BOARD OF DIRECTORS JOB DESCRIPTION

Title: Director
Reports to: Members
Supervises: Chief Executive Officer/President

Summary: A volunteer position to provide strategic direction and governance of the Credit Union and monitor its overall affairs. Board Members must be 18 years of age or older and be an active member of the credit union, in good standing.

Term

At the annual meeting each year, elections to the Board of Directors shall be held in such manner that the term of office be three (3) years and shall be staggered so that insofar as possible an equal number of such terms shall expire each year. Therefore, members of the Board of Directors shall serve from the time of their election for a period of three (3) years and until their successors are elected.

Primary Functions:

- Establish and oversee policies.
- Plan and set short and long-term strategic goals.
- Ensure financial soundness and continuity.
- Hire and evaluate the Chief Executive Officer
- Report to the Credit Union Members at the annual meeting
- Represent the Credit Union in the community.
- Maintain all business affairs and affairs of its members in a confidential manner and refrain from any relationship that would create a conflict of interest with regard to the credit union. Directors should disclose any conflict of interest to the Board and refrain from voting on issues related to the director's personal or financial interests.

All decisions should be guided by the best interest of the membership.

Specific Duties

1. Work with the CEO and the Board Members to develop (plan) objectives and goals for the Credit Union.
2. Ensure the Credit Union adheres to pertinent laws, regulations, and sound business practices.
3. Ensure the Credit Union maintains sound financial conditions and that the Credit Union's assets are protected against unauthorized or illegal acts.
4. Ensure policies are developed/reviewed and updated on an annual basis
5. Amend Credit Union Bylaws, subject to regulatory approval.
6. Approve the development of new products and services as needed.
7. Approve the Credit Union's budget annually including authorizing borrowing, authorizing appropriate deposit and investment of funds of the Credit Union.
8. Recruit, hire, and set compensation for a competent Chief Executive Officer; sets the governance and policy parameters for CEO actions. Evaluate the CEO on progress in attaining established goals and objectives on an annual basis.

9. Ensure that succession plans are developed for CEO and Board.
10. Attend monthly board meetings and exercise independent judgment in a fiduciary manner.
11. Each credit union's director has the duty to, at the time of election or appointment, or within a reasonable time thereafter not to exceed six months, have at least a working familiarity with basic finance and accounting practices, including the ability to read and understand the credit union's balance sheet and income statement and to ask, as appropriate, substantive questions of management and internal and external auditors.
12. The Board of Directors, acting through senior management, is ultimately responsible for ensuring that the credit union maintains an effective BSA/AML internal control structure, including suspicious activity monitoring and reporting. While the board of directors may not require the same degree of training as banking operations personnel, they need to understand the importance of BSA/AML regulatory requirements, the ramifications of noncompliance, and the risks posed to the credit union. Without a general understanding of the Bank Secrecy Act, the board of directors cannot adequately provide BSA/AML oversight; approve BSA/AML policies, procedures and processes or provide sufficient BSA/AML resources.
13. Report to the members at the annual meeting.
14. Set policy with parameters for operations including approving:
    a. The policy that dictates, determines, and declares share dividend rates, terms, maximum share limits, and classes of shares.
    b. The policy that dictates, determines, and declares rates, maturities, security, terms and conditions for all loans granted by the credit union.
    c. The policy that determines the granting and appropriate collection of loans and authorizes the charge-off of uncollectible loans.
    d. The Policies that authorize how membership applications will be processed, and the field of membership will be implemented.
15. Review surety bond materials, determines surety bond needs, and ensure alternating directors sign the application for the surety bond.
16. Fill vacancies on the board, appoints members of committees of the board, and acts on loans to directors, supervisory committee members, and executive management.
17. Fulfill annual education requirements.
18. Abide by duties and responsibilities outlined within the Credit Union ByLaws and Board Governance policy.

<u>Board of Director Requirements:</u>

1. Must be a member in good standing with the Credit Union.
2. Must be at least 18 years of age and not an immediate family/household member of a paid associate.
3. Must be bondable by the Credit Union's fidelity bond company.
4. Must authorize criminal background check and credit check.

Documents to be signed and/or agreed to:

1. Terms and Conditions for AFCU Volunteer Issued iPad
2. Fraud Policy

Educational Requirements

1. Complete the Financial Literacy Requirement as required by the NCUA and structured by AFCU no later than the sixth month in office. The Financial Literacy Requirement consists of valuable information on general credit union philosophy and operations.
2. Annual BSA training.

Meeting Requirements

1. Attend Monthly Board of Directors Meetings.
2. Attend Annual Meeting held in April.
3. Attend additional meetings as necessary when called upon.
4. Attend annual strategic planning meeting(s).
5. Attend Committee meetings as assigned.

Personal Liability:

AFCU carries Directors' and Officers' liability insurance through TruStage. This policy protects the Credit Union's directors, volunteers and employees from liability arising out of their duties performed for the Credit Union. The annual aggregate limit is $10,000,000. A detailed list of coverage is available through TruStage. I understand that all loan applications received from a Board Member must be approved by the other Board Members.

I have read and understand the Board of Directors job description. I agree to be legally bound to all requirements applicable to my duties as a director. If during my term of office, I find that I cannot devote sufficient time required to credit union business and fully comply with the outlined duties and requirements I understand that the Board of Directors will have the authority to review the circumstances and remove me from my appointment; or I may submit a letter of resignation to the Chairperson of the Board.

Signature: ___________________________ Date: ___________________

Print Name: _______________________