

## Technology Credit Union Bylaw Provisions

The provisions below are excerpts from Technology Credit Union's Amended and Restated Bylaws ("Bylaws") as approved by the California Department of Business Oversight, Division of Financial Institutions. These excerpts do not include all of the terms and provisions in the Bylaws. They relate to membership in the credit union, member meetings, proxies and voting, director and supervisory committee nominations and qualification requirements applicable to director and supervisory committee nominees as well as certain rules, regulations and procedures applicable to members and meetings (all of which are qualified in their entirety by reference to Technology Credit Union's Articles of Incorporation, as amended, the Bylaws and applicable law):

### MEMBERSHIP

Section 5. **General.** This corporation shall have one class of members. Membership shall be restricted to persons and organizations having specified affiliations or identifying characteristics established by the Board of Directors from time to time (the "field of membership"). The Board of Directors shall establish and maintain a current list setting forth the field of membership (referred to herein as the "FOM List"). A person qualified to become a member may be admitted as a member upon the payment of an entrance fee as established by the Board of Directors or the purchase of not less than one share in the Credit Union.

Section 8. **Duties of Members.** Members shall have the following duties:

(a) Each member shall keep the Credit Union informed of such member's current address. In the event a member fails to do this, a charge may be made to such member's deposit accounts for the actual cost of a necessary locator service incurred in determining such address; provided, however, that such charge shall not exceed the maximum allowable by law. Such charge shall be made only for amounts paid to a person or concern normally engaged in providing such service and shall be made against the account or accounts of anyone member no more than once in any 12-month period.

(b) Each member shall comply with the provisions of the California Credit Union Law, California Financial Code Section 14000 et seq. (the "Credit Union Law") and these Bylaws.

(c) Each member shall refrain from any willful destruction or damage to property of the Credit Union.

(d) Each member shall have an obligation not to cause the Credit Union to suffer a loss of any type, and shall carry out his, her or its contracts, agreements, or obligations with the Credit Union.

(e) Each member shall act with civility in all dealings with directors, officers, and employees of the Credit Union.

## **MEMBERSHIP MEETINGS**

Section 15. **Annual Meeting.** The Annual Meeting of the members shall be held each year on a date and at a time and place designated by the Board of Directors. The date designated by the Board of Directors shall be within five months after the end of this Credit Union's fiscal year and within 15 months after the last annual meeting. At the meeting, a slate of nominees approved by the Board of Directors (or any Nominating Committee) shall be presented and, subject to Section 27 herein, the members shall have the right to elect Directors and Supervisory Committee members and transact any other business which may properly be brought before the meeting.

Section 16. **Special Meetings.** All special meetings shall be held at the Credit Union's principal office or such other place within California as the Board of Directors, by resolution, may determine. Notice of special meetings shall be given to all members specifying the date, time, place, and purpose of the meeting. No business other than that specified in the notice of the meeting may be transacted at such special meeting. Special meetings of members may be called for any lawful purpose in the following ways:

(a) The Board of Directors may, at its discretion, call a special meeting.

(b) The Supervisory Committee may, by a majority vote, call a special meeting to consider any violations of the California Credit Union Law, any violations of these Bylaws, or any practices of the Credit Union which, in the opinion of the Supervisory Committee, are unsafe or unauthorized.

(c) The membership, upon the written request of ten (10) members or three percent (3%) of the membership, whichever is greater, may call a special meeting. Any such request must comply with Section 17.

Section 17. **Calling Special Meetings.** Any person (other than the Board of Directors) entitled to call a special meeting under Section 16 shall do so by written request submitted to the Chairman, Vice Chairman, President or Secretary. The written request shall specify the general nature of the business proposed to be transacted at the special meeting and if the written request is submitted by the membership pursuant to Section 16(c), it shall be accompanied by a list setting forth the

name, address, last three digits of each member's number and the signature of each member requesting the special meeting.

(a) The officer receiving the request shall take reasonable steps to determine the validity of a written request submitted by the membership. Upon determining the legitimacy of any written request, the officer shall cause notice to be given promptly to the members entitled to vote, under Sections 18 and 19 of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board.

