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October 1, 2019

TO: ATTENTION: CEO or Chairman
CUNA Member Leagues and Credit Unions
District 1, Class A
District 2, Class B
District 4, Class A
District 6, Class B
Class C (at-large nationwide)
Class D (at-large nationwide)

FROM: CUNA Corporate Governance Committee

RE: 2020 CUNA Director Call for Nominations

In accordance with the CUNA Bylaws and the procedures established by the Board of Directors, members of CUNA in the classes and, if applicable, districts listed above have the right to nominate a candidate for CUNA's Board of Directors. The Board of Directors has determined that Class C and Class D elections are to be held at-large nationwide, rather than by district.

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 a credit union in the class and, for Classes A and B, district listed above. The nomination must be in writing and must be seconded in writing by two other credit unions within the same group. (Only two seconds will be recorded for each candidate.) Upon request, a list of credit unions within the same group 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 (Class D), an individual must be the league's chief executive officer and must be nominated in writing by his or her league. The nomination must be seconded in writing by at least one other league.

No current employee of CUNA, or their family members, shall be eligible for a CUNA board position and no former employee of CUNA, or their family members, shall be eligible for a CUNA board position for six years from the date of last employment. "Family" shall be defined as spouse, parent, child, sibling, uncle/aunt, niece/nephew, grandparent, grandchild, or any of those or equivalent relationships arising as the result of marriage, civil union or domestic partnership.

NOTE: CUNA's Bylaws state a maximum of 10 percent of the Board may be credit union directors from Class A, B or C from any one (1) state. In addition, no more than one voting CUNA Director shall be from the same credit union. No individual may hold more than one CUNA Director position.

Size Representation

Class A, Class B and Class C size thresholds are established by the Board based on the number of natural person members of credit unions as of June 30 of the current year. This threshold is to be reviewed no less frequently than every five years. The current class size thresholds are:

Class A: credit unions having less than 38,000 natural person members

Class B: credit unions having at least 38,000 but not more than 141,000 natural person members

Class C: credit unions having at least 141,000 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, 2019 is the date used for determining how many members each credit union has, which in turn determines its size for purposes of the election.

This year, two directors will be elected by each of the credit union classes whose current Director's terms expire in (February) 2020, based on one vote per affiliated credit union (total of 6 credit union directors elected each year). Class A and Class B Directors are elected by District; Class C Directors are elected at-large nationwide.

In addition, two directors will be elected by member leagues for current league director's terms that expire in (February) 2020, based on one vote per league (total of 2 league directors elected each year). League CEOs will be elected by member leagues at-large nationwide. The League CEO positions are designated as Class D.

Geographic Representation

For election purposes, voting members are classified into four classes: A, B, C and D. Classes A and B are further divided into regional districts. An equal number of directors are elected from each class. One credit union representative is elected to the Board from each district in Classes A and B. For class C, credit union representatives are elected to the Board from across the nation. For Class D, league representatives are elected to the Board from across the nation.

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 2020 annual general meeting is scheduled during the Governmental Affairs Conference February 23-27 in

Washington, D.C. No CUNA Director shall serve as such for more than three consecutive three-year terms in addition to any partial terms they serve due to vacancy and no one would qualify to run for a term that would not comply with these term limits.

The following shows the terms of office for CUNA Director positions. The positions to be elected, which take effect February 2020, for three-year terms to expire in 2023, are shaded below:

	District 1	District 2	District 3	District 4	District 5	District 6
Class A	2020	2022	2021	2020	2021	2022
Class B	2021	2020	2022	2021	2022	2020
Elections are held at-large nationally						
Class C	2020	2021	2022			
	2020	2021	2022			
Class D	2020	2021	2022			
	2020	2021	2022			

Class C and Class D each have two directors whose terms expire in 2020, two directors whose terms expire in 2021 and two directors whose terms expire in 2022. Elections for these positions will be held at-large nationwide as the terms expire.

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. Those wishing to serve may do so if they resign from the competing position, which must be done no later than at confirmation of election and prior to any confidential CUNA material being shared. The CUNA Corporate Governance Committee may waive this limitation and assumption based on the facts and circumstances of each specific situation.

Director Characteristics

CUNA's Board has determined that a board candidate should possess certain qualities and characteristics. The CUNA Board also desires to be diverse and inclusive. Diversity encompasses all the characteristics, experiences and cultural influences that make each person unique. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent plays a significant part in the strength of the CUNA Board. Candidates should consider these characteristics when self-assessing their qualifications for a Board position. Further, CUNA's Recruitment Committee will consider these characteristics in seeking qualified and diverse candidates:

1. Demonstrated commitment and engagement in the CUNA/League System
2. Involvement in their credit union community
3. Proven decision-making skills
4. Demonstrated local, state and national CUNA advocacy experience/efforts
5. Business savvy
6. Communication skills
7. Strategic expertise
8. Dedication to credit union values
9. Leadership skills
10. Demonstrated commitment to ensuring diversity and inclusion in professional settings, e.g. qualifications, experience, geography, demographics, etc.

A board candidate should also be willing and able to devote substantial time and effort to the national credit union movement and to be able to support, and encourage their colleagues to support, the mission, vision, products and services of the national association.

Instructions for Submitting a Nomination

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, for Classes A and B, district. A credit union may not nominate or second candidates for any other size group or district. Size groups and, for Classes A and B, districts, are indicated on the nomination form. A league may nominate its chief executive officer.

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 October 1. **The deadline for incumbent Board members to express intent to submit a nomination is 5:00 PM Eastern Time on Friday, October 18, with nominations and seconds to be received by 5:00 PM Eastern Time on Wednesday, November 6. The deadline for new candidate nominations and seconds to be received is 5:00 PM Eastern Time on Wednesday, November 6.** CUNA's Corporate Governance Committee will verify eligibility of each candidate. CUNA's Recruitment Committee may also evaluate Candidate Profiles. Voting will take place beginning November 12 and will close at 5:00 PM Eastern Time on Wednesday, December 18. CUNA's Corporate Governance Committee has engaged the services of an independent balloting company. All voting members will have the opportunity to cast their 2020 CUNA Board ballot via USPS and/or electronically.

Beginning October 1, nomination packets may be obtained by calling 800/356-9655, ext. 4013; from CUNA's website at www.cuna.org under "About CUNA" or by sending a request via e-mail to thanson@cuna.coop. All nominations must be received in writing at the Office of Corporate Secretary no later than 5:00 PM Eastern on Wednesday, December 18. Nomination or seconding forms will be accepted by mail or electronically. 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.

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/July during the America's Credit Union Conference (location varies); in September in Madison, Wisconsin or Washington, DC; and in December via conference call or in a varying location. 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 20-25 days a year. In addition, if a director successfully seeks an Executive Committee position, additional travel and time commitments of 10-15 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.