



Credit Union National Association

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cuna.org

September 8, 2010

TO: ATTENTION: CEO or Chairman
CUNA Member Leagues and Credit Unions
[District 1, Class A](#)
[District 1, Class D](#)
[District 2, Class B](#)
[District 2, Class D](#)
[District 3, Class C](#)
[District 4, Class A](#)
[District 5, Class C](#)
[District 6, Class B](#)
[*District 6, Class C](#)

FROM: Michael J. Mercer, Chairman 
CUNA Corporate Governance Committee

RE: 2010-2011 CUNA Director Call for Nominations

In accordance with the CUNA Bylaws, Article III, Section 3.6, and the procedures established by the Board of Directors, members of CUNA in the districts and classes listed above have the right to nominate a candidate for CUNA's Board of Directors this year. The procedures that follow have been established to implement the election process.

Eligibility

Credit Unions: To become an eligible candidate for a CUNA Director position to be elected by credit unions, an individual must be an employee or voting board member of the nominating credit union. The nomination must be in writing and must be seconded in writing by two other credit unions of the same size group from the district. (Only two seconds will be recorded for each candidate.) Upon request, a list of credit unions by size group and district will be furnished to potential candidates to assist in obtaining seconds.

Leagues: To become an eligible candidate for a CUNA Director position to be elected by leagues, an individual must be a league president and must be nominated in writing by his or her league, and the nomination must be seconded in writing by at least one other league from the district.



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Size Representation

Three credit union representatives and one league representative are elected to the CUNA Board from each district. This year, one director will be elected by each of the credit union size groups whose current Director's term expires in (February) 2011, based on one vote per affiliated credit union (total of 6 CUNA Directors elected each year).

In addition, CUNA's District 6, Class C Director (Steven Dahlstrom) has indicated that he will be stepping down from the CUNA Board at the end of this year. The District 6, Class C position is due to expire in February 2012. A special election will be held at this time to fill that position, and the successful candidate will serve beginning January 1, 2011 through February 2012.

Class A: credit unions having less than 21,000 natural person members

Class B: credit unions having at least 21,000 but not more than 76,999 natural person members

Class C: credit unions having at least 77,000 natural person members

NOTE: Credit unions that are entitled to vote are those whose CUNA dues have been paid as of May 1. While May 1 is the date for determining eligibility to vote, June 30, 2010 is the date used for determining how many members each credit union has, which in turn determines its size for purposes of the election.

One director who is a League President will be elected by member leagues in each District whose Director's term expires in 2011 (total 2 CUNA Directors). The League President positions are designated as Class D.

Geographic Representation

The CUNA Board is directly elected by member credit unions and leagues in each of the six CUNA Districts. No more than two of the twenty-four voting CUNA Directors shall be from members located in any one state. And no individual may hold more than one CUNA Director position.

District 1: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Puerto Rico and Virgin Islands.

District 2: Delaware, District of Columbia, Indiana, Kentucky, Maryland, Ohio, Virginia and West Virginia.

District 3: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

District 4: Illinois, Iowa, Michigan, Minnesota, Missouri and Wisconsin.

District 5: Arizona, Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming.

District 6: Alaska, California, Hawaii, Idaho, Nevada, Oregon, Washington, American Samoa, Guam, Johnston Atoll, Midway Atoll, Northern Mariana Islands, Palmyra Atoll and Wake Atoll.

Terms of Office

The term of office of CUNA Directors is three years and commences upon adjournment of the next CUNA Annual General Meeting (AGM) which follows their election. The 2011 annual general meeting is scheduled during the GAC February 27-March 3 in Washington, D.C. No CUNA Director shall serve as such for more than three consecutive three-year terms or twelve consecutive years; and no one would qualify to run for a term that would not comply with these term limits.

The following chart shows the terms of office for all CUNA Director positions. The positions to be elected during 2010, which take effect in February 2011, for three-year terms to expire in 2014, are highlighted:

DISTRICT							
		1	2	3	4	5	6
Credit Union Size	Class A	2011	2013	2012	2011	2012	2013
	Class B	2012	2011	2013	2012	2013	2011
	Class C	2013	2012	2011	2013	2011	2012*
League Position	Class D	2011	2011	2012	2012	2013	2013

* Special Election; Term runs 1/11-2/12.

Conflict of Interest Representation Limitations

The CUNA Board Conflict of Interest Policy states that the Board desires to avoid any situation where any possible conflict of interest could occur with respect to the obligation of directors and officers of CUNA, and to provide an understanding of what must be disclosed or avoided for the guidance and protection of all concerned.

Because of the potential for significant conflict problems which could make it impossible for a CUNA director to fulfill his or her fiduciary obligation of undivided loyalty to CUNA, individuals who serve on the board or a major committee, or who have an individual from their credit union serving on the board or major committee of a competing trade association or any organization that promotes policies or philosophies that compete with or conflict with CUNA's policies, shall generally be considered ineligible to serve as a representative on CUNA's board or major committees due to the existence of significant conflicts of interest. The CUNA Corporate Governance Committee may waive this limitation and assumption based on the facts and circumstances of each specific situation.

