

Role of the Nominating Committee and Responsibilities of All Volunteers

Credit unions are not-for-profit financial cooperatives owned by their members, with a volunteer board of directors and supervisory committee which oversee the operations. This unique structure is one of the things that sets credit unions apart from other financial institutions.

The nominating committee is appointed by the board of directors to recruit qualified candidates and is made up of directors who will not be standing for re-election in the upcoming year. The board tasks the nominating committee with assessing that all candidates meet the minimum qualifications and can be 'recommended' to the membership as meeting the criteria of skills and experience required of a director or supervisory committee member and necessary to strengthen the existing board or committee. By the fourth Thursday of October, the nominating committee will nominate at least one member for each board and supervisory committee vacancy, including any unexpired term, for which elections are being held. At the credit union's annual meeting, typically held in April, board members and supervisory committee members are elected to serve a three-year term.

The board sets policy and direct management in the overall operation of the credit union. In fulfilling its fiduciary duties, the board provides oversight, due diligence and strategic direction. It is essential that the directors have the skills, qualifications and expertise to carry out these responsibilities. The function of the supervisory committee is to ensure that the board of directors acts prudently and uses due care in arriving at decisions. The committee is also responsible for monitoring the financial strength of the credit union. Committee members generally attend all board meetings, but cannot vote on any board action. In general, volunteers must have the ability to act in the best interest of the credit union, to operate as a team at the board level, and to be able to speak with one voice once a decision has been made.

Individuals will be nominated based on a demonstrated record of possessing the qualifications and competencies necessary for effective governance and leadership. Every prospective candidate should have the ability and be nominated based on the ability to serve, one day, as chairman.

ATTRIBUTES

Arsenal Credit Union expects each board or supervisory committee member to have the willingness and time to serve. He/she must also possess personal integrity, the highest ethical standards, objectivity, the ability to act without a real or perceived conflict of interest, and the ability to work productively with others.

EXPERIENCE

Because governance responsibilities are significant, board or supervisory committee members must bring a high level of competency and experience to the job. They must possess the capabilities to exercise leadership, teamwork/consensus-building, and sound judgment on difficult and complex matters that come before them. They must have a core knowledge of the principles of the cooperative

environment, the ability to assess the implications of financial statements and auditor's reports, the ability to bring a business perspective to board deliberations, the ability to critically assess business strategies, and an understanding of corporate governance and the fiduciary duties and responsibilities of both the board of directors and supervisory committee and of individual directors.