

**BYLAWS OF  
GESA CREDIT UNION**

**ARTICLE 1 – NAME**

**Section 1. Name.** The name of the credit union is Gesa Credit Union.

**Section 2. Purpose.** The Credit Union is a cooperative society organized under Washington State Credit Union Act ("Act") as a not-for-profit corporation, for the purpose of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest.

**ARTICLE 2 – MEMBERSHIP**

**Section 1. Field of Membership.** Membership in the Credit Union is limited to those persons, organizations or entities listed or described in the Field of Membership Appendix to these Bylaws, which is incorporated into and made a part of these Bylaws by reference. The Credit Union Board of Directors may amend the Appendix from time to time in order to add groups to the Credit Union's field of membership, in accordance with applicable law.

**Section 2. Eligibility.** In order for an applicant to be eligible to join the Credit Union, the applicant must:

- Meet the membership requirements of Section 1;
- Establish a membership share in or loan relationship with the Credit Union;
- Meet the minimum credit qualifications established by the Credit Union;
- Agree to pay the Credit Union's membership application fee, if applicable;
- Not have been expelled from membership in the Credit Union; and
- Meet other account opening requirements and qualifications established by the Credit Union.

**Section 3. Maintenance of Membership.** In order to remain qualified for membership, a member must continue to satisfy the eligibility requirements of membership. A member no longer meeting applicable membership eligibility requirements shall cease to qualify as a member of the Credit Union, and must re-qualify for membership. Once qualified, however, a member in good standing shall remain a member of the Credit Union regardless of whether the member currently meets the field of membership qualifications in Article 2 Section 1 above.

**Section 4. Member Duties.** It shall be the duty of each member:

- a. to keep the Credit Union informed of such member's current address;
- b. to comply in accordance with applicable state and federal laws and these bylaws;
- c. to refrain from any willful destruction or damage to Credit Union property; and
- d. to act with civility in all dealings with officers and employees of this Credit Union.

A member shall be considered in good standing with the Credit Union if the member complies with all duties, qualifications and requirements of these Bylaws.

**Section 5. Termination of Membership.** A member whose accounts are all closed shall then cease to be a member of the Credit Union and shall be ineligible to hold any other form of investment in this Credit Union. Any person whose membership is terminated under this paragraph may be readmitted to membership, at the discretion of the Board or its delegate.

**Section 6. Suspension of Services.** The Credit Union may suspend all services to any member, for cause, if a member engages in any of the following activities:

- Intimidation, threats, harassment or physical or verbal abuse of Credit Union directors, committee members, employees, volunteers, members or agent of the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email or other electronic method;
- Causes or threatens damage to Credit Union property;
- Unauthorized use or access of Credit Union property;
- Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union or its members; or
- Any actions that may cause risk, harm, or loss to the Credit Union.

In the event of a suspension of service, the member will be notified of what accounts or services have been discontinued.

**Section 7. Expulsion.** The Credit Union may expel a member for cause as set forth in Section 6 above, for failing to comply with the duties, qualifications and requirements under this Article or failing to comply with the provisions of the Act, Credit Union Articles, Bylaws or policies. The Credit Union shall notify persons of their expulsion and the reasons upon which it is based.

**Section 8. Procedures for Expulsion.** The Credit Union will notify the person in writing of the allegations which provide a basis for the expulsion. The person may challenge the expulsion and seek reinstatement. Persons seeking reinstatement must notify the Board or its delegate, in writing within 10 days after the date of the expulsion, of the reasons for the challenge. Such challenge will be considered at the next meeting of the Board or of the Board's delegate. Decisions of the Board or its delegate will be final.

**Section 9. Payments upon Expulsion or Termination.** If membership is terminated under Section 5 of this Article or the person is expelled under Section 7 of this Article, then:

- a. The Credit Union shall pay any dividend earned by the person through the date of expulsion or termination.
- b. The Credit Union shall pay to the person upon expulsion or termination any remaining unencumbered funds and any dividend to which the person is entitled. Payments under this section shall be subject to any rights and limitations under applicable law.
- c. Expulsion or termination of membership shall not operate to relieve the person of any existing liability to the Credit Union, and the Credit Union can exercise the right of offset to recover any funds which are due and payable to it from the person.

### **ARTICLE 3 – ANNUAL MEETINGS OF MEMBERS**

**Section 1. Annual Meeting Time.** The annual meeting of the members shall be held not later than 120 days after the end of the calendar year. The exact date, place, and time shall be set by the Board.

**Section. 2. Notice of Annual Membership Meeting.** Notice of the Credit Union's annual membership meeting shall be provided to the members at least 30 days prior to the date of the meeting with the notice posted publicly on the Credit Union's website. The notice of the Credit Union's annual membership meeting shall include the date, time, place of the meeting, and the specific member business proposed for the meeting. No other member business shall be conducted at the annual meeting unless the members are properly notified of such business.

**Section 3. Quorum.** Except as otherwise provided for herein, 15 members shall constitute a quorum at annual meetings of the members. If a quorum is not present at the appointed date, place and time of the meeting, the meeting shall be recessed for not less than 10 days or more than 20 days. Notice of the recessed meeting shall be given in the same manner as for membership meetings set forth in Section 2 of this Article. When the recessed meeting is reconvened, three or more members present shall constitute a quorum.