(b) The meeting can take place at a time fixed by the Board of Directors not less than thirty-five (35) days after receipt of the request, and no more than ninety (90) days after receipt of the request.

(c) If the notice is not given within twenty (20) days after the request is received, the person or persons entitled to call the meeting may give the notice.

(d) Nothing in this Section 17 shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board of Directors.

**Section 18. Notice Requirements; Agendas.** Whenever members are required or permitted to take any action at a meeting, a notice of the meeting shall be given in writing to each member entitled to vote at that meeting. The notice shall specify the place, date, and time of the meeting.

(a) For the Annual Meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. Such notice must include the names of all persons who are nominees for election to the Board of Directors and the Supervisory Committee at the time the notice is given. At any Annual Meeting only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an Annual Meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by, or at the direction of, the Board of Directors, (ii) otherwise properly brought before the meeting by, or at the direction of, the chairman of the meeting, or (iii) otherwise properly brought before the meeting by a member entitled to vote at such meeting. For business to be properly brought before an Annual Meeting by a member, the member must have given timely notice thereof in writing to the Secretary of the Credit Union and must have been a member at the time such notice is given. To be timely, a member's notice shall be delivered to or mailed and received at the principal executive offices of the Credit Union not less than sixty (60) days nor more than ninety (90) days prior to the first anniversary date of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by

more than twenty (20) days, or delayed by more than sixty (60) days, from such anniversary date, notice by the member to be timely must be so delivered or mailed and received no earlier than ninety (90) days prior to such annual meeting and not later than the close of business on the later of the sixty (60) days prior to such annual meeting or the tenth (10<sup>th</sup>) day following the day on which public announcement of the date of such meeting is first made. Such member's notice to the Secretary shall set forth (i) as to each matter the member proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, and (ii) as to the member giving the notice (a) the name and residence address of the member, (b) any material interest of the member in such business and (c) whether the member intends or is part of a group which intends to solicit proxies from other members in support of such proposal and if part of a group, the names and addresses of such group members. No business shall be conducted at an Annual Meeting of members unless proposed in accordance with the procedures set forth herein. The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the foregoing procedure and such business shall not be transacted.

(b) For a special meeting, the notice shall state the general nature of the business to be transacted. No business other than that specified in the notice of the special meeting may be transacted at such special meeting.

**Section 20. Conduct of Meetings.** Unless inspectors of election have been appointed, the date and time of the opening and the closing of the polls for each matter upon which the members will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of members as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairperson of any meeting of members shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairperson of the meeting, may include, without limitation but subject to applicable law and these Bylaws, the following: (i) the establishment of an agenda or order of business for the meeting, (ii) rules and procedures for maintaining order at the meeting and the safety of those present, (iii) limitations on attendance at or participation in the meeting to members of record of the Corporation, their duly authorized and constituted proxies or such other persons as the Board of Directors or the chairperson of the meeting shall determine, (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof, and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or

the chairperson of the meeting, meetings of members shall not be required to be held in accordance with the rules of parliamentary procedure.

**Section 21. Adjournment.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have properly been transacted at the original meeting.

**Section 24. Approval by Majority Vote.** If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, whether in person or by proxy, entitled to vote and voting on any matter, shall be deemed the act of the members unless a greater percentage is required in the Articles, elsewhere herein or under applicable law.

**Section 27. Manner of Voting.** Except as provided in Section 28 below, elections may be by ballot or proxy.

**Section 28. When Election Not Required.** If, after the close of nominations, the number of people nominated for the Board or Supervisory Committee is not more than the number of Directors or Supervisory Committee positions to be elected, the Board of Directors may without further action declare that those nominated and qualified have been designated for the respective Director or Supervisory position and no election shall be necessary at the meeting.

**Section 29. Number of Votes.** Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

**Section 30. Proxies in General.** Subject to the limitations under applicable law and this Article or elsewhere in these Bylaws, any member of the Credit Union may authorize another person or persons to act by proxy with respect to such membership. Any proxy purported to be authorized in accordance with this Article shall be presumptively valid.

(a) No amendment of the Articles or Bylaws repealing, restricting, creating, or expanding proxy rights may be adopted without approval by the members.

