

OnPoint Community Credit Union
Bylaws Excerpt
October 2021

ARTICLE V Elections

- Section 1 The Board Chair shall appoint a Nominating Committee of not fewer than five members, no more than half of whom shall be current Board members.
- Section 2 The Board Secretary shall provide notice to all members, of the conditions and procedures pertaining to Director nominations, applications and elections, including the names of all members of the Nominating Committee.
- Section 3 All applications for the Director position(s), including those of members at large and incumbents, shall be received by August 31. Applications must include background information, resume, and a statement describing why an applicant desires to serve and how he/she may contribute to OnPoint and the work of the Board. The applications of incumbents and members in good standing shall be forwarded by management to the Nominating Committee by August 31.
- Section 4 Nominating Committee role and responsibilities shall include:
- a. Verification that each candidate is a member of the credit union in good standing, preferably for a minimum of one year, has no felony conviction, and generally satisfies the qualifications for the Director position.
 - b. Recommendation of one candidate for each vacancy by identifying the individual that best fits the Director Position Description and qualifications. The Committee shall interview each applicant, including incumbents, who meet the position qualifications, membership requirements, and have the experience to serve in the Director position. These qualifications include specific knowledge, skills and experience the Board has identified as key competencies necessary for the Director position.
 - c. Recommendation of one name for each vacant position to the Board will occur not later than November 30.
 - 1. If at any time a majority of the Nominating Committee determines there is an insufficient number of candidates to forward to the Board additional applications will be solicited at the direction of the Board.
 - 2. If the Board determines that a candidate(s) recommended by the Nominating Committee is not acceptable, the Board may request additional candidate(s) be forwarded by the Nominating Committee and/or seek additional applicants including a candidate(s) not advanced by the Nominating Committee.

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Section 5 The Board shall review and evaluate the qualifications of the nominee(s) recommended by the Nominating Committee as provided in Section 4 above. The Board shall then select one nominee where there is one vacancy, two nominees where there are two vacancies or three nominees where there are three vacancies.

As an alternative to being a Board-selected nominee, a member in good standing for a minimum of one year may petition the Board to be placed on the ballot. The petition must include the names and signatures of a minimum of one percent (1%) of the total membership. Membership size will be available September 1 to determine the number of signatures necessary. Petitioners are subject to the same provisions in Section 4a above. Completed petitions must be received by August 31 for consideration.

Board decisions on nominees to be placed on the ballot are final and may not be appealed.

Section 6 All elections shall be by printed or electronic ballot and shall be determined by plurality vote. No nominations shall be made from the floor at the annual meeting. If there is only one nominee for each vacancy, the Board Chair may declare the nominees elected by general consent at the annual meeting and ballots will not be required for the election.

Section 7 No member shall be entitled to vote by proxy.

Section 8 A member that is not a natural person may vote through an agency duly authorized in writing for the purpose.

Section 9 Regardless of the number of shares held, no member shall have more than one vote.

Section 10 The Board of Directors may, from time to time, establish a minimum age as a qualification for voting. Current minimum age as determined by the Board is 18 years of age.

Section 11 The Board of Directors, in its sole discretion, may authorize the use of absentee and/or mail ballots exclusively or in conjunction with the procedures authorized in this Article, subject to such conditions as the Board may establish.

Section 12 Within fifteen (15) days after their election or appointment, a record of the names and addresses of the members of the Board, the Board's Executive Committee, the Chief Credit Officer, the Security Officer and the Supervisory Committee shall be forwarded to the Director of the Department of Consumer and Business Services in such manner as shall be required by the Director.

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Article VI Board of Directors