**Section 4. Voting.** The Board shall establish a cutoff date for determining those members eligible to vote at the annual meeting. Each member shall have one vote, regardless of the number of member shares held in the Credit Union. However, in order to be eligible to vote at a membership meeting, the member must be in good standing and have reached 18 years of age by the cutoff date. No votes may be cast by proxy. Membership held by organizations or entities other than natural persons shall have one vote, which shall be cast through an agent designated in writing by the organization or entity. The Board will determine the method of voting including but not limited to: mail ballot, electronic ballot, absentee ballot or ballot cast at the designated meeting. Removal of a Director will require a vote of two-thirds of the members present at any meeting. Unless otherwise required by law, voting on other business matters will be decided by a majority vote of the members who voted on the matter.

**Section 5. Voting Tellers.** The Board shall appoint persons who shall act as the Voting Tellers. The Tellers shall be responsible for verifying the identity of each voting member and assuring that each member voting is entitled to vote in accordance with written procedures of the Board. The Tellers shall also be responsible for tallying election or voting ballots and communicating the results of the election to the Board Chairperson. Voting Tellers may be Supervisory Committee members, agents, employees, or members of the Credit Union.

**Section 6. Meeting Procedures.** Annual Meetings shall be conducted according to the written meeting procedures of the Board and parliamentary procedures described in the current edition of the Democratic Rules of Order. In the event of a conflict, the meeting procedures of the Board shall prevail over any parliamentary procedures.

**Section 7. Destruction of Ballots.** After completion of the election, the Board may approve the destruction of the voting ballots after the ballots have been retained for 30 days.

#### **ARTICLE 4. BOARD AND SUPERVISORY COMMITTEE ELECTIONS**

**Section 1. Nomination Process.** The Board Development Committee shall nominate a complete list of candidates, who have been interviewed regarding their qualifications and willingness to serve for each Director and Supervisory Committee position to be filled at the election. Under most conditions, it is the intent of the Board to grow future qualified Board candidates/Board replacements through the Associate Board Member Program. The Board Development Committee shall submit the list of approved candidates, with brief candidate biographies, to the Secretary at least 45 days prior to the annual meeting. Director and Supervisory Committee positions may not be nominated from the floor of a membership meeting nor submitted as write-in candidates on any ballot. No Board Development Committee member seeking election may participate in any phase or portion of the nomination process.

**Section 2. Publication.** The Secretary shall cause such nominations to be posted in a conspicuous place in each of the Credit Union offices and on the Credit Union's website at least 30 days prior to the annual meeting.

**Section 3. Elections.** The election of the Board and Supervisory Committee shall be conducted at or prior to the annual meeting of members, by the voting method established by the Board for the Annual Meeting. The Secretary will provide the ballot and voting information. If there is more than one nominee for any position to be filled, ballots must be received at or prior to the Annual Meeting as approved by the Board. The vote will be tallied by the Voting Tellers. The Board Chairperson will announce the election results at the Annual Meeting.

**Section 4. Election by Consent.** When only one member is nominated for each position to be filled, the Board Chairperson may declare at the Annual Meeting that each nominee is elected by general consent.

**Section 5. Election by Plurality Vote.** Except as provided in Section 4, the candidate receiving the greatest number of votes in each position shall be elected. In the event of a tie vote, the Board Chairperson shall conduct a reasonable run-off election.

## ARTICLE 5 – SPECIAL MEETING OF MEMBERS

**Section 1. Initiation of Special Membership Meeting.** A special membership meeting may be called by the majority of the Board of Directors, a unanimous vote of the Supervisory committee as permitted by the Actor upon written petition by 2,000 or 10% of the members, whichever is less. In addition, a special membership meeting may be called by unanimous vote of the Supervisory Committee for the specific purpose of the removal of a Director pursuant to Article 6, Sections 9.2.

**Section 2. Petition for Special Meetings.** The petition for a special membership meeting must be submitted in writing to the Secretary of the Board. The petition must specifically state the purpose or purposes for which the meeting has been called and the agenda item(s) for consideration. The Secretary of the Board shall validate the sufficiency of the petition within 30 days of receipt of a petition. If the special membership meeting is being called for the removal of one or more Directors or Supervisory Committee members, the request shall state the names of the Directors or Supervisory Committee members whose removal is sought.

**Section 3. Date, Time and Place of Special Membership Meeting.** A call for a special membership meeting shall be in writing, submitted to the Secretary by the Board, Supervisory Committee or member-petitioners, as applicable, and shall state the specific purpose(s) of the meeting and the agenda item(s) for consideration by the members at the meeting. Upon receiving a proper call for a special membership meeting, the Secretary shall designate the time and place for the special membership meeting. Special membership meetings shall take place no later than 90 days after receiving a call for a special membership meeting. Special membership meetings shall be held at a Credit Union office or facility or other location designated by the Board in Benton County, Washington.

**Section 4. Notice of Special Membership Meeting.** The Secretary shall notify members of the special membership meeting. Notification of any special meeting shall be distributed to the members at least 30 days prior to the date called for the special membership meeting. The notice of the special membership meeting shall include the purpose for which the special meeting is being called and the agenda item(s) for the meeting. If the special membership meeting is being called for the removal of one or more Directors or Supervisory Committee members, the notice shall also state the name of the individual Directors or Supervisory Committee members whose removal is sought. No business other than that specified in the notice shall be transacted at a special membership meeting.

**Section 5. Quorum.** For the purpose of a special membership meeting called by the Board or Supervisory Committee, 15 members shall constitute a quorum. For the purpose of a special membership meeting called by the members pursuant to Section 1 of this Article, the number of members in attendance that equal 10% of the members signing the petition shall constitute a quorum.

