

Introduction:

Compliance:

The Focus Federal Credit Union (TFFCU) was notified in December 2010 NCUA had adopted a new Financial Literacy rule requiring TFFCU Board of Directors (Board) to become financially literate within six (6) months of elections. In addition to this new requirement, the Federal Credit Union Act requires the Board to maintain the general direction and fiscal control of TFFCU. The following policy outlines the education, structure, qualifications, eligibility, term, fiduciary duty and responsibility entrusted to each TFFCU Director.

Qualifications:

The candidates must demonstrate an understanding of TFFCU's philosophy. Candidates must have the time, willingness, and desire to serve. Candidates must be primary owners of a TFFCU account (joint ownership does not qualify). Candidates must not have been convicted of a crime involving dishonesty or breach of trust. Candidates must be a member in good standing with twelve (12) months continuous membership.

Candidates, including incumbents, who have failed or refused to pay any monetary obligation in accordance with its terms, or has caused TFFCU to suffer any financial loss due to failure to comply with the rules and regulations governing any account of such persons, will not be eligible as a candidate for the Board of Directors.

Declaration of Candidate Information and Intent to Seek Elected Office:

Candidates must complete a Candidate Information and a Declaration of Intent to Seek Elected Office form. Upon election to the Board, the Board will determine that if an elected member failed to meet any one or more of the criteria outlined hereinabove, the Board is empowered to remove such person, declare the position vacant and fill the vacancy in the manner provided by the bylaws of TFFCU.

Declaration of Intent to Seek Elected Office and Candidate Information Form – See Appendix A

Board Education:

Newly elected TFFCU Directors must comply with the Financial Literacy rule and receive training from approved NCUA credit union internet based programs and or approved regional training sessions.

Board Structure:

The Board shall consist of nine (9) members, all must be members of TFFCU. The number of Directors may be changed to an odd number not fewer than five (5) or more than fifteen (15) by resolution of the Board. All seats held by the Board of Directors are elected, non-paying and volunteer.

Each year, after the annual Shareholders Meeting and the election of new Directors are ratified, the following positions will be reassigned by a majority vote of the Directors. The new assignees will comprise the Executive Committee for a term of one (1) year:

- Chairman of the Board
- Vice Chairman
- Treasurer
- Secretary

A reduction in the number of Directors may not be made unless corresponding vacancy exists as the result of death, resignation or an expired office term. A vacancy on the Board shall be filled by a majority vote of the Directors. Interim Directors appointed will only hold office until the next Annual Shareholders Meeting, at which time un-expired terms shall be filled by vote of eligible members.

Board Eligibility Requirements:

- Must be at least eighteen (18) years of age
- Must be a primary TFFCU member in good standing for at least one (1) year and not caused TFFCU to suffer financial losses
- Must be bondable and maintain his or her bond with the TFFCU insurance provider
- Must pass a criminal background check
- An employee (current or previous) or relative of TFFCU employee shall not be allowed to run for any elected office
- Officials and employees of other financial institutions will be prohibited from running for elected offices at TFFCU (see Part II of the NCUA Rules and Regulations) which prohibit "Management Official Interlocks"

Board Term:

- The term of a new Director's appointment is two (2) or three (3) years from the date of the annual shareholders meeting. The term limit is determined by the Board.
- There are no term limits on the number of years a Director may remain on the Board

Board Meeting Requirements:

- TFFCU new Directors will commit to attending monthly meetings as scheduled and special meetings including policy and strategy which will be called by the Chairman or CEO
- Should a Director fail to attend regular Board meetings for three (3) consecutive months, or fails to perform his or her duties as a Director, the seat may be declared vacant by the Board and will be filled by Board resolution. In addition, his or her candidacy for a subsequent term may be rejected
- Director telephone and or video conferencing is allowed; is considered 'in attendance' and will be reflected in the Board minutes
- Participate in Board appointed committees
- Attend the Credit Union's Annual Meeting and other special events

Individual Director Obligations:

