

<b>Effective Date:</b> 10/31/18	<b>Part:</b> Board Governance Process
<b>Revision Date:</b> 10/2018	<b>Policy Owner:</b> Board of Directors
<b>Next Review:</b> 10/2019	<b>Compliance Responsibilities:</b> Organization Committee

**PART:** Board Governance Process

**SECTION:** 1. G

**SUBJECT:** Board of Director Qualifications

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**Objective:** To appropriately outline the necessary qualifications of prospecting and incumbent Board Members of 121 Financial.

**Policy:** The Board of Directors of 121 Financial shall consist of directors that are representative of the demographics of the membership that the credit union serves in terms of background, culture, experience, etc.

Qualifications include, but are not limited to:

1. Read and understand the 121 Financial Bylaws and Board Governance Process.
2. Possesses areas of financial knowledge, experience, educational background, and interest pertinent to 121 Financial’s future success.
3. Ability to positively represent and display the credit union’s core values.
4. Has completed the necessary educational and training requirements as defined in Section 1. J.
5. Has expressed a willingness to accept the responsibilities and duties of the position.
6. Able to act independently and objectively.
7. Is a member in good standing with the credit union:
  - a. Has not caused the credit union a loss
  - b. Is current on all credit to the credit union
  - c. Has an active share account(s)
8. Displays no obvious or apparent conflicts of interest regarding relationships with current Board Members (e.g. relative/immediate family, employer, business partner, etc.)
9. Has never been convicted of a felony or misdemeanor that contradicts the values of 121 Financial.

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**PART:** Board Governance Process

**SECTION:** 1. J

**SUBJECT:** Board Education and Training

**PAGE:** 1 of 1

**Objective:** To appropriately define the educational requirements and training expectations for the Board of Directors of 121 Financial, as well as ensuring proper completion and oversight occurs.

**Policy:** In order for a current Board member to qualify for additional nominations, required education and training must be completed. A record of continuing education and training must be accurately kept on file and made readily available to Board Members.

Board Members of 121 Financial will continue to increase their industry knowledge and skills for the overall benefit of the credit union and their effectiveness as Board Members. It is the duty of the Board to collectively seek opportunities to further their industry knowledge and development.

The education and training records will be monitored and supervised by a credit union administrator, who is appointed by the President/CEO. It is his/her duty to keep the Board Members abreast of their current status of requirement completion. At the minimum, the records will contain the following:

- Name
- List of the mandatory Education/Training requirements stipulated by law/regulation
- Completion Deadline
- Completion Status

Education and training requirements include, but are not limited to:

- Board Member(s) will be expected to take one training course annually, to be approved by the Chairperson, from an industry recognized organization/trade group. Any and all training costs will be paid by 121 Financial.
- Board Member(s) will be expected to complete the applicable financial education courses to meet current regulatory requirements.
- Newly elected Board Member(s) will be expected to complete the applicable courses/training programs consisting of the following basic components:
  - Credit Union Fundamentals
  - Board of Director Fundamentals

Board Members may purchase learning materials in relation to topics discussed at seminars or conferences for the benefit of the credit union. Costs associated with the learning materials will be reimbursed by 121 Financial.