Meetings adjourned for failure to reach a quorum shall be reconvened by following those timing and notification requirements adopted for the membership meetings in Section 2 and Section 3, except that the notice of the adjourned meeting shall state that the meeting could not be held as originally scheduled because of failure to obtain a quorum according to the Bylaws. Once a quorum is satisfied for the meeting, the meeting will be deemed to have a quorum throughout the meeting even if the attendance of members falls below the required number during the meeting.

**Section 6. Voting.** The Board shall establish a cutoff date for determining those members eligible to vote at a special meeting. Each member shall have one vote, regardless of the number of member shares held in the Credit Union. However, in order to be eligible to vote at a special membership meeting, the member must be in good standing and have reached 18 years of age by the cutoff date. No votes may be cast by proxy. Membership held by organizations or entities other than natural persons shall have one vote, which shall be cast through an agent designated in writing by the organization or entity. The Board will determine the method of voting including but not limited to: mail ballot, electronic ballot, absentee ballot or ballot cast at the designated meeting. Removal of a director will require a vote of two-thirds of the members present at any meeting. Unless otherwise required by law, voting on other business matters will be decided by a majority vote of the members.

**Section 7. Voting Tellers.** The Board shall appoint persons who shall act as the Voting Tellers. The Tellers shall be responsible for verifying the identity of each voting member, and assuring that each member voting is entitled to vote in accordance with written procedures of the Board. The Tellers shall also be responsible for tallying election or voting ballots, and communicating the results of the election to the Board Chairperson. Voting Tellers may be Supervisory Committee members, agents, employees, or members of the Credit Union.

**Section 8. Meeting Procedures.** Special Meetings shall be conducted according to the written meeting procedures of the Board and parliamentary procedure described in Democratic Rules of Order. In the event of a conflict, the meeting procedures of the Board shall prevail over any parliamentary procedures.

Except as otherwise provided for herein, the chairperson of the Board will preside over special meetings. If the purpose of the special meeting includes the proposed removal of the Board chairperson, the next highest ranking Board member whose removal is not sought shall preside over the special meeting. If the removal of all Board members is sought, the chairperson of the Supervisory Committee shall preside over the special meeting.

**Section 9. Destruction of Ballots.** After completion of the vote, the Board may approve the destruction of the voting ballots after the ballots have been retained for 30 days.

## **ARTICLE 6 – BOARD OF DIRECTORS**

**Section 1. Number; Term of Office.** The Board shall consist of no fewer than 7 and no greater than 11 members and be elected in accordance with the procedures established in Article 4 of these Bylaws.

**Section 2. Eligibility.** To be eligible to serve on the Credit Union's Board, a member must:

- be a natural person;
- be bondable by the Credit Union;
- be a current member of the Credit Union in good standing;
- have been a member of the Credit Union for a minimum of two consecutive years before declaring candidacy for election to office;
- not have been an employee of the Credit Union or its subsidiaries for the past five years; and
- agree to and comply with the terms of the Board of Director's Code of Conduct.

**Section 3. Terms.** Regular terms of office for directors shall be for periods of 3 years as the Board shall determine; provided, however, that all regular terms shall be for the same number of years and until the election and qualification of successors. The regular terms shall be so fixed at the beginning, or upon any increase or decrease in the number of directors, that approximately an equal number of regular terms shall expire at each annual meeting.

**Section 4. Meetings.** The Board of Directors will have at least six regular board meetings each year, with at least one of these meetings held in each calendar quarter, in accordance with RCW 31.12.225 with the exact date, place and time to be set by the Board. The Chairperson, or in his or her absence the Vice Chairperson, may call a special meeting of the Board at any time; and shall do so upon written request of a majority of the directors then holding office. The Chairperson, or in his or her absence the Vice Chairperson, shall fix the time and place of special meetings, unless the Board prescribes otherwise. Notice of all meetings shall be given in such manner as the Board may from time to time prescribe. A Director may participate in a meeting by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. A Director who participates by means of communications equipment is deemed to be present in person at the meeting. At all meetings of the Board of Directors, each Director shall have one vote on any matter. The Board will be required to adhere to the Board policy on Board meeting attendance. At least one Supervisory Committee member may attend each regular meeting of the Board. However, Supervisory Committee members may be excluded from Executive Session Board meetings.

**4.1 Action at a Meeting.** All actions at a meeting considered by the Board shall be made by a majority of the Directors acting upon a particular matter, unless required by the Act. All actions at a meeting shall be recorded in minutes of the meeting.

**4.2 Action Without a Meeting.** The Board may take action on a matter without a meeting by electronic (e.g., email) voting, if the request for action is provided to all members of the Board. An action shall be approved if a majority of the Board approves the action. The action shall be recorded by the Board Secretary who reports the results to the Board Chair. The record must contain the following: the motion and who made the motion, who made the second to the motion, and total votes for yea and nay. At the next monthly Board meeting, the results must be included in the Board meeting records.

**Section 5. Quorum.** A majority of the number of Directors (inclusive of any vacancies) shall constitute a quorum for the transaction of business at any meeting; but less than a quorum may adjourn from time to time until a quorum is in attendance.

**Section 6. Vacancy Appointment.** Except as otherwise provided for herein, any vacancy on the Board shall be filled by an Interim Director appointed by a majority of the Directors then holding office. However, if the Interim Director would serve a term of fewer than 90 days then the vacancy need not be filled. Directors so appointed shall hold office only until the next annual meeting, at which any unexpired terms shall be filled by vote of the members.

**Section 7. Duties of the Board.** The Board shall govern the business and affairs of the Credit Union. It shall be the duty of the Board to perform all the duties customarily performed by the Board of Directors in a fiduciary manner as required by law, including but not limited to the following:

- a. Establish loan policies under which loans may be approved;
- b. Establish the conditions under which a member may be expelled for cause;
- c. Set the minimum number of shares, if any, required for active member status;
- d. Fill vacancies on all committees except the Supervisory Committee;
- e. Review the Supervisory Committee's annual report;
- f. Approve an annual operating budget for the Credit Union;
- g. Designate those persons or positions authorized to execute or certify documents or records on behalf of the Credit Union;
- h. To employ, fix the compensation, and prescribe the duties of the President; and
- i. Perform such other acts as are required by law.

**Section 8. Compensation and Expenses.** Directors may be compensated for services rendered to the Credit Union in their capacity as a Director, to the extent permitted by law and in accordance with a policy established by the Board. Directors may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.

**Section 9. Disqualification and Suspension of Directors.**

**9.1 Disqualification by Operation of Law.** Members of the Board shall no longer be qualified to serve in their position by operation of law under the following circumstances:

- Should a Director cease to be a member of the Credit Union;
- Should a Director default on a payment of an obligation to the Credit Union or otherwise cause the Credit Union to incur a financial loss;
- Should a Director fail to meet any requirements for bondability;
- Should a Director fail to satisfy the meeting attendance requirements under the Act; or
- Should a Director fail to meet the qualification requirements in Section 2 of this Article, however, a Director disqualification for failing to comply with the Board of Director's Code of Conduct shall require the Director's opportunity to be heard prior to the determination and unanimous vote of the remaining Board.

**9.2 Suspension by Supervisory Committee.** The Supervisory Committee by a unanimous vote may suspend a Board member for cause until the next member meeting, which shall be held within 90 days after such suspension. For cause shall mean demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Supervisory Committee, threaten the safety and soundness of the Credit Union. Prior to any suspension, the Supervisory Committee shall provide the Board and the director written notice of such cause and a statement of the reasons why cause was found and a reasonable period to rectify the activity that constituted the cause. Only the credit union members may remove a suspended Board member.

**9.3 Suspension by the Board.** Members of the Board may be suspended from their position by the Board for cause until the next member meeting, which shall be held within 90 days after such suspension. For cause shall mean demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Board, threaten the safety and soundness of the Credit Union. Prior to any suspension the Board may provide the Board member an opportunity to be heard in accordance with procedures adopted by the Board. Only the credit union members may remove a suspended Board member.

## ARTICLE 7 – ASSOCIATE BOARD MEMBERS

**Section 1. Composition.** The maximum number of Associate Board Members will be two. The Board Development Committee will refer the candidate to be appointed to the Board of Directors. No member of the Supervisory Committee or employee of the Credit Union may serve as an Associate Board Member, unless they first resign from the Supervisory Committee or have terminated their employment with the credit union 2 years prior. The Associate Board Member has no voting authority.

**Section 2. Term of Office.** An Associate Board Member will serve a one year term. The Associate Board Member may be reappointed to serve additional consecutive one year terms.

**Section 3. Eligibility.** In order to qualify to serve as an Associate Board Member, a member must meet all of the same eligibility requirements that are established for regular Directors in Article 6 of these Bylaws and as further established in Credit Union policy, subject to Section 1 of this Article.

**Section 5. Appointment.** Appointment shall be by a majority vote of the Board acting on the recommendation of the Board Development Committee.

**Section 5. Meeting Attendance.** The Associate Board Member will attend the regular scheduled meetings of the Board and any regular meetings of committees to which the Associate Board Member may be assigned. Attendance requirements for Board meetings shall be the same as for regular Directors as set forth in the Act and as set out in any committee charters to which the Associate Board Member has been assigned.

**Section 6. Compensation and Expenses.** The Associate Board Member will not be compensated for services rendered to the Credit Union in this volunteer capacity but may receive reimbursement for reasonable expenses incurred in the performance of duties in accordance with a policy established by the Board.

**Section 7. Non-Voting Duties.** The Associate Board Member shall perform the duties and responsibilities as determined by the Board.

**Section 8. Removal.** The Credit Union's Board of Directors may, by majority vote, remove an Associate Board Member with or without cause.

## ARTICLE 8 – EMERITUS BOARD MEMBERS

**Section 1. Composition.** The maximum number of Emeritus Board Members will be two. The Board Development Committee will refer the candidate to be appointed to the Board of Directors. The Emeritus Board Member has no voting authority. The intent of this position is to provide the Board with continuity and retention of knowledge and experience.

**Section 2. Term of Office.** An Emeritus Board Member will serve a one year term. The Emeritus Director may be reappointed to serve additional one year terms upon the majority affirmative vote of the Board.

**Section 3. Eligibility.** In order to qualify to serve as an Emeritus Board Member, a member must meet all of the same eligibility requirements that are established for regular Directors in Article 6 of these Bylaws and as further established in Credit Union policy.

**Section 4. Appointment.** Appointment shall be by a majority vote of the Board acting on the recommendation of the Board Development Committee.



**Section 5. Meeting Attendance.** The Emeritus Board Member will attend the regular scheduled meetings of the Board and any regular meetings of committees to which the Emeritus Board Member may be assigned. Attendance requirements for Board meetings shall be at least 50% as regular Directors as spelled out in the Act and for committee attendance, 50% as set out in any committee charters to which the Emeritus Board Member has been assigned.

