

Minnesota Power Employees Credit Union
Board and Committee Duties and Succession Policy

CREDIT UNION BOARD OF DIRECTORS (7)

Board members are elected at the Minnesota Power Employees Credit Union (MPECU) annual meeting. All board members must be members of the credit union.

Board members may serve a maximum of three (3) consecutive three-year (full) terms (total of nine years).

Board positions cannot be filled by former MPECU employees for five (5) years after leaving MPECU employment.

Board members are prohibited from applying for an exempt management position with MPECU while serving on the Board and for one year thereafter.

CHAIR

The chair presides at all meetings of the board and members. The board is required to meet at least once a month.

The chair serves as spokesperson for the credit union and works closely with the credit union President/CEO.

The Chair may serve a maximum of two (2) consecutive one-year (full) terms.

VICE CHAIR

The Vice Chair acts as the Chair in his/her absence. The position of Vice Chair is a training ground for the position of Chair; there is a natural progression from the office of Vice Chair to Chair.

SECRETARY

The secretary prepares and maintains full and complete records of all meetings, including notices of meetings to be held.

DIRECTOR

Activities of the board of directors includes MAKING DECISIONS regarding the course of action for the credit union, i.e., establishing objectives, formulating policy, and approving goals and programs; performing ADVISORY FUNCTIONS for its members and President/CEO, primarily a communication effort; SERVING AS TRUSTEES by protecting the credit union members' investments through proper control of the assets, accomplished with continuous evaluation of the financial and management practices; to PERPETUATE THE CREDIT UNION by selecting and maintaining a capable President/CEO and by providing adequate guidance and training and by reviewing credit union operations to ensure ongoing appropriateness.

The Board:

- establishes and sets terms on the various share accounts and certificates
- determines dividend rates
- establishes reserves, both statutory and contingency reserves
- determines capitalization policies
- reviews, establishes, evaluates, prices and monitors current or new services
- invests excess funds or borrows working capital as appropriate and allowed
- provides for adequate insurance and bonding
- designates a depository; approves all loans to directors; amends the credit union bylaws; provides for overall security of the credit union; maintains duplicate records of vital documents off site; and maintains the credit union's personnel system, compensation, training, etc.

COMMITTEE MEMBERS

Committee members must be members of the credit union. Committee members are elected by the membership at the annual meeting.

All committee members are invited to attend monthly board meetings and are strongly encouraged to attend.

Committee members may serve a maximum of three (3) consecutive three-year (full) terms (total of nine years).

Committee positions cannot be filled by former MPECU employees for five (5) years after leaving MPECU employment.

Committee members are prohibited from applying for an exempt management position with MPECU while serving on a Committee and for one year thereafter.

CREDIT COMMITTEE (not less than 3)

The Credit Committee has the general responsibility to approve or disapprove all requests from members from loans, acting within the boundaries of the law and the credit policies established by the Board of Directors.

The Credit Committee:

- meets as often as the credit union requires

- reviews and evaluates proposed changes to loan policies as provided by the VP of Lending and/or VP of Business Lending for approval by the Board of Directors

SUPERVISORY COMMITTEE (up to 5)

The Supervisory Committee is responsible for monitoring and reviewing MPECU operations; that records are maintained properly, that policies established by law and by the board are followed, and that members are receiving the best possible service.

The Supervisory Committee:

- conducts semi-annual examinations (audits) of MPECU operations
- makes an annual report of its audits
- ensures verification of all share and deposit accounts and loan balances at least once each year

BOARD & COMMITTEE MEMBERS

Though the Minnesota Power Employees Credit Union's Board consists of volunteers, each member should be committed and devoted to the success of the credit union. To assist board and committee members with their responsibilities, the following is a listing of educational and involvement opportunities available.

IT IS HIGHLY RECOMMENDED THAT BOARD AND COMMITTEE MEMBERS:

- 1) Complete Volunteer Achievement Program – Learning Tracks, modules as appropriate
- 2) Attend Monthly Board Meetings
- 3) Attend Annual Planning Session
- 4) Read Routed Credit Union Literature
- 5) Attend Credit Union Annual Meeting

BOARD MEMBERS ARE ENCOURAGED TO:

- 6) Participate in MN Credit Union Network Annual Meeting, Leadership Conference or Roundtable Conference – the recommendation is one per term
- 7) Attend one Arrowhead Chapter meeting per year
- 8) Attend seminars, as appropriate