Instructions for Submitting a Nomination

As a member of a league and CUNA, a credit union may nominate one of its employees or voting board members as a candidate for CUNA Director within the credit union's size group and district. A credit union may not nominate or second candidates for any other size group or district. Size groups and districts are indicated on the nomination form.

To make a nomination, the credit union or league will complete a nomination form and obtain the consent of the candidate, as well as seconding nomination(s). All nominations and seconds must be submitted on the appropriate forms and will be accepted beginning September 8. **The deadline for nominations and seconds is October 22.** CUNA's Corporate Governance Committee will verify eligibility of each candidate, the credit union's affiliation, size group and district, and date/time of receipt. Voting will take place beginning October 27 and will close on December 17.

Beginning September 8, nomination packets may be obtained by calling 800/356-9655, ext. 4013; from CUNA's website at www.cuna.org; or by e-mail to thanson@cuna.coop. All nominations must be received in writing at the Office of Corporate Secretary no later than October 22. Nomination or seconding forms will be accepted by mail, fax or e-mail. All requests for nomination forms will be kept confidential.

We encourage and look forward to your participation.

Summary of Responsibilities CUNA Board of Directors

It is the responsibility of the Board of Directors to strive to support and uphold the mission of CUNA.

Experience/Qualifications

A Class A, B or C CUNA Director must be an employee or voting board member of a credit union in the group that is eligible to elect him/her. A Class D CUNA Director must be a league president in the group of member leagues that are eligible to elect him/her. It would be highly desirable for a board candidate to have previous experience as a member of a credit union or league board and to have experience serving in some capacity at the chapter, state and/or national level. A board candidate should also be willing and able to devote substantial time and effort to the national credit union movement at the expense of themselves and their organization and be able to support and encourage their colleagues to support the mission, vision, products and services of the national association. While a director is elected by and from a specific district and class, each board member is serving for the betterment of the entire credit union movement and is not representing only those credit unions within his/her district and class.

Term of Office

The term of office of a CUNA director shall be three years and shall commence upon adjournment of the next annual general meeting of the CUNA Members which follows their election in their district and shall continue until adjournment of the third succeeding annual general meeting of the CUNA Members held thereafter or until a successor is elected. No CUNA director shall serve as such for more than three consecutive full three-year terms or twelve consecutive years; and no one would qualify to run for a term that would not comply with these term limits.

Duties

The CUNA Board of Directors typically meets throughout the year on a quarterly basis: In February/March during the Governmental Affairs Conference in Washington, DC; in June during the America's Credit Union Conference & Exposition (location varies); in September in Madison, Wisconsin; and in December to approve the budget (via conference call). There may be a need to hold additional in-person Board meetings. In an effort to keep the Board of Directors as informed as possible, conference calls are periodically scheduled between the in-person meetings. A member of the Board of Directors could also expect to be appointed to at least one – and possibly multiple – CUNA committees, which may require additional travel and time commitment. Total time commitment for a Board member with committee appointments during a year can be estimated between 30-35 days a year. In addition, if a director successfully seeks an Executive Committee position, additional travel and time commitments of 20-25 days a year can be expected.

Directors have two basic duties. The first is to exercise due care in holding their office on the Board. In general, this means that directors must give adequately of their time and pay attention to CUNA's affairs. Translating this into specifics, Directors are required to attend as many Board meetings as possible; to stay informed about CUNA's business, such as by reading the materials provided by staff in advance of meetings; by coming prepared to ask good questions and for more information if necessary; by staying generally abreast of credit union developments, such as by reading other materials and publications from CUNA and other sources; and by exercising independent judgment on matters that come before the Board.

This approach of due care must be applied to all of the CUNA Board's responsibilities, such as approving CUNA's strategic plan, CUNA's annual budget, the annual evaluation of the CEO, the adoption of positions on key legislative and regulatory issues, and other general policies on how CUNA will conduct its operations.

The second duty of a director is to be loyal to CUNA. Most basically, this means disclosing any conflict of interest you may have in accordance with CUNA's conflict of interest policy. When necessary, Directors have a duty to refrain from participating in any Board decision that may involve divided loyalties on the part of that Director. Being loyal also means that, if an opportunity comes along that would help CUNA, you will do your best to make that opportunity available to CUNA ahead of yourself or anyone else. Finally, it means that, when you are acting in your capacity as a CUNA director, you will always do what is in CUNA's best interest—even if that means doing something different than you would do as a representative of your class of credit unions or a league.

Powers

The board is entrusted with powers, which include areas such as appointing a president, supporting the organization's mission and goals, overseeing the financial well being of the organization and reviewing and/or recommending governance issues.