- NCUA requires new Directors to become "financially literate" within six (6) months of election. An annual financial training will be conducted by the VP/CFO. This requirement includes interpreting financial statements, understanding ratios, staying current on all applicable compliance and regulatory issues
- Must maintain all TFFCU accounts in good standing
- Approve operating policies and procedures
- Declare dividends
- Approve member loan and credit card charge offs
- Authorize investments and borrowings
- Annual Appointment of Committees (Executive, Alco, Policy, Personnel, Nomination, Annual Meeting)
- Act on loans to Directors and Supervisory Committee members exceeding twenty thousand dollars (\$20,000.00)
- Hold an Annual Shareholders Meeting, report to members and maintain minutes
- Hold in confidence all transactions of TFFCU with its members and all information respecting their personal affairs
- Monitor finances and assure financial soundness
- Develop, monitor and update long range plans
- Assure that products and services meet the needs of the members
- Keep current with all regulations, policies and trends to make sound critical decisions

Board of Directors Policy



Approved by the Board of Directors and Recorded in the October 2011 minutes

Reaffirm 9/2017

- Attend or complete at least one annual training session (paid by credit union if applicable)
- Upon completion of training seminar(s) provide a brief presentation to the Board
- Listen respectfully to other points of view
- Participate in open exchanges of ideas
- Participate in decision making
- Represent TFFCU to the public in a professional manner
- Educate yourself about the needs of the membership served by TFFCU
- Report immediately to the Chairman of the Board any conflicts of interest that would prohibit you from fulfilling all of your duties and responsibilities as a Director
- Appraise (annually) and support the President/CEO

By signing below, I certify that I have read the above “FIDUCIARY DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS” and understand that this is a non-paying, volunteer position. I also pledge to carry out the responsibilities as a Director to the best of my abilities and work for the betterment of The Focus Federal Credit Union.

Chairman of the Board

Dated

Newly Elected or Appointed/Board Director

Dated

Appendix A

CANDIDATE INFORMATION

Full Name _____

Street Address _____

City _____ State _____ Zip _____

Home Phone _____ Cell Phone _____ Work _____

Email Address _____

I prefer to be contacted at _____ Home _____ Cell _____ Work _____ Email _____

OPTIONAL

Place of Employment _____

Street Address _____

City _____ State _____ Zip _____

I would prefer to use the following name for campaign purposes:

The best time to contact me is between the hours of _____

Comments: _____

DECLARATION OF INTENT TO SEEK ELECTED OFFICE FORM

Members' Full Name _____

The Focus Federal Credit Union Account # _____

I intend to seek the elected office of _____

I CERTIFY THAT THE FOLLOWING STATEMENTS ARE TRUE AND CORRECT:

Board of Directors Policy



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Reaffirm 9/2017

- 1) I am a member in good standing of TFFCU and eligible to vote. I am a member is in good standing and never caused TFFCU to incur a loss.
- 2) I am willing to volunteer my time and energy to provide honest, unselfish leadership for TFFCU, for the benefit of the membership.
- 3) I am, to the best of my knowledge, bondable. And, I have never been convicted of a felony. A felony is any crime punishable by a sentence of more than one year in prison.
- 4) I do not have any direct or indirect pecuniary interest in any business activities involving TFFCU or its subsidiaries. Investing in shares of TFFCU or having a loan from TFFCU does not establish a "pecuniary interest."
- 5) I am not a director, officer, employee or agent of any other financial institution.
- 6) I agree to volunteer the necessary time to attend all meetings, on a regular basis, and to review management reports and other information prior to the meeting. I understand that there are approximately two meetings per month, and I agree to serve without remuneration.
- 7) I agree to participate in conferences, training sessions and/or seminars necessary to fulfill my fiduciary duty to be well-informed.
- 8) I agree to be bound by the Bylaws and Code of Ethics of TFFCU and all applicable Federal and State Laws, Rules and Regulations.

NOTE:

I understand that, if I am elected, any intentional misstatement of omission of fact on this declaration shall cause the election to be declared null and void and the position declared vacant.

I authorize TFFCU, at its expense, to obtain an investigative consumer report containing information through personal interviews with third parties, such as family members, business associates, financial sources, friends, neighbors, or others with whom I am acquainted. This report may include information pertaining to character, general reputation, personal characteristics and mode of living. I understand I have the right to make a written request within a reasonable period to receive additional information about the nature and scope of investigation. I also understand that information accumulated for the purpose of candidacy will be maintained in a strict confidential manner.

Signature

Date