(b) No amendment of the Articles or Bylaws restricting or limiting the use of proxies may affect the validity of a previously issued irrevocable proxy during the term of its irrevocability, so long as it complied with applicable provisions, if any, of the Articles or Bylaws at the time of issuance, and is otherwise valid under this Article.

Section 31. **Solicited Proxies.** Except for solicited proxies which on their face provide for a period of validity of three (3) years from the date of execution of the proxy, any form of proxy distributed to ten (10) or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

(a) In an election of Directors or Supervisory Committee members, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of Directors or Supervisory Committee members is withheld, shall not be voted either for or against the election of a Director or Supervisory Committee member.

(b) In the case of any proxy solicited which on its face provides for a period of validity of three (3) years from the date of execution of the proxy, at the time of solicitation and in each succeeding year of validity thereof the Credit Union shall provide to the person granting the proxy a written notice, at the time of solicitation and in each succeeding year of validity thereof, which shall advise the member of the nature of each matter or group of related matters on which the proxy may be voted. Notice pursuant to this Section may be sent with notice to the members of the date, time, and place of the Annual Meeting.

Section 32. **Subject Matter of Proxy to Be Stated.** Any revocable proxy covering matters for which a vote of the members is required pursuant to California Corporations Code Section 7613(g) and California Financial Code Section 14820(f) shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

Section 33. **Term of Proxies.** No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution.

Section 34. **Revocation of Proxies.** Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in this Section. Such revocation may be effected by a writing delivered to the Chairman, President or Secretary of the Credit Union stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior

proxy and presented to the meeting, or as to any meeting, by attendance at such meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of grant, regardless of postmark or transmission dates.

A proxy is not revoked by the death or incapacity of the maker or the termination of a membership as a result thereof unless, before the vote is counted, written notice of such death or incapacity is received by the Credit Union.

**Section 36. Announcements to Members Generally; Early Announcement of Annual Meeting Date.**

(a) Announcements, notices or reports may be delivered as part of a newsletter, magazine, statements or other periodical regularly sent to members or posted on the Credit Union's website or other electronic message board or network; or

(b) By facsimile, telegraph, telephone or other electronic transmission, including, but not limited to, electronic mail. Unless the Credit Union is otherwise provided written notice to the contrary, in the case of members who are residents of the same household or who have the same address on the books of the Credit Union, such announcement shall be effective as to all such members.

(c) On or before the date that is one hundred eighty (180) days before the anniversary date of the date of the prior year's Annual Meeting, the Credit Union shall announce to the membership or post on its website the date of the next Annual Meeting. Such announcement or posting shall refer generally or by reference to the procedure set forth in these Bylaws for nominating candidates for election to the Board or the Supervisory Committee.

**Section 37. Close of Nominations.** The date for the close of nominations for the position of Director or Supervisory Committee member shall be not more than one hundred twenty (120) days before nor less than fifty (50) days before the date of the annual meeting set pursuant to Section 15. In any event, no nominations for the Board or Supervisory Committee will be accepted after the close of nominations.

**Section 38. Nominating Committee.** Subject to Sections 44 and 73 of these Bylaws, each year, the Chairman of the Board is authorized to appoint or request the Board's Nominating Committee to evaluate, review and recommend to the Board of Directors candidates that it finds are qualified to run for positions on the Board, and the Chairman of the Supervisory Committee may, in his or her discretion, request said Nominating Committee to evaluate, review and recommend to the Supervisory Committee candidates that it finds are qualified to run for the Supervisory Committee.

Section 39. **Nominations by Members.** Subject to compliance with the applicable provisions of Sections 37 and 44 of these Bylaws, members may submit the name of any member who is at least 18 years old as a potential nominee for the office of Director by petition. Petitions must be signed by one percent (1%) of the members entitled to vote at the election with a minimum of twenty (20) and a maximum of five-hundred (500) of such members' signatures and must include the name, residence address, last three digits of the member number and the actual signature of all members signing such petition, which must be signed not more than eleven (11) months immediately preceding the date of the Annual Meeting and delivered to the Secretary of this Credit Union no later than the time nominations are closed pursuant to Section 37 above.

