



## **BECU CORPORATE GOVERNANCE OVERVIEW**

This document is a brief overview of BECU’s corporate governance. You can find additional information about BECU’s corporate governance, including BECU’s Bylaws, on BECU’s website at: <https://www.becu.org/about-us/governance>.

As used below, the term “Officials” includes Directors on BECU’s Board of Directors as well as members of BECU’s Audit Committee.

### **Election of Directors and Audit Committee Members**

BECU’s Board of Directors consists of ten directors. BECU’s Audit Committee consists of five members. Individuals elected to the Audit Committee may also be elected to the Board.

In the spring of each year, BECU members elect Directors and Audit Committee members to terms that are usually three years long. The results of this election are announced during BECU’s Annual Membership Meeting. Officials are elected on a staggered basis and approximately one-third of the seats on the Board and Audit Committee are up for election each year.

Officials must be members of the Credit Union, but may not be employees of the Credit Union. Qualifications to serve on the Board or Audit Committee are set forth in BECU’s Bylaws.

BECU and its members are best served by a diverse group of Officials that represent a wide range of backgrounds, skills, experiences and perspectives, including business and technology acumen, community involvement, and knowledge of credit unions and financial services.

Each year, the Credit Union announces when applications are being accepted from eligible members, as prescribed by the Credit Union’s Bylaws, to be considered for nomination as a candidate for election to the Board or Audit Committee. The Board’s Nominating Committee may also recruit well-qualified individuals who may be interested in serving on the Board or Audit Committee. The Nominating Committee reviews the eligibility and qualifications of all candidates and nominates Official candidates for election at the Annual Membership Meeting. Credit Union members may also become candidates for election to the Board or Audit Committee through a petition process as outlined in the Credit Union’s Bylaws.

## **Key Board and Audit Committee Responsibilities**

*The Board of Directors* is responsible for:

- Managing the business and affairs of BECU;
- Selecting, evaluating, and determining the compensation of the President/CEO;
- Reviewing and approving policies proposed by management;
- Approving the annual operating plan (budget) for BECU;
- Reviewing the Audit Committee's annual report;
- Reviewing and approving long-term strategic objectives;
- Monitoring operations for compliance with the law, Bylaws, Policies, and principles of safety and soundness; and
- Overseeing BECU's business performance.

*The Audit Committee* guides the external audit, internal audit and internal control functions of BECU.

## **Board Committees**

The Board has an active Committee structure, currently consisting of the following standing committees:

- Nominating Committee
- Governance Committee
- Finance and Risk Committee
- Compensation Committee

## **Individual Officials**

***Fiduciary Duty:*** Each Official owes fiduciary duties to the Credit Union, to act in a good faith, informed basis, and to act in BECU's best interest.

***Knowledge of Credit Unions:*** Officials are expected to become knowledgeable about BECU, as well as the credit union movement.

***Confidentiality:*** Officials must keep strictly confidential all non-public, proprietary or sensitive information regarding BECU, its members or employees that comes into their possession during their service to the Credit Union.

***Code of Ethics:*** BECU has adopted a Code of Ethics and a Conflict of Interest Transactions Policy. Officials and employees must adhere to the highest ethical standards and avoid impermissible conflict of interest transactions.

***Use of Credit Union Products and Services:*** Officials are encouraged to use as many BECU products and services as possible. BECU products and services are made available to Officials on the same terms and conditions as available to members.

### **Credit Union Law and Regulatory Examinations**

BECU is chartered under and subject to the Washington State Credit Union Act. It is examined and supervised primarily by the Division of Credit Unions of the Washington State Department of Financial Institutions. It is also subject to examination by the National Credit Union Administration (NCUA) and the Consumer Financial Protection Bureau (CFPB).

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