SUPERVISORY COMMITTEE RESPONSIBILITIES

1. POLICY

The Supervisory Committee will objectively review and evaluate the overall financial performance of the organization and deliver recommendations for improvement or development.

As the members' representative, the Committee's primary function is to make internal audits that assure corporate records are prepared accurately, internal controls, policies and procedures are maintained and followed, and each employee/elected official is carrying out the basic duties for which he/she is responsible.

The Supervisory Committee consists of five persons appointed by the Board of Directors from among the members of this credit union.

The Supervisory Committee may also include alternate members appointed by the Board of Directors. The alternate members may fill a vacant position of the Committee up to the expiration date of the term of the prior member. The alternate members may perform the duties assigned to the Committee with the exception of the right to vote at meetings.

The regular Committee meetings may be attended by a member of the Board of Directors, and by employees of the credit union that report directly to the Supervisory Committee. However, they do not have the right to vote at Committee meetings.

Following appointment of any new Committee members, the Supervisory Committee will annually elect a Chair, and a Secretary. Their responsibilities are as follows:

Chair: The Chair will schedule meetings of the Committee, and present a report at each regular monthly meeting to the Board of Directors and to the members at the annual meeting.

Secretary: The secretary will keep a record of all proceedings, which he/she will make available for review to the Board of Directors. The secretary will exercise the duties of the Chair in his/her absence or if/when he/she is unable to fulfill the duties of Chair.

A. Supervisory Committee Duties. The duties of the Supervisory Committee include, and are generally limited to:
   1. Conducting meaningful audits annually, and as required.
   2. Confirming the appropriate corporate and accounting records are prepared accurately and in a timely manner.
   3. Confirming the internal controls are maintained in accordance with established policies and procedures, and that plans, policies and
control procedures established by the Board of Directors are properly administered.

4. Determining compliance with state, federal and regulatory laws as they apply to credit union operations.

5. Engaging the services of an independent (state licensed) external auditor to conduct an annual audit of credit union operations, management and financial statements, in accordance with Generally Accepted Auditing Standards.

6. Maintaining a separate mailing address from the credit union to confidentially handle members' written questions/concerns regarding credit union operations.

7. Providing recommendations on the quality and effectiveness of internal controls.

8. Maintaining confidential relations with members.

- In rare cases, may call by a majority vote a special meeting of the members to consider any violation of applicable laws and regