the meetings to be set by the Committee. Additional meetings of the Supervisory Committee may be called at any time by the Chair of the Supervisory Committee or upon request to the Chair by two or more Supervisory Committee Members. Adequate advance notice of all meetings will be provided to each member of the Supervisory Committee. All notices will be delivered via mail, facsimile, telephone, or e-mail. By a majority vote of the Committee, it may call a special meeting for the members for the purposes provided under state law. It shall also call a meeting upon the request of the Director of Financial Institutions.

Meetings of the Credit Union's Supervisory Committee may take place in person, or via telephonic or electronic transmission in accordance with a policy established by the Board.

Section 5. Expenses.

Supervisory Committee Members will not be compensated for services rendered to the Credit Union in their capacity as volunteers. However, Committee members may be

reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Credit Union's Board of Directors.

Section 6. Non-preferential Treatment.

All Credit Union products and services extended to members of the Supervisory Committee will be made under the same terms and conditions as those extended to other members of the Credit Union.

Section 7. Powers & Duties.

The Supervisory Committee will:

- ◆ Keep fully informed of the financial condition of the Credit Union;
- ◆ Keep fully informed as to those decisions made by the Credit Union's Board of Directors;
- ◆ Arrange for a complete annual audit of the Credit Union and a verification of its members' accounts and report the findings, along with any recommendations to the Credit Unions Board of Directors
- ◆ Make a report to members at the Credit Union's annual membership meeting.
- ◆ Keep a complete record of all its proceedings. All reports of this Committee shall be filed and preserved with the records of this Credit Union
- ◆ Cause to be made internal audits sufficient in scope to provide assurance that operational practices and procedures sufficiently safeguard members' assets.

Section 8. Authority to Suspend.

By unanimous vote, the Supervisory Committee may, for cause, suspend a member of the Credit Union's Board of Directors, or a member of another Committee of the Board until a membership meeting is held in accordance with Article III of these Bylaws. A membership meeting contemplating the removal of a party suspended under this section will be held within thirty (30) days of the suspension, and Credit Union members attending the meeting will vote on whether to permanently remove the suspended party or parties.

Section 9. Removal & Suspension of Supervisory Committee Members.

Members of the Credit Union's Supervisory Committee may be suspended or removed from their position for cause by the Credit Union's Board of Directors. For cause will include but not be limited to demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities that threaten the safety and soundness of the Credit Union.

Section 10. Automatic Removal.

Members of the Credit Union's Supervisory Committee will be automatically removed from their position under the following circumstances:

- ◆ Should the Supervisory Committee member cease to be a member of the Credit Union; or
- ◆ Should the Supervisory Committee member, unless reasonably excused by the Supervisory Committee, be absent from four (4) or more regularly scheduled Supervisory Committee meetings in any twelve month period in a term; or
- ◆ Should the Supervisory Committee member fail to meet the requirements for bondability.

Section 11. Vacancies & Interim Committee Members.

All vacancies on the Credit Union’s Supervisory Committee will be filled by Interim Committee Members appointed by the remaining members of the Supervisory Committee. However, terms scheduled to expire in less than ninety (90) days need not be filled. Interim members appointed to fill vacancies created by expansion of the Committee will serve until the next annual meeting of members. Other interim members may serve out the unexpired term of the former member. Should all positions on the Credit Union’s Supervisory Committee become vacant at the same time, the Credit Union’s Board of Directors will be responsible for appointing an Interim Supervisory Committee which will hold office until the next annual membership meeting.

Article VIII. Other & Special Purpose Committees

ASSET POLICY COMMITTEE

Section 1.

The Board shall appoint an Asset Policy Committee. The Committee shall consist of three (3) to five (5) members of the Board, one of whom shall be the Treasurer, who need not be the Chairperson. The members of the Asset Policy Committee shall serve terms of two (2) years, with no less than one (1) member but no more than three (3) members up for appointment each year.

Section 2.