Section 40. **Authentication of Petitions.** Upon receipt of a petition, the Secretary shall undertake reasonable procedures to ensure that the signatures on a petition are authentic, that those signing the petition are members in good standing and that the other requirements herein applicable to petitions have been satisfied. If the Credit Union determines that the signatures are not authentic, by comparing them to the signatures on file with the Credit Union, for example, or that an individual is not a member or is an inactive or terminated member or that signatures were obtained more than eleven (11) months prior to the Annual Meeting or for other good reason, then that signature shall not be counted on the petition. After the Secretary has completed the above authentication procedure, if the number of authenticated signatures is less than the required number set forth in Section 39, any nomination submitted with said petition shall not be accepted.

Section 41. **Elections Procedure After Close of Nominations.** If more qualified candidates are nominated for Director or Supervisory Committee than can be elected, then all nominees shall have a reasonable opportunity to communicate to the members the nominee's qualifications, the reasons for the nominee's candidacy and to solicit votes based on procedures adopted by the Board of Directors from time to time. The following procedures shall be followed in all elections where there are more qualified candidates nominated for the position of Director or Supervisory Committee member than there are positions to be filled:

(a) Statements of Nominees. By the close of business of the ninetieth (90<sup>th</sup>) day before the date of the Annual Meeting, each nominee for the office of Director or Supervisory Committee member may provide a concise nominee's statement to the Secretary, along with a 5"x7" glossy black and white photograph of the nominee.

(1) The nominee's statement shall list the nominee's name, mailing address, place of employment and job title, credit union experience, and years of membership in this Credit Union. The nominee's statement shall also include each of the following: biographical information, general qualifications, relevant financial

institution experience and campaign statement. The nominee's statement shall not exceed two hundred fifty (250) words, and may not reference any additional resource information, such as books authored or websites.

(2) The Credit Union shall communicate or make the nominee's statement readily available to the members except the nominee's mailing address and other personal identifying information, which shall be excluded. In such communication to members, the qualified nominees shall be identified as having been submitted as the Credit Union's approved slate of nominees or as other nominees nominated by members separately, but shall have equal space.

(3) The contents of any nominee's statement must be reasonably related to the election.

(4) Such biographical description, general qualifications, financial management experience, and campaign statement must be factually accurate and verifiable, and may not be altered or modified by the Credit Union except to eliminate items which, in the opinion of legal counsel, could expose the Credit Union or its officers, directors or employees to a substantial risk of litigation or a reasonable possibility of criminal, civil or regulatory liability or sanction, or which are not reasonably related to the election or the position. If the statement is not factually accurate or verifiable, the nominee will be provided five (5) days to revise the statement or verify it. If no such modifications or verification are received by the Credit Union within this five (5) day period, the language shall be stricken from the statement.

(5) Neither the Credit Union, nor its agents, officers, directors, or employees, may be held criminally liable, liable for any negligence (active or passive), or otherwise liable for damages to any person on account of any material which is supplied by a nominee for Director or Supervisory Committee member and which it announces, reports, mails publishes or makes available to members as part of the election process. The nominee on whose behalf such material was announced, reported, published mailed or made available shall be liable and shall indemnify and hold the Credit Union, its agents, officers, directors, and employees and each of them harmless from all demands, costs, including reasonable attorneys' fees and expenses, claims, damages, and causes of action arising out of such material or any communication thereof to members. The Credit Union or any of its agents, officers, directors, or employees may seek a court order providing that the Credit Union need not communicate to members material tendered by or on behalf of a nominee under this Section on the ground the material will expose the moving party to liability or that it is not factually accurate or not reasonably related to the election.

(b) Voting by Written Ballot or Proxy. At any member meeting held to elect a Director or Supervisory Committee member, voting shall be by written ballot or

proxy, as determined by the Board of Directors, distributed to those members entitled to vote who are present at the meeting, either in person or by proxy.

(1) Each written ballot or proxy so distributed shall list the candidates for office and give the members an opportunity to choose among them. The nominees presented as the Credit Union's approved slate and the other nominees of members shall be identified separately, but shall have equal space. The ballot or proxy shall also provide members an opportunity to approve, disapprove, or abstain upon any other matter to be submitted to the membership. Any ballot which is marked by a member "withhold" or otherwise marked in a manner indicating the authority to vote for the election of a Director or Supervisory Committee member is withheld, shall not be voted either for or against the election of a Director or Supervisory Committee member.

