



## **Board Governance Policy**

### **General Policy Statement**

UICCU's Nominating and Governance Committee created the following policy regarding the structure and function of the Board of Directors. These items are designed to provide guidance and consistency to the composition and practices of the Board.

### **Director Term of Office**

**Policy:** Directors will be elected to three-year terms, with three seats up for election annually.

**Implementation:** In first year (2015), three Directors will be elected for one-year terms, three Directors elected for two-year terms, and three Directors elected for three-year terms.

### **Director Term Limits**

**Policy:** Directors will be subject to a nine-year consecutive term limit. A break in service would allow a return to the Board with a new nine-year limit. The Board may waive the term limit for a director on a case-by-case basis with approval of at least seventy-five percent (75%) of Directors, and the affected Director shall be eligible for up to one additional three-year term.

**Implementation:** In first year (2015), existing Directors will have limits set for 9, 10, or 11 years based on initial staggered 3-year terms as follows: Elected to 1-year initial term in 2015 = 10-year limit; elected to 2-year initial term in 2015 = 11-year limit; elected to 3-year term in 2015 = 9-year limit.

## **Recruitment of New Directors**

**Policy:** Existing Directors or CEO recommend potential candidates. Primary consideration and focus should be on strategic thinking and focus, along with overall professional experience. Flexibility is important. No quotas will be set for specific technical expertise (IT, HR, Marketing - as these functions are staffed by professionals in the Leadership Team) although consideration to these or other disciplines may be given. No quotas will be set for membership representation although member perspective and other consideration may be given as well.

Board should focus on overall business acumen and strategic thinking and perspective. More definition results in less flexibility in various scenarios, so having specific requirements is restrictive.

## **Board Election**

**Policy:** UICCU will retain structure and process of in-person and by proxy only voting at Annual Meeting.

## **Developing Director Candidates**

**Policy:** UICCU will retain current practice of no formalized mechanism of non-Board members serving on committees, advisory boards, or in other roles, recognizing the opportunities to involve potential Board members within existing committee structure and by-laws.

UICCU's current by-laws allow Non-Directors on existing committees. This option should be kept in mind should there be occasions where the Board wishes to involve one or more individuals in our governance, prior to or as an alternative to serving as a full-fledged Director. The Supervisory Committee is the most likely committee to include a Non-Director.

## **Board Progression – Recruitment of Committee Members**

**Policy:** The Board shall utilize the Nominating and Governance Committee to determine Directors' interests and willingness to serve on Executive Committee as well as standing committees such as CALC, Supervisory, Policy, Nominating and Governance, Compensation, and Capital Planning Committees. The Nominating and Governance Committee will provide a slate of candidates for the Executive Committee for election at the Credit Union's Annual Organizational Meeting and also

provide a roster to the incoming Board Chairperson to populate the CALC, Supervisory, Policy, Nominating and Governance, Compensation, and Capital Planning Committees at the Organizational Meeting. Consideration should be given to Directors' tenure, interests, and experience. With regard to the qualifications for the position of Board Chairperson, interested Directors must have served on the Executive Committee and either the Supervisory or Credit/Asset Liability Committee. The Board may waive the requirements for the Board Chairperson position on a case-by-case basis with the approval of at least seventy-five percent (75%) of the Directors. Additionally, the Board may ask the outgoing chairperson to serve as the Chairperson Emeritus as a fifth position on the Executive Committee. Refer to Guidelines for this process and timing.

### **Board Orientation**

**Policy:** New Directors will meet with the CEO and Leadership Team for overview and orientation of the organization. This provides strong overview as well as personal interaction and engagement for new directors with the entire Leadership Team.

### **Board Ongoing Training**

**Policy:** No mandated training by credit union policy, however regulations require periodic training in areas such as Bank Secrecy Act and Anti-Money Laundering. Directors will be provided opportunities for self-study such as CUNA's Volunteer Achievement Program (VAP), relevant conference attendance, and group training with business partners or industry experts. Other opportunities include training through Board and committee meeting presentations or other venues, through conferences, or through in-house presentations to the Board.

### **Board Mission, Vision and Values**

**Policy:** The Board supports and works from UICCU's overall Mission, Vision and Values.

### **Term Limits for Committees and Table Officers**

**Policy:** The Board Chairperson will serve a one-year term with a three-year cap which cap may be extended with approval of at least seventy-five percent (75%) of Directors. The Board Vice-Chairperson, Secretary, & Treasurer will serve one-year terms. There will be no term limits for standing committee members. The Nominating and Governance Committee will oversee tenure, interests, and

development through their function as stated in this policy under Board Progression.

### **Board Assessment Options**

**Policy:** The Board will identify and implement a third-party board assessment tool, administered and managed by the Nominating and Governance Committee, with additional assistance from the Vice-Chair, Secretary, or Treasurer if desired by the Committee.

This will help with ongoing development of Board members and stronger engagement and function. The intent of the assessment is to foster and support engagement and positive contributions of all Board members, and identify gaps or problem areas in Board performance.

### **CEO as a member of the Board**

**Policy:** The President/CEO will not be an elected member of the Board.

### **Totally Independent Non-Director Supervisory Committee**

**Policy:** The Supervisory Committee will be fully-rostered by Board Members, with the option to add Non-Director Members to the Supervisory Committee as provided for in the credit union's current by-laws, if a situation indicates this is prudent.