The Asset Policy Committee shall oversee the maintenance of the investment policy, loan policy, asset/liability management policy, membership policy and review management proposals in these areas to ensure consistency with these policies.

Section 3.

The Asset Policy Committee shall keep a complete record of all its proceedings. All reports of the Committee shall be filed and preserved with the records of the Credit Union.

Section 4.

In addition, members serving on the Credit Union's Asset Policy Committee must not also hold a position on the Credit Union's Supervisory Committee.

OTHER COMMITTEES

Section 1. Formation of Standing & Special Purpose Committees.

The Credit Union's Board of Directors may create and appoint other Standing Committees, subcommittees, and task forces as it deems necessary. The duties and term of any such Committee will be set by the Board of Directors upon formation.

Section 2. Eligibility.

In order to qualify to serve on one of the Credit Union's Committees, a member must:

- ◆ Be bonded by the Credit Union.
- ◆ Be eligible to vote in Credit Union elections and at membership meetings.

Section 3. Meetings.

Committees will meet at such times as determined by resolution of the Credit Union's Board of Directors, by resolution of the Committee, or by the Chair of the Committee with the prior approval of the Chair of the Credit Union's Board of Directors.

Section 4. Expenses.

Members of the Credit Union's Standing or Special Purpose Committees will not be compensated for services rendered to the Credit Union in their capacity as volunteers, but may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board of Directors.

Section 5. Non-preferential Treatment.

All Credit Union products and services extended to members of the Credit Union's Standing or Special Purpose Committees will be made under the same terms and conditions as those extended to other members of the Credit Union.

Article IX. Officers of the Board

Section 1. Election of Officers.

At the first meeting following the Credit Union's annual membership meeting, the Governance and Nominating Committee will nominate and the Credit Union's Board of Directors will elect: a Chair, one or more Vice-Chairs, a Secretary, a Treasurer, and such other Officers as the Board from time to time deems advisable. The offices of Chair and Vice Chair must be held by elected Board members, however, the offices of Secretary and Treasurer may be held by persons who are not elected Board members, and may be held by the same person.

Board Officers will continue to hold office until either their successors are elected and qualified, or until death, resignation, removal or they do not continue to meet the qualifying criteria.

Section 2. Duties of the Chair.

The Board Chair shall be authorized to preside at membership meetings and meetings of the Credit Union's Board of Directors, appoint persons to the Credit Union's Standing and Special Purpose Committees, delegate or assign the authority to execute instruments to the CFO or CEO otherwise requiring dual signatures, act so as to assure joint control over all negotiable securities with the Credit Union's Treasurer, and perform other customary duties of office.

Section 3. Duties of the Vice Chair.

Persons elected to the office of Vice Chair must perform the duties of the Board Chair in his or her absence, and any other duties prescribed by the Board.

Section 4. Duties of the Treasurer.

It is the duty of the Treasurer to act as custodian over funds, securities, books of account, and all other valuable Credit Union papers, report to the Board on their status at regular intervals, and perform other duties as necessary.

Section 5. Duties of the Secretary.

It is the duty of the Secretary to keep a correct record of all meetings of Credit Union members, meetings of the Credit Union's Board of Directors, and keep a record of Supervisory Committee reports. The Secretary is required to give notice of all membership meetings in accordance with the manner prescribed by these Bylaws. The Secretary is required to promptly notify Directors of their disqualification for Board membership either for cause, or by operation of law, and must perform any other duties prescribed by the Board. In the absence of the Treasurer, the Board of Directors may delegate the Treasurer's duties to the Secretary.

Section 6. Fiduciary Duty.

All persons serving as Officers of the Board must perform their duties in a fiduciary manner as required by law.

Section 7. Vacancies & Interim Officers.

In the event of absence or disability of an Officer of the Board, the Chair of the Credit Union's Board will appoint a remaining member of the Board to act as Interim Officer. If the absence or disability proves to be permanent, the remaining Board members will elect a member of the Board to complete the Officer's term.

Article X. Miscellaneous Provisions

Section 1. Ethics.

BECU is committed to the highest standards of integrity, honesty, responsibility, and conduct. Therefore, the Credit Union Board of Directors, Supervisory Committee members and Standing or Special committee members subscribe to the following standards. Officers and employees shall periodically affirm their adherence to ethical standards approved by the Board. More specifically, Board, Supervisory, and other committee members shall:

- ◆ Exercise powers in good faith in the best interests of BECU and not in that person's own interest or in the interest of another person or organization with which he or she is associated.
- ◆ Maintain a high level of dedication and effort.
- ◆ Maintain a high level of personal and professional integrity.
- ◆ Preserve all confidential information acquired during tenure in office.
- ◆ Avoid conflicts of interest and disclose any potential conflicts to the Board.
- ◆ Withdraw from any discussions relating to a matter subject to a personal conflict of interest, and abstain from voting or otherwise participating in any such matter.
- ◆ Be honest in all communications and act fairly when handling matters of the Credit Union.
- ◆ Do nothing to violate the trust of those who elected or appointed them, or the trust of those they serve.
- ◆ Respect and support the majority decisions of the Board.
- ◆ Represent the interests of all people served by the Credit Union.

Section 2. Bondability.

Each Director, Officer, Committee Member, and employee of the Credit Union will be bonded in accordance with conditions established by regulatory authority.

Section 3. Indemnification.

The Credit Union shall indemnify to the fullest extent permitted by the Washington Business Corporation Act, any person who has been made, or is threatened with being made a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Credit Union), by reason of the fact that the person is or was a Director, Officer, Committee Member, volunteer, employee, or agent of the Credit Union.

In addition, the Credit Union may pay for or reimburse any expenses incurred by such persons who are parties to such proceedings in advance of the final disposition of such proceedings, to the full extent permitted by the Washington Business Corporation Act.

Notwithstanding the foregoing, the Credit Union will not indemnify any Director, Officer, Committee Member, volunteer, employee, or agent for: (a) that person's acts or omissions adjudged to be intentional misconduct or a knowing violation of law; (b) conduct making the person liable for an unlawful distribution to members; or (c) any transaction in which the person is adjudged to have received a benefit in money, property, or services, to which the person was not entitled.

Any determination as to indemnity or for advance of expenses under this section will be made by majority vote of disinterested Directors. Any indemnification or advance of expenses to a person under this section will be reported, in writing, to the members of the Credit Union before the next annual membership meeting.

The Credit Union may purchase and maintain insurance on behalf of any individual who is or was a Director, Officer, Committee Member, volunteer, employee or agent of the Credit Union against liability incurred by the person, whether or not the Credit Union would have had the power to indemnify the individual against the same liability under the provisions of this section or the laws of the State of Washington.

Section 4. Conflict of Interest.

No Director, Committee Member, Officer, or employee of the Credit Union may have a financial or monetary interest in any contract or transaction with the Credit Union unless this interest is disclosed and made known to the Board of Directors.

No Director or Committee Member of the Credit Union will participate in the deliberation of any question affecting their own financial interest. Such Director or Committee Member will withdraw from the deliberation and decision upon such interest.

Section 5. Emergency Operations.

In the event of an emergency sufficient to disrupt customary Credit Union operations, the Credit Union will conduct its affairs under guidance from the Credit Union's Emergency Management Team and subject to any governmental directives. Emergency operations will be conducted under a crisis recovery plan, which meets the guidelines of the NCUA Disaster Recovery and Business Resumption Contingency Plans and approved by the Credit Union's Board of Directors.

Section 6. Conformity.

Any section or provision of these Bylaws in conflict with the laws of the State of Washington or the laws of the United States is deemed to be amended to conform to law. Any matter relating to the authority, control, management, or operation of this Credit Union, or any privileges granted by the Credit Union under law, but not specifically set forth in these Bylaws, may be carried out, granted, and exercised according to the provisions of law.

Article XI. Amendment & Initial Certification

The Credit Union's Board of Directors may amend these Bylaws by majority vote at any Board meeting.