- Section 1 All of the Directors shall be members of this credit union and of legal age. The number of Directors shall be seven (7), nine (9) or eleven (11) as determined by the Board of Directors by Board resolution from time to time. The size of the Board of Directors may only be changed to a number outside of this range by amendment of these bylaws. No reduction in the number of Directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expirations of terms of office, or other action provided by these bylaws. A copy of a bylaw amendment covering any increase or decrease in the number of Directors shall be filed with the Director of the Department of Consumer and Business Services.
- Section 2 Elections of Directors to the Board shall be staggered so that approximately one-third of the Directors are elected at each annual meeting. All terms shall be for three (3) years. Directors shall serve for three (3) years or until their successors are elected or appointed, whichever is longer. A Director who has served four (4), consecutive or nonconsecutive, terms on the Board of Directors may not be elected for another term or appointed to further serve as a Director.
- Section 3 Any vacancy on the Board, including a vacancy resulting from an expansion of the size of the Board, or Supervisory Committee shall be filled by a vote of a majority of the Directors then holding office. The appointee shall serve for the remainder of the term (unexpired portion of the term) of the Director being replaced or until the next annual meeting if the Board of Directors so determines at the time of appointment. If a vacancy or vacancies result in the number of Directors holding office to be less than five (5), then the Board of Directors shall promptly fill the vacancy or vacancies so that the number of Directors holding office is not less than five (5).
- Section 4 The Board of Directors shall hold at least six regular meetings, with at least one of the six regular meetings to be held each quarter, during each calendar year. Regular meetings do not include the credit union's annual meeting, committee meetings, or special meetings. The Board Chair, or in his/her absence the Board Vice-Chair, shall fix the time and place of special meetings unless the Board prescribes otherwise. Notice of all meetings of the Board of Directors shall be given in such manner as the Board of Directors may from time to time prescribe.

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Article VI Board of Directors, cont.

- Section 5 A majority of the number of Directors then holding office shall constitute a quorum for the transaction of business at any meeting thereof and actions approved by a majority of the Directors at which a quorum is present shall be the official actions of the Board of Directors. In the event a quorum is not present at a duly called meeting, an Executive Committee comprised of the Board Chair, Vice Chair, and Secretary shall be empowered to conduct business at the meeting. If any member of the Executive Committee is not present, that member must be replaced by the member(s) of the Executive Committee present with a member of the Board of Directors in attendance. Regular and special meetings of the Board of Directors and the Executive Committee are not open to attendance by the general membership of the Credit Union.
- Section 6 The Board of Directors may elect from its own members an Executive Committee of not less than three (3) persons consisting of the Board Chair, Vice Chair, and Secretary to act for it in the interim between Board meetings on any duties the Board chooses to delegate to the Executive Committee.
- Section 7 The Board of Directors may authorize the appointment of one or more individuals to approve applications for membership under such conditions as the Board and these bylaws may prescribe.
- Section 8 The Board of Directors shall have the general direction of the business affairs, funds and records of the credit union. In addition to the duties customarily performed by Boards of Directors and those set forth elsewhere in these bylaws, the Board of Directors shall conform to the duties set forth in the Oregon Credit Union Act in the section titled "Duties of Directors."
- Section 9 **Board Action Without a Meeting.** The Board of Directors may take action on a matter, without a meeting, by taking action through electronic means (i.e. video conference or email, etc.), if the request for and notice of action is provided to all members of the Board. An action shall be approved if a majority of the Board approves the action. The action shall be recorded by one or more consents describing the action taken, executed by each Director and included in the Board meeting records.
- Section 10 **Voting by Proxy.** A director may vote by proxy on a Board action inside of, or without, a meeting, provided that protocols established in policy by the Board for this purpose are met.

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Article VI Board of Directors, cont.

Section 11 A Director may resign at any time by delivering a written notice to the Board of Directors or to the Secretary. Subject to the provisions of this Section 9, a resignation is effective when written notice is delivered unless the notice specifies a later effective date or an effective date determined upon the happening of an event or events. Once delivered, a letter of resignation is irrevocable unless revocation is permitted by the Board of Directors.

Upon acceptance of his or her position as a Director, each Director shall concurrently deliver a binding irrevocable letter of resignation, which resignation shall be effective upon the earlier occurrence of (i) the date provided in a written notice of such Director's desire to resign on a specified effective date, or (ii) upon a finding of either an intentional or grossly negligent violation of the Code of Conduct of material significance in accordance with the procedures set forth below. Nothing provided herein shall substitute or otherwise prevent the members, the Supervisory Committee, or the Director of the Department of Consumer and Business Services from exercising any of their respective rights and duties to take actions in accordance with these Bylaws and the Oregon Credit Union Act.