**Section 6. Compensation and Expenses.** The Emeritus Board Member will not be compensated for services rendered to the Credit Union in this volunteer capacity but may receive reimbursement for reasonable expenses incurred in the performance of duties in accordance with a policy established by the Board.

**Section 7. Non-Voting Duties.** The Emeritus Board Member shall perform the duties and responsibilities as determined by the Board.

**Section 8. Removal.** The Credit Union's Board of Directors may, by majority vote, remove an Emeritus Board Member with or without cause.

## **ARTICLE 9 – BOARD OFFICERS AND MANAGEMENT OFFICIALS**

**Section 1. Board Officers.** At the Board of Director's first meeting after the annual membership meeting, the Board shall elect a Chairperson, and one or more Vice Chairperson, and a Secretary. The officers of the Board of the Credit Union shall hold office until their successors are elected and qualified, unless sooner removed by these Bylaws or by law. All offices of the Board shall be held by elected members of the Board, except the Secretary who need not be an elected member of the Board. When any Board officer is absent, disqualified, or otherwise unable to perform the duties of his or her office, the Board may by resolution designate another Board member to act temporarily in his or her place, per Article 6, Section 6. Board officers are elected at the first Board of Director's meeting following the Annual meeting of the members, and shall hold office for a term of two years and until the election and qualification of their respective successors. Provided, however, that any person elected to fill a vacancy caused by death, resignation, or removal of an officer shall be elected by the Board to serve for the unexpired term of such officer and until his successor is duly elected and qualified.

**Section 2. Presiding Officer.** The Chairperson of the Board shall preside at all meetings of the members and at all meetings of the Board, unless disqualified through suspension by the Board or Supervisory Committee.

**Section 3. President.** The Credit Union President shall be its Chief Executive Officer and Managing Officer appointed by the Board and shall manage the Credit Union within policies set by the Board. The Board delegates to the President, subject to receipt of appropriate reporting, the duty to:

- a. Act upon, or appoint a committee, officer or employee to act upon, applications for membership with the Credit Union.
- b. Expel members for cause as provided for by law.
- c. Borrow and invest money on behalf of the Credit Union as provided by law, or appoint a committee, officer or employee to so borrow and invest.
- d. Determine the maximum amount of shares and deposits that a member may hold in the Credit Union.
- e. Declare dividends on shares and set the rate of interest on deposits, or appoint a committee, officer or employee to declare dividends and set rates of interest.
- f. Determine or appoint a committee, officer or employee to determine the amount which may be loaned to a member and the finance charges, including interest, to be charged on the loans.

- g. Oversee the setting of fees, if any, to be charged by the Credit Union to its members for the right to be a member of the Credit Union and for services rendered by the Credit Union.
- h. Approve the charge-off of Credit Union losses, or appoint a committee, officer or employee to approve such charge-offs.

**Section 4. Secretary.** The Secretary shall prepare and maintain full and correct records of all meetings of the members and of the Board. The Secretary shall promptly inform the State Department of Financial Institutions in writing of any change in the address of the office of this Credit Union or the location of its principal records. He or she shall give or cause to be given, in the manner prescribed in these Bylaws, proper notice of all meetings of the members, and shall perform such other duties as he or she may be directed to perform by resolution of the Board not inconsistent with state law, regulations and these Bylaws. The Board may employ one or more Assistant Secretaries, none of whom may also hold office as Chairperson or Vice Chairperson, and may authorize them under direction of the Secretary to perform any of the duties of the Secretary.

**Section 5. Vacancies & Appointment.** In the event of the temporary absence, or inability to perform of any of the officers, or in an emergency situation, the Board shall appoint a remaining member of the Board to act as an interim Officer. In the event of temporary absence, or inability to perform by the Chairperson of the Board, or in an emergency situation, the Board Officers, in the following order of designation, shall be designated to act temporarily and to perform the duties and responsibilities of the Chairperson of the Board:

- a. The Vice Chairperson
- b. The Secretary
- c. Any of the remaining Board members available to fill the role.

**Section 6. Removal of Board Officers.** The Board, may take action to remove any Board officer from their official position for failure to perform the duties under the Act, Articles, Bylaws or Board policies after giving the Board Officer reasonable notice and an opportunity to be heard.

## **ARTICLE 10 – BOARD DEVELOPMENT COMMITTEE**

**Section 1. The Committee.** A Board Development Committee shall be appointed annually with duties as described below. The Committee shall consist of at least three Board members appointed by the Board. The Committee shall select its own Chairperson from among the Committee members.

**Section 2. Duties.**

- a. Plan and implement a process for identification of qualified candidates for the Board of Directors, Associate Board Member, Emeritus Board Member, and Supervisory Committee.
- b. Nominate individuals for election by the membership to the Board of Directors and Supervisory Committee.
- c. Establish and monitor a process for volunteer orientation and education.

**Section 3. Meetings.** The Committee will meet at such times as determined by resolution of the Board of Directors, by resolution of the Committee, or by the Chairperson of the Committee.

**Section 4. Expenses.** Members of the Committee may be reimbursed for reasonable expenses incurred in the performance of their duties in accordance with a policy established by the Board.

## ARTICLE 11 – SUPERVISORY COMMITTEE

**Section 1. Number; Term of Office; Eligibility.** A Supervisory Committee consisting of at least three members and up to a maximum of five members shall be elected at the annual meeting of members. A member of the Supervisory Committee shall serve a term of three years, unless sooner removed pursuant to law or until a successor commences the performance of the Committee member's duties. The members of the Supervisory Committee shall be divided into classes so that as equal a number as is possible is elected each year. No more than one Director may also serve as a member of the Supervisory Committee at the same time.