(2) Ballots or proxies shall be uniquely numbered and shall be returned to the Inspectors of Election bearing the account number of the member, and signature of the member or proxy holder, or other member identity authentication specified by the Inspectors of Election.

Section 42. **Appointment of Inspectors of Election.** In advance of any meeting of members or the submission of any action by ballot without a meeting, the Board of Directors may appoint one (1) or three (3) individuals to act as Inspectors of Election. The decision, act, or certificate of the sole Inspector if one is appointed or a majority of the three (3) Inspectors is effective in all respects as the decision, act, or certificate of all. The Inspector(s) shall be supplied with such staff, acting under their direction and control, as they may reasonably require in order to carry out their duties.

Section 43. **Powers and Duties of Inspectors of Election.** If appointed by Board the Inspector(s) of Election shall:

- (a) Determine the number of memberships outstanding; the number represented at the meeting; the existence of a quorum; and the authenticity, validity and effect of proxies;
- (b) Receive votes, ballots or consents;
- (c) Determine when the polls shall close;
- (d) Determine the result of the vote; and
- (e) Do such acts as may be proper to conduct the election or vote with fairness to all members.

Any report or certificate made by the Inspector(s) of Election shall be filed with the Secretary and shall be prima facie evidence of the facts stated therein.

## **DIRECTORS**

### **Section 44. Number and Qualifications.**

(a) The Board of Directors shall consist of an odd number of directors of not less than five (5), and no more than fifteen (15), each of whom shall be a member of this credit union in his or her own right, at least eighteen (18) years of age and otherwise qualified pursuant to this Section 44. Within the foregoing range, the number of directors may be changed by resolution of the Board. A copy of the resolution of the Board fixing the number of directors from time to time shall be filed with the official copy of the bylaws of this Credit Union, and filed with the California Commissioner of Financial Institutions, if required. No member of the Board of Directors shall serve as a member of the Supervisory Committee or the Chief Credit Officer.

(b) Nominations for the Board of Directors may be made by the Board of Directors or by any member entitled to vote for directors. Nominations, other than those made by the Board of Directors, must be received by the date set for close of nominations in Section 37, herein, and all nominees must otherwise be qualified pursuant to this Section 44. In order for a member of this credit union to make a proposed nomination, he or she shall present all such proposals either by (i) notification in writing (based on procedures developed by the Board), or (ii) petition satisfying the provisions of Section 39, herein, which petition includes the name, residence address, last three-digits of the member number and the actual signature of all members signing any such petition. Additionally, any such notification or petition from a member shall include the following information as to each proposed nominee and as to each person, acting alone or in conjunction with one or more other persons, in making such nomination or in organizing, directing or financing such proposed nomination or solicitation of proxies to vote for the proposed nominee:

(1) the name, age, residence address, and business address of each proposed nominee and each such other person and the date which such nominee commenced residency at such residence address;

(2) the principal occupation or employment, the name, type of business, and address of the corporation or other organization in which such employment is carried on of each proposed nominee and of each such person;

(3) if the proposed nominee is an attorney, a statement as to whether or not either he or she or any firm with whom he or she has a relationship as partner, associate, of counsel, employee, or otherwise, acts as legal counsel for

any credit union, banking corporation, affiliate or subsidiary thereof, or bank holding company, industrial loan company, savings bank or association, or finance company;

(4) a statement as to each proposed nominee and statement as to each such other person stating whether the nominee or person concerned has been a participant in any proxy or voting contest within the past ten years, and, if so, the statement shall indicate the principals involved, the subject matter of the contest, the outcome thereof, and the relationship of the nominee or person to the principals;

(5) the details of any contract, arrangement, or understanding to which each proposed nominee or to which such person is a party with any other credit union, banking corporation, affiliate, or subsidiary thereof, or bank holding company, industrial loan company, savings bank or association, or finance company, or with any officer, director, employee, agent, nominee, attorney, or other representative thereof;