Certification of Secretary

The undersigned Officer hereby certifies that the foregoing Bylaws were adopted at a meeting of the Credit Union's Board of Directors held on the date below.

Dated: 2-18-04

Signature of Secretary

Jim Wadhvani

Secretary's Name (Type or Print)

Field of Membership Appendix to the Bylaws of BECU

The Credit Union's field of membership is limited to the following persons:

Occupational Groups

Approved Occupational Groups

1. Employees of the Credit Union.
2. Employees of any entity approved by the Board of Directors, in which the Credit Union has any ownership interest, directly or indirectly, in whole or in part.
3. Current employees of The Boeing Company.
4. Employees of subsidiaries or affiliates currently owned or operated in whole or in part by The Boeing Company.
5. Employees of subsidiaries or affiliates previously owned or operated in whole or in part by The Boeing Company.
6. Federal employees who are stationed at the Boeing Company plants.
7. Other credit unions or credit union service organizations.

Other Natural Persons, Enterprises and Organizations

1. The employees, and retirees of any of the above-described enterprises or their subsidiaries or affiliates.
2. Family members (as determined by the Credit Union) of any of the above-described natural persons.
3. Current members in good standing who cease to render services to employers or agencies which otherwise provide eligibility for membership.

Communities (Including Neighborhoods and Rural Districts)

Approved Communities

All persons who live, work, worship or go to school in the following qualified communities described as school districts in the state of Washington, ([see attached addendum](#)), and, if any school district in the state is restructured, any successor school district(s) serving all of part of the communities presently served by the named school districts.

Other Natural Persons, Enterprises and Organizations

1. Enterprises and organizations that have offices within the above-described communities, and natural person under contract to work for the enterprise or organization.
2. The directors, employees, volunteers and retirees of any of the above-described enterprises or organizations or their subsidiaries or affiliates.
3. Family members (as determined by the Credit Union) of any of the above-described natural persons.
4. The spouse of any of the above-described natural person if the person qualified for membership at the time of his or her death.
5. Enterprises and organizations more than half of whose owners, members or employees are eligible to be members of the Credit Union.
6. The above-described enterprises and organizations and their subsidiaries and affiliates.
7. Trusts, custodianships, agencies, benevolent accounts formal or informal trusts or benevolent entities or associations to assist, or to honor, a deceased, ill, disadvantaged, or injured person, or their family or community, if a person establishing the account, a fiduciary, or a beneficiary, would qualify for membership in the Credit Union).
8. Other persons approved by the Director of Credit Unions.

**Addendum to Bylaws – Field of Membership
Washington State School Districts**

Aberdeen	Darrington	Kettle Falls
Adna	Davenport	Kiona Benton
Almira	Dayton	Kittitas
Anacortes	Deer Park	Klickitat
Arlington	Dieringer	La Conner
Asotin-Anatone	Dixie	Lacenter
Auburn	East Valley (Spk)	Lacrosse
Bainbridge	East Valley (Yak)	Lake Chelan
Battle Ground	Eastmont	Lake Stevens
Bellevue	Easton	Lake Washington
Bellingham	Eatonville	Lakewood
Benge	Edmonds	Lamont
Bethel	Ellensburg	Liberty
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Boistfort	Entiat	Loon Lake
Bremerton	Enumclaw	Lopez
Brewster	Ephrata	Lyle
Bridgeport	Evaline	Lynden
Brinnon	Everett	Mabton
Burlington Edison	Evergreen (Clark)	Mansfield
Camas	Evergreen (Stev)	Manson
Cape Flattery	Federal Way	Mary M Knight
Carbonado	Ferndale	Mary Walker
Cascade	Fife	Marysville
Cashmere	Finley	Mc Cleary
Castle Rock	Franklin Pierce	Mead
Centerville	Freeman	Medical Lake
Central Kitsap	Garfield	Mercer Island
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Chewelah	Granger	Montesano
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Colfax	Griffin	Mount Baker
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Oak Harbor
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Oakville
Ocean Beach
Ocosta
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