Additionally, in order to qualify to serve on the Supervisory Committee, a member must:

- a. be a natural person;
- b. be bondable by the Credit Union;
- c. be a current member of the Credit Union in good standing;
- d. not be an officer or employee of the Credit Union;
- e. not have been an employee of the Credit Union or its subsidiaries for the past two years;
- f. not serve on any other Board committees, or on the credit or investment committees of the Credit Union; and
- g. agree to and comply with the terms of the Supervisory Committee Code of Conduct.

**Section 2. Vacancies.** All Supervisory Committee members shall be elected in accordance with the procedures established in Article 5 of these Bylaws. If a member of the Supervisory Committee ceases to be a member of the Credit Union, the member's office shall become vacant. The Supervisory Committee shall fill vacancies in its membership until successors are elected; however, terms scheduled to expire in less than 90 days need not be filled. If all positions on the Committee are vacant at the same time, the Board may fill the vacancies until the next annual membership meeting.

**Section 3. Officers.** The Supervisory Committee members shall choose from among their number a Chairperson and a Secretary. The Secretary of the Supervisory Committee shall prepare, maintain, and have custody of full and correct records of all actions taken by it. The officers of Chairperson and Secretary may be held by the same person. The Chairperson of the Supervisory Committee may not serve as a Board officer.

**Section 4. Duties of Supervisory Committee.** The Supervisory Committee shall:

- a. Meet at least quarterly;
- b. Keep informed as to the financial condition of the Credit Union and the decisions of the Credit Union's Board;
- c. Perform or arrange for a complete annual audit of the Credit Union and a verification of its members' accounts in accordance with applicable laws and regulations and provide any related findings and recommendations to the Board;
- d. Perform or arrange for additional audits as requested by the Board or Management or as deemed necessary by the Supervisory Committee, and provide any related findings and recommendations to Management or the Board as deemed appropriate by the Supervisory Committee.
- e. Provide an annual report to the members at each annual membership meeting.
- f. Monitor the implementation of Management responses to material adverse findings in audits and regulatory examinations.
- g. Implement a process for the Supervisory Committee to receive and respond to whistleblower complaints.
- h. Perform any additional duties as specified by the Board or in the Credit Union's Bylaws.

**Section 5. Meetings.** The Supervisory Committee shall meet at least quarterly, with the date of the regular meetings to be set by the Committee. Special meetings of the Supervisory Committee may be called at any time by the Chairperson of the Supervisory Committee or upon request to the Chairperson by two or more Supervisory Committee Members. A majority of the total number of Committee Members shall constitute a quorum. The Chairperson shall give at least three business days advance notice of any special meeting of the Committee, however, advance meeting notice may be waived by unanimous consent of Committee members. All notices may be delivered via phone, mail, facsimile, e-mail, or other electronic means as the Supervisory Committee may from time to time prescribe. Meetings of the Supervisory Committee may take place in person or via electronic technology.

**5.1 Action at a Meeting.** All actions at a meeting considered by the Supervisory Committee shall be made by a majority of the Committee members acting upon a particular matter, unless required by the Act. All actions at a meeting shall be recorded in minutes of the meeting.

**5.2 Action Without a Meeting.** The Supervisory Committee may take action on a matter, without a meeting by electronic (e.g., email) voting, if the request for action is provided to all members of the Supervisory Committee. An action shall be approved if a majority of the Supervisory Committee approves the action. The action shall be recorded by the Supervisory Committee Secretary. At the next monthly Supervisory Committee meeting, the results must be included in the Supervisory Committee meeting records.

**Section 6. Compensation and Expenses.** Supervisory Committee members may be compensated for services rendered to the Credit Union in their capacity as a Supervisory Committee member, to the extent permitted by law and in accordance with a policy established by the Board. Supervisory Committee members may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.

**Section 7. Disqualification & Suspension of Supervisory Committee Members.**

**7.1 Disqualified by Operation of Law.** Members of the Supervisory Committee shall be disqualified from serving their position by operation of law should the Supervisory Committee member:

- a. cease to be a member of the Credit Union;
- b. fail to meet attendance requirements under the Act; or
- c. fail to meet the requirements for bondability.

**7.2 Suspension by the Board.** Members of the Supervisory Committee may be suspended from their position by the Board for cause until the next member meeting, which shall be held within 60 days after such suspension. For cause shall mean demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Board, threaten the safety and soundness of the Credit Union. Only the Credit Union members may remove a suspended Supervisory Committee member.

**ARTICLE 12. INDEMNIFICATION; LIMITATION OF LIABILITY**

**Section 1. Mandatory Indemnification.** The Credit Union shall indemnify its Officers, Directors, Agents, and employees in accordance with this Article and Washington Business Corporation Act (RCW Chapter 23B).

**1.1** The Credit Union shall indemnify any and all of its Directors, Officers, Committee members, former Directors, former Officers, former Committee members and any person who may have served at its request against expenses (including without limiting the generality of the foregoing, attorney's fees, costs, and amounts paid as fines) actually and reasonably incurred by such person in the defense, compromise, or settlement of any claim, or any actual or threatened action, suit, or proceeding including

proceedings before an administrative agency, civil or criminal, in which such person is, was, or may be made a party by reason of being or having been a Director or Officer, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Credit Union, and with respect to any criminal action or proceeding, had no reasonable cause as determined by the Board to believe his or her conduct was unlawful.

**1.2** If an Officer, Director, Agent, employee, or former Officer, Director, Agent, or employee of the Credit Union is or was a party to a proceeding by reason of being or having been such an officer, director, employee, or Agent of the Credit Union, the Credit Union shall indemnify such person against expenses (including attorney's fees) actually and reasonably incurred by him or by her in connection therewith to the extent that such person was wholly successful, on the merits or otherwise, in the defense of such a proceeding.

**Section 2. Discretionary Indemnification.** In all cases except those set forth in Section 1 above, indemnification of Officers, Directors, Agents, employees and former Officers, Directors, Agents, and employees, shall be subject to the discretion of the Board.

**Section 3. Expense Reimbursements.** The Credit Union may pay for or reimburse the reasonable expenses incurred by a Director, Officer, Agent, or employee or former Director, Officer, Agent, or employee, who is a party to a proceeding in advance of final disposition of the proceeding if:

**3.1** The individual furnishes the Credit Union a written affirmation of that person's good faith belief that the conduct of said individual was in good faith and that the individual reasonably believed that the conduct was in the best interest of the Credit Union or not opposed to its best interest and in the case of the criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful; and

**3.2** The individual furnishes the Credit Union a written undertaking, executed personally or in the individual's behalf, to repay the advance if it is ultimately determined that the individual did not meet the standard of conduct.

**Section 4. Board Determination to Pay Expenses.** A determination to pay for or reimburse reasonable expenses in advance shall be made by the Board by a majority vote of a quorum consisting of directors not at the time parties to the proceeding; if a disinterested quorum cannot be obtained, then by special legal counsel selected by a majority vote of the full Board, including Directors who are parties to the proceeding.

**Section 5. No Limitations.** The provisions of this Article 12 for indemnification and advance of expenses are not deemed to be a limitation on any indemnification, insurance, or other rights by the Credit Union's Directors, Officers, employees, and Agents and former Directors, Officers, employees and Agents.

**Section 6. Limitation of Liability.** To the extent permitted by law, no person who is or was a Director, officer, committee member, employee, or agent of the Credit Union shall be personally liable to the Credit Union or its members for monetary damages for conduct in that capacity, provided that the person was acting in good faith and within the scope of his or her Credit Union duties. Specifically excluded from this protection are (a) acts or omissions that involve intentional misconduct or a knowing violation of law; (b) conduct which violates RCW 23B.0.310 of the Washington Business Corporation Act pertaining to unpermitted distributions to members or loans to directors; and (c) any transaction for which the person is not legally entitled. If the Washington Business Corporation Act is amended to authorize action further eliminating or limiting the personal liability of such persons, then their liability shall be eliminated or limited to the fullest extent permitted by the Washington Business Corporation Act, as so amended. Any repeal or modification of this section shall not affect any right or protection of a person existing at the time of such repeal or modification.

## ARTICLE 13 – MISCELLANEOUS PROVISIONS

**Section 1. Bondability.** Each Director, Officer, Committee Member, and employee of the Credit Union will be bonded in accordance with conditions established by regulatory authority.

**Section 2. Conflict of Interest.** No Director, Committee Member, Officer, or employee of the Credit Union may have a financial or monetary interest in any contract or transaction with the Credit Union unless this interest is disclosed and made known to the Board of Directors.

No Director or Committee Member of the Credit Union will participate in the deliberation of any question affecting their own financial interest. Such Director or Committee Member will withdraw from the deliberation and decision upon such interest.

**Section 3. Member Concerns.** The primary accountability and responsibility for enforcement of these Bylaws and Credit Union policies rests with the Board of Directors. Concerns or complaints relating to alleged violations of these Bylaws or Credit Union policies may be submitted in writing to the Credit Union President/CEO, the Supervisory Committee or, any member of the Credit Union's Board of Directors. Concerns or complaints received in this manner will be forwarded to and addressed by the Credit Union's Board of Directors. Concerns or complaints involving any Board member will also be forwarded to the Supervisory Committee. All concerns and complaints will be accorded serious consideration. The Board of Directors or Supervisory Committee will keep contemporaneous written reports of any concerns or complaints.

**Section 4. Conformity.** Any section or provision of these Bylaws in conflict with the laws of the State of Washington shall be deemed to be amended to conform to the law, and any matter relating to the authority, control, management or operation of this Credit Union, or any privileges granted to the Credit Union by the law, but not specifically provided for in these Bylaws, may be carried out, granted, and exercised according to provisions of the laws as contained in Chapter 31.12 RCW, as now in effect or as later amended.

**Section 5. Notice of Withdrawal.** The Board shall have the right, at any time, to require members to give, in writing, not more than a 90 day notice to withdraw the whole or any part of the amounts so paid in by them. A member who has filed a notice of intention to withdraw may not exercise the privileges of Credit Union membership.

**Section 6. Fiscal Year.** The fiscal year of this Credit Union shall end on the 31<sup>st</sup> day of December.

## ARTICLE 14 – EXERCISE OF FEDERAL CREDIT UNION POWER

The Credit Union may exercise any of the powers and authorities conferred upon a Federal credit union doing business in this state, as permitted by applicable state laws, rules and regulations.

## ARTICLE 15 – AMENDMENTS TO BYLAWS

Amendments to these Bylaws, in accordance with applicable state regulation, may be adopted by the affirmative vote of a majority of members of the Board at any duly held meeting thereof if the members of the Board have been given prior written notice of said meeting and the notice has contained a copy of the proposed amendment or amendments

**Field of Membership Appendix  
To The Bylaws of Gesa Credit Union**

The field of membership of Gesa Credit Union is limited to the following persons:

**A. Community Groups.**

- i. All persons who live, work, worship or go to school in the following qualified communities of Washington.