(6) a description of any arrangement or understanding of each proposed nominee and of each such person with any other person or entity regarding future employment or with respect to any future transaction to which the credit union will or may be a party;

(7) a statement as to each proposed nominee and a statement as to each such person as to whether or not the nominee or person concerned intends to bear any part of the expense incurred in any proxy solicitation or election of the nominee, and if so, the amount and source thereof;

(8) a statement as to each proposed nominee and a statement as to each such person describing any indictment or conviction of any felony or misdemeanor that occurred during the preceding ten years involving moral turpitude or the unlawful possession, conversion, or appropriation of money or other property, dishonesty, fraud, willful misconduct or the payment of taxes;

(9) the identity of any other credit union, banking corporation, affiliate or subsidiary thereof, or bank holding company or industrial loan company, savings bank or association or finance company as to which such nominee or any other such person serves as a director, officer, employee, agent, consultant, advisor, nominee, or attorney, together with a description of such relationship;

(10) a statement indicating whether during the preceding ten years a petition for bankruptcy, insolvency or reorganization has been filed under the U.S. Bankruptcy Code or similar bankruptcy or insolvency statute with respect to

or against the nominee, any spouse or domestic partner of the nominee, any partnership, limited liability company or joint venture of which said nominee was a general partner or member, or any corporation of which said nominee was a director, officer or control person and the title of each such proceeding, date filed, nature thereof, whether still pending and, if not, the disposition thereof;

(11) a statement as to each proposed nominee indicating whether the nominee has the willingness and ability to maintain the confidences of the Board, the credit union and the members of the credit union and comply with applicable laws and regulations that impact the operations of the credit union or its members;

(12) a statement as to each proposed nominee and statement as to each such other person disclosing any conflict of interest which could interfere with the nominee's ability to perform duties or any pending legal or administrative proceedings in which said nominee or such person is adverse to this credit union or has an interest adverse to this credit union;

(13) a statement as to each proposed nominee explaining how the nominee's education and business/professional experience has provided the nominee with the skills, personal integrity, independence, financial sophistication and ability necessary to provide prudent oversight in connection with the business, affairs and assets of this Credit Union; and,

(14) additional information, as reasonably requested on behalf of this Credit Union, to clarify and explain the information initially provided by the nominee or any such person pursuant to sub-sections (1) – (13) above.

(c) The Nominating Committee is authorized to evaluate, review and recommend to the Board of Directors candidates that it finds to be qualified to run for Board or any committee membership subject to election or designation by members. In addition to evaluating and reviewing potential candidates submitted by the Board of Directors for election or designation, the Nominating Committee shall promptly evaluate and review the information provided by notification or petition in connection with a member's proposed nomination as director and consider whether such proposed director nominee possesses the skills, personal integrity, independence, financial sophistication and ability necessary to provide prudent oversight in connection with the business, affairs and assets of this Credit Union. Subject to Section 44(b), the Nominating Committee shall apply equivalent standards for all proposed director or committee candidates, whether submitted by the Board, members or a committee, based on the information provided by the Board, member or committee, respectively, and may consider other factors believed by the Nominating Committee to be prudent, appropriate and relevant under the circumstances taking into account the nature, size

and operations of the Credit Union. The Nominating Committee shall make a determination whether the nominee satisfies the qualifications set forth in subsections (b) and (c) of this Section 44. Upon completing its evaluation and review of proposed nominees, the Nominating Committee shall provide to the Board of Directors the results of its evaluation and review and a recommendation whether it believes the nominee is qualified.

(d) After consideration of the Nominating Committee's evaluations and recommendations, the Board of Directors shall determine which proposed candidates are qualified. The Board may either nominate only the number of qualified nominees necessary to fill vacancies and open seats on the Board at any annual meeting or it may nominate more qualified candidates than the number of vacancies and openings. Any person judged to be qualified but not nominated by the Board in connection with an annual meeting shall be promptly notified and thereafter will be placed on the ballot for the annual meeting if he or she timely satisfies the petition requirements under Section 39 and Section 44(b), herein. At any meeting of members duly called for the designation or election of directors, if the number of qualified nominees presented exceeds the number of vacancies, the Board may, in the exercise of its judgment, support, oppose or remain neutral with respect to any of said nominees. If the Board determines, in the exercise of its judgment, that any proposed candidate is not qualified, the proposed candidate shall be disregarded and not considered or included in connection with any election, ballot or proxy related to this Credit Union.