Any complaint of a material violation of the Code of Conduct against a Director must be in writing and supported by credible and relevant evidence ("Written Complaint"). The Written Complaint, once received, shall be promptly delivered to the Board Chair and the Executive Committee. Upon receipt of a Written Complaint, the following actions shall be taken:

- A. Evaluation. Within twenty-one (21) days of receiving the Written Complaint (the "Evaluation Period"), the Executive Committee (without the participation of the Director against whom the Written Complaint has been made if that Director is also serves on the Executive Committee, in which case the Board Chair, or if the Board Chair is the subject of the Written Complaint, in which case the Board Vice Chair shall appoint another Director to serve on the Executive Committee for purposes of this Section 9.A.) with the advice and assistance of counsel, shall review the Written Complaint and make a determination as to whether the Written Complaint is supported by credible and relevant evidence sufficient to initiate an investigation. During the Evaluation Period, the Director against whom the Written Complaint has been made (the "Charged Director") shall be informed of the Written Complaint. At the discretion of the Executive Committee as the case may be, the Charged Director may also be asked to comment, orally or in writing, concerning the allegations in the Written Complaint during the Evaluation Period. If it is determined that the Written Complaint against the Charged Director is not supported by credible and relevant

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Article VI **Board of Directors**, cont.
Section 11A, cont.

evidence then the Written Complaint may be dismissed without a formal investigation. The Executive Committee will inform the Board of Directors of such action at its next regularly scheduled meeting.

- B. Investigation. If at the end of the Evaluation Period it is determined that the Written Complaint is supported by credible and relevant evidence, then an investigation shall be initiated (the "Investigation Period"). During the Investigation Period, the Board of Directors shall initiate an investigation of the Written Complaint to determine whether a violation may have occurred by the Charged Director. The Board of Directors shall have the discretion to delegate the investigation to a committee of not less than three (3) Directors (the "Investigative Committee"). In addition, the Board of Directors, or the Investigative Committee, as the case may be, shall have the authority to engage counsel, who may also be the Credit Union's current counsel, to conduct the investigation set forth in this Section 9 under its supervision. During the Investigation Period, the Board of Directors, or the Investigative Committee, as the case may be, shall obtain and collect any credible and relevant evidence related to the Written Complaint. The Board of Directors, or the Investigative Committee, as the case may be, shall attempt to determine (1) the precise nature of the violation that is the subject of the Written Complaint, (2) whether there is any factual basis to support the alleged violation, and (3) whether such violation, if proven by a preponderance of the evidence, would constitute an intentional or grossly negligent material violation of the Code of Conduct.

If it is determined by the substantial weight of the evidence during the Investigation Period that the Charged Director did not commit a material violation of the Code of Conduct, the Written Complaint may be dismissed without any further action. Otherwise, at the next regular meeting of the Board of Directors following the end of the Investigation Period, the Board of Directors shall determine, in its sole and absolute discretion, whether the information obtained could reasonably be interpreted to constitute a material violation of the Code of Conduct ("Preliminary Determination") and that a hearing should be held. The Charged Director may not participate in the Preliminary Determination. Reasonable efforts shall be taken to complete the investigation during an Investigation Period of sixty (60) days or less.

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Article VI Board of Directors, cont.

Section 11, cont.

- C. Hearing and Due Process. Once the Board of Directors has made the Preliminary Determination that there is sufficient evidence to support that a material violation of the Code of Conduct by the Charged Director may have occurred and that a hearing should be held, the Board of Directors shall provide the Charged Director with at least twenty (20) days advance written notice of the date of the hearing and that a Preliminary Determination of a violation of the Code of Conduct by the Charged Director has been made. At the request of the Charged Director, but subject to all available privileges, the Charged Director shall be provided with copies of written summaries of witnesses' statements and other evidence relevant to the alleged violation of the Code of Conduct. At the hearing, the Charged Director shall be provided a reasonable opportunity to testify and to present evidence and defenses before the Board of Directors. Testimony by witnesses, other than the Charged Director, may be permitted only with the consent of the Board of Directors in its sole and absolute discretion. After considering the evidence at the hearing, the Board of Directors shall make a decision by majority vote (excluding the participation of the Charged Director) on whether the claims against the Director have been proven by a preponderance of the evidence.
- D. Results. After conducting the hearing, the Board of Directors shall determine whether to accept or reject the resignation or take other actions. In the event that the resignation is accepted by the Board of Directors, the effective date of the resignation shall be the date on which the Board of Directors accepts the resignation. The Director who is the subject of such investigation or review shall not participate in the Board of Directors' deliberations and decision on the matter.

Section 12 Directors may be reasonably compensated for services rendered to the Credit Union in their capacity as a Director, to the extent permitted by law and in accordance with a policy established by the Board. Also, Directors may be reimbursed for necessary expenses incurred during the performance of their duties in accordance with a policy established by the Board.