**School Districts within the State of Washington**

Aberdeen	Eastmont	Loon Lake	Pasco	Sumner
Adna	Easton	Lopez	Pateros	Sunnyside
Almira	Eatonville	Lyle	Paterson	Tacoma
Anacortes	Edmonds	Lynden	Pe Ell	Tahola
Arlington	Ellensburg	Mabton	Peninsula	Tahoma
Asotin-Anatone	Elma	Mansfield	Pioneer	Tekoa
Auburn	Endicott	Manson	Pomeroy	Tenino
Bainbridge Island	Entiat	Mary M. Knight	Port Angeles	Thorp
Battle Ground	Enumclaw	Mary Walker	Port Townsend	Toledo
Bellevue	Ephrata	Marysville	Prescott	Tonasket
Bellingham	Evaline	McCleary	Prosser	Toppenish
Benge	Everett	Mead	Pullman	Touchet
Bethel	Evergreen (Clark)	Medical Lake	Puyallup	Toutle Lake
Bickleton	Evergreen (Stevens)	Mercer Island	Queets-Clearwater	Trout Lake
Blaine	Federal Way	Meridian	Quilcene	Tukwila
Boistfort	Ferndale	Methow Valley	Quillayute Valley	Tumwater
Bremerton	Fife	Mill A	Quincy	Union Gap
Brewster	Finley	Monroe	Rainier	University Place
Bridgeport	Franklin Pierce	Montesano	Raymond	Valley
Brinnon	Freeman	Morton	Reardan-Edwall	Vancouver
Burlington-Edison	Garfield	Moses Lake	Renton	Vashon Island
Camas	Glenwood	Mossyrock	Republic	Wahkiakum
Cape Flattery	Goldendale	Mount Adams	Richland	Wahluke
Carbonado	Grand Coulee Dam	Mount Baker	Ridgefield	Waitsburg
Cascade	Grandview	Mount Pleasant	Ritzville	Walla Walla
Cashmere	Granger	Mount Vernon	Riverside	Wapato
Castle Rock	Granite Falls	Mukilteo	Riverview	Warden
Centerville	Grapeview	Naches Valley	Rochester	Washougal
Central Kitsap	Great Northern	Napavine	Roosevelt	Washtucna
Central Valley	Green Mountain	Naselle-Grays River Valley	Rosalia	Waterville
Centralia	Griffin	Nespelem	Royal	Wellpinit
Chehalis	Harrington	Newport	San Juan Island	Wenatchee
Cheney	Highland	Nine Mile Falls	Satsop	West Valley (Spokane)
Chewelah	Highline	Nooksack	Seattle	West Valley (Yakima)
Chimacum	Hockinson	North Beach	Sedro-Woolley	White Pass
Clarkston	Hood Canal	North Franklin	Selah	White River
Cle Elum-Roslyn	Hoquiam	North Kitsap	Selkirk	White Salmon Valley
Clover Park	Inchelium	North Mason	Sequim	Wilbur
Colfax	Index	North River	Shaw Island	Willapa Valley
College Place	Issaquah	North Thurston	Shelton	Wilson Creek
Colton	Kahlotus	Northport	Shoreline	Winlock
Columbia (Stevens)	Kalama	Northshore	Skamania	Wishkah Valley
Columbia (Walla Walla)	Keller	Oak Harbor	Skykomish	Wishram
Colville	Kelso	Oakesdale	Snohomish	Woodland
Concrete	Kennewick	Oakville	Snoqualmie Valley	Yakima
Conway	Kent	Ocean Beach	Soap Lake	Yelm
Cosmopolis	Kettle Falls	Ocosta	South Bend	Zill
Coulee-Hartline	Kiona-Benton	Odessa	South Kitsap	
Coupeville	Kittitas	Okanogan	South Whidbey	
Crescent	Klickitat	Olympia	Southside	
Creston	La Center	Omak	Spokane	
Curlew	Laconner	Onalaska	Sprague	
Cusick	Lacrosse	Onion Creek	St John	
Damman	Lake Chelan	Orcas Island	Stanwood-Camano	
Darrington	Lake Quinalt	Orchard Prairie	Star	
Davenport	Lake Stevens	Orient	Starbuck	
Dayton	Lake Washington	Orondo	Stehekin	
Deer Park	Lakewood	Oroville	Steilacoom	
Dieringer	Lamont	Orting	Steptoe	
Dixie	Liberty	Othello	Stevenson-Carson	
East Valley (Spokane)	Lind	Palisades	Sultan	
EastValley (Yakima)	Longview	Palouse	Summit Valley	

- ii. Residents and organizations within Boundary, Bonner, Shoshone, Kootenai, Benewah, Lewis, Nez Perce and Latah Counties, Idaho.

**B. Employer Groups.** *—presently none*

**C. Associational Groups.** *—presently none*

**D. Other Natural Persons & Organizations**

1. Organizations more than half of whose owners, members, or employees are eligible to be members of the Credit Union.
2. The directors, employees, volunteers, and retirees of any of the above described organizations, their subsidiaries and affiliates.
3. Natural persons under contract (i.e. independent contractors) to work for any of the above described organizations, their subsidiaries and affiliates.
4. Family members (related by blood, marriage, legal contract or persons who are cohabitating for the purpose of forming a family unit) of any of the above described natural persons.
5. The spouses of any persons who qualified for membership at the time of their death.