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## GP- 5                    BOARD MEMBER(S) CODE OF CONDUCT

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Board members have a fiduciary responsibility to the Credit Union, responsibility to each other, to the members of WECU, and to the employees of WECU.

1. Generally, as appropriate, Volunteers' guidelines, policies, and procedures will be aligned with those to which WECU employees are subject.
2. They shall attend board meetings regularly, and understand that if they are absent from more than one-fourth of the regular board meetings in a rolling 12-month period in a term without being reasonably excused by the board, they shall no longer serve as a director for the period remaining in the term.
  - a. An excused absence takes an approved motion of the board.
  - b. A majority of the total number of board members must either be physically present or engaged in the meeting by using CMC (Computer Mediated Communication) technology for the transaction of business of a regular meeting.
    - i. The board recommends the use of Skype for any CMC (Computer Mediated Communication) board attendance.
  - c. The board may (by way of a motion and vote) excuse board member absences from meetings in the following situations:
    - i. Official WECU business, to include required meetings and training conferences. This includes travel days (one day prior to official start date and one day after the official end date of the conference if more than 250 miles from WECU's main office.)
    - ii. A medical condition requiring rest and confinement of the board member.
    - iii. Casualty or accident beyond the board member's control that physically prevents him/her from attending (snow storm, bridge out, car wreck, flat tire, house burned down, etc.)
    - iv. Work commitment.
    - v. Family emergency requiring the board member's presence for physical or emotional support.
    - vi. While a physical presence at all scheduled board meetings is strongly encouraged, teleconference and/or video attendance may allow a board member to be considered present if the Board Secretary determines the board member contributed to the meeting to the same extent as those physically present. If the Board Secretary determines the board member did not

contribute to the same extent as those physically present, the Board member may be considered excused. The Secretary will ask if anyone objects to considering the board member present or excused for that meeting.

3. They shall be prepared for the board meetings and potential deliberations by reading the agenda and related items on VIP, as well as appropriate WISE (Intranet) reports. It is the responsibility of each Board member, if not prepared, to notify the Board Chair at the appropriate place in the agenda.
4. They shall become familiar with this policy manual and with WECU's bylaws.
5. They shall participate in board meetings, ad hoc committees, and policy decision-making.
6. They shall make informed decisions and support them once they have been fully discussed and resolved by the board.
7. They shall bring to the board issues for discussion and action.
  - a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide or to monitor.
  - b. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
8. They shall invest personal energy and skills in the purposes and objectives of WECU, seeking opportunities where individual skills and abilities can be appropriately applied to the board's work.
9. They shall show respect for others and their right to disagree.
10. They will relate to other individuals with integrity, honesty, and straightforwardness.
11. They shall actively discipline themselves and other members of the Board of Directors by identifying board actions and conditions that run counter to these policies.
12. The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.
13. They must have loyalty to the members, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
14. They must avoid conflict of interest with respect to their fiduciary responsibility.  
*(See the following Conflict of Interest Policy and Form)*
15. When the board is to decide upon an issue about which a board member has an unavoidable conflict of interest, that board member shall withdraw without comment not only from the vote but also from the deliberation.  
*(See the following Conflict of Interest Policy and Form)*
16. Board members will not use their board position to unduly influence employment decisions in the organization for themselves, family members, or close associates.
17. They may not attempt to exercise individual authority over the organization.

18. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
19. Board members' interaction with public, press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
20. They will respect the confidentiality appropriate to issues of a sensitive nature.\*
21. They will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.
22. They shall bring to the Chair's immediate attention any condition or action that they believe exceeds an Executive Limitation Policy or is not in compliance with bylaws.
23. The Board will hold to all terms and conditions of the Oath of Office.
24. SharePoint
  - a) The intent of SharePoint is to enhance and support the board's dialogue; not to replace nor substitute face-to-face discussion.
  - b) Board members will be expected to use SharePoint to communicate and to review policies and agendas.
  - c) Board members are expected to check SharePoint a minimum of every three days. Of course, common sense will dictate each user's participation.
  - d) Board members are expected to read every discussion; silence will be interpreted as no opinion or as having no additional comment on the topic.
  - e) Board members will be required to use SharePoint. That said, if a board member needs help or support to use SharePoint, it will be provided.
  - f) If there are discussion items that need to be attended to urgently, the board chair will send an e-mail asking for time-sensitive response to SharePoint discussions.
25. Board members are required to have at least a working familiarity with basic finance and accounting practices, or show the aptitude and commitment to achieve working knowledge, within 6 months of election, including the ability to read and understand the credit union's balance sheet and income statement and the ability to ask, as appropriate, substantive questions of management and auditors.
26. Board agenda reports will include an Executive Summary (1 to 2 pages), as appropriate.
27. Board members are required to have at least a working familiarity with common business technologies,\* have a reasonable understanding how to use those technologies, or show the aptitude and commitment to achieve working knowledge within 6 months of election or appointment, including the ability to use Skype for any CMC (Computer Mediated Communication) board attendance.

\*"Common business technologies" is defined as the ability to use a personal computer, use common business software, use email and browse the internet.