(e) A director may be compensated for actual services performed as an employee of this Credit Union pursuant to Section 14410(c) of the California Financial Code or other applicable law. A Director may also be reimbursed for actual expenses incurred in the performance of his/her duties pursuant to Section 14410 of the California Financial Code.

Section 45. **Selection.** Subject to Sections 28 and 46, herein, the Directors shall be elected by the members at the Annual Meeting.

Section 46. **Term of Office.** Directors shall serve for a term of three (3) years. The terms of office of Directors shall be staggered so that insofar as possible an equal number of such terms shall expire each year. Each Director, including a Director appointed, designated pursuant to Section 28 or elected to fill a vacancy, shall hold office until the expiration of the term for which designated or elected and until their successor has been selected in the manner contemplated hereunder.

## **SUPERVISORY COMMITTEE**

Section 73. **Number of Members, Qualifications, Compensation**

(a) The Supervisory Committee shall consist of at least three (3) qualified persons and not more than seven (7) qualified persons, each of whom shall be a member of this credit union in his or her own right, at least eighteen (18) years of age and otherwise qualified pursuant to this Section 73. Within the foregoing range, the number of Committee members may be changed by resolution of the Supervisory Committee. A copy of the resolution of the Supervisory Committee fixing the number of members from time to time shall be filed with the official copy of the bylaws of this Credit Union.

(b) Nominations for the Supervisory Committee may be made by the Supervisory Committee, the Nominating Committee, or by any member entitled to vote for directors and Supervisory Committee members. Nominations, other than those made by the Supervisory Committee or the Nominating Committee, must be received by the Chair of the Supervisory Committee by the date set for close of nominations in Section 37, herein, and all nominees must otherwise be qualified pursuant to this Section 73. In order for a member to make a proposed nomination for the Supervisory Committee, he or she must present a notification in writing (based on procedures developed by the Board of Directors). Any such notification shall include the information required by Section 44(b), subsections (1) -- (14) herein, as to each proposed nominee and as to each person, acting alone or in conjunction with one or more other persons, in making such nomination or in organizing, directing or financing such proposed nomination or solicitation of proxies to vote for the proposed nominee.

(c) The Supervisory Committee may, in its discretion, request that the Nominating Committee evaluate and review proposed nominees for the Committee (whether submitted by the Committee or any member by notification). After receiving the evaluation and recommendation of the Nominating Committee or making its own evaluation based on the qualifications set forth in Section 73(b) and those applicable to a director nominee under Section 44(c) and any other factors believed by the Supervisory Committee to be prudent, appropriate and relevant under the circumstances taking into account the nature, size and operations of the Credit Union, the Supervisory Committee shall determine which proposed candidates are qualified. The Supervisory Committee may either nominate only the number of qualified candidates necessary to fill vacancies and open seats on the Committee at any annual meeting or the Committee may nominate more qualified candidates than the number of vacancies and openings. At any meeting of members duly called for the designation or election of Supervisory Committee members, if the number of qualified nominees presented exceeds the number of vacancies, the Committee may, in the exercise of its judgment, support, oppose or remain neutral with respect to any of said nominees. If the Committee determines, in the exercise of its judgment, that any proposed candidate is not qualified, the proposed candidate shall be disregarded and not considered or included in connection with any election, ballot or proxy related to this Credit Union

Section 74. **Term.** Supervisory Committee members shall be elected for a term of three (3) years.

Section 75. **Selection.** The members of the Supervisory Committee shall be elected by the members of the Credit Union at the Annual Meeting.

Section 80. **Filling Vacancies on Committee.** Subject to Section 73 herein, any vacancy on the Supervisory Committee shall be filled by the remaining members of the Committee with a person who would have been qualified if elected at a meeting of members and the term of the person appointed to fill a vacancy shall run for the remainder of the unexpired term of the person who last held the position.