## Conflict of Interest Disclosure Form

In their capacity as directors, the members of the board of directors of WECU (the Credit Union) must act at all times in the best interests of the credit union. Board Policy GP-12, *Conflict of Interest*, provides broad guidance on conflict of interest. This form describes what constitutes a conflict of interest, guides the board in identifying and disclosing actual and potential conflicts, and helps ensure the avoidance of conflicts of interest where necessary. Policy GP-12 may be enforced with individual board members as described below.

Board members have a fiduciary duty to conduct themselves without conflict to the interests of the credit union. In their capacity as board members, they must subordinate personal, individual business, third party, and other interests to the welfare and best interests of the credit union. A conflict of interest is a transaction or relationship which presents or may present a conflict between a board member's obligations to the credit union and the board member's personal, business or other interests.

### Definition of Terms

**A financial conflict of interest is defined as:** association with another entity including but not limited to for-profit or non-profit organizations, cooperatives or other organizations that work in the credit union's field of business where a grant, stipend, salary, royalty, intellectual property right, consulting fee, honorarium, ownership interest (like stocks, stock options or other ownership interest, excluding diversified mutual funds) or other financial benefit is expected or received. These benefits are typically given to employees, managers, independent contractors (including contracted research), consultants, speakers, lecturers, faculty, advisory committee, or board members.

**A fiduciary conflict of interest is defined as:** interests in another organization with overlapping interests and/or, in conflict with the mission and interests of the credit union. This includes but is not limited to organizations that engage in activities that might compete or collaborate with the credit union, preventing the individual in question from fulfilling his/her responsibilities to both organizations in an impartial manner. Individuals affected by this might hold voluntary or compensated leadership positions and/or non-compensated consultancies in other for-profit, non-profit organizations, cooperatives or other organizations working in the credit union's field of business.

**An intellectual capital conflict of interest is defined as:** an association with another entity including but not limited to for-profit or non-profit organizations, cooperatives or other organizations that could profit from exposure to the credit union's proprietary intellectual capital regarding strategy, tactics, concept or proposal documents, or whose access to such intellectual capital could compromise the credit union's proprietary position.

**Recusal** refers to the act of abstaining from participation in discussions, votes or any other board action due to a conflict of interest.

**Full Disclosure**

The credit union requires the full disclosure of actual or perceived conflicts of interest both prior to initial selection for the board and on an annual basis after the Annual Meeting of the credit union using the following "Conflict of Interest Disclosure Form." Situations that must be disclosed include financial, fiduciary and intellectual capital interest that compromise the individual's ability to act in the best interests of the credit union. These include financial, fiduciary, and intellectual capital relationships that have occurred in the past 12 months, and those affecting the board member's employers, colleagues, employees, or immediate family members, including spouses, partners, daughters, or sons.

**For prospective board members**

The credit union's policy on conflict of interest and the required annual disclosure form are not intended to dissuade qualified candidates from service to the credit union. Each individual's special interests and involvements can enhance his/her ability to better serve the credit union. However, when the potential for a conflict of interest exists, it is appropriate that the relevant facts be fully disclosed.

If a prospective board member currently holds a position with another for-profit or non-profit organization, cooperative or other organization deemed of possible conflict with the credit union, that individual must relinquish his/her membership with that entity if elected.

Once elected to the credit union's board, the prospective board member agrees that during the term of service, he/she will not accept candidacy for a leadership position with a competing for-profit or non-profit organization, cooperative, or other entity working in the credit union's field of business.

**For existing board members**

Based on the disclosures provided by individual board members, the board, with the support and consolation of the board chairperson, is responsible for identifying and resolving all actual and perceived conflicts of interest. Any actual or perceived conflicts of interest that arise between annual disclosures must be put in writing by the board member at the time of discovery and brought to the attention of the board chairperson. As per GP-12,

Once a question of conflict arises, "the Chairperson shall determine whether an unacceptable conflict of interest exists and arrange with the member to cease any inappropriate activity." (GP-12). Any unsettled matters will be brought to the attention of the board for discussion, with all parties given the opportunity to state why they believe a conflict does or does not exist. The final decision on such matters will be made by a majority vote of the full board of directors. Likewise, the full board of directors will determine whether the nature of the conflict of interest requires that the individual recuse him/herself from related discussions or votes, or whether the conflict requires the individual to resign from the credit union's board.

**Notification**

All actual and potential conflicts of interests shall be disclosed by board members to the Board Chairperson through the annual disclosure form and/or whenever a conflict arises. The Board Chairperson shall make a determination as to whether a conflict exists and what subsequent action is appropriate (if any). The Chairperson shall inform the board of such determination and recommendation. The board shall retain the right to modify or reverse such recommendation, and shall retain the ultimate enforcement authority with respect to this policy.

On an annual basis, all board members shall be provided with a copy of Policy GP-12 and required to complete and sign the acknowledgement and disclosure form below. All completed forms shall be provided to and reviewed by the Board Chairperson, as well as any or all other conflict information provided by board members.

I attest I have read WECU's Board Policy GP-12 Conflict of Interest set forth above and agree to comply fully with its terms and conditions at all times during my service as a board member of the credit union. If at any time following the submission of this form, I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the Board Chairperson in writing.

Disclosure of actual or potential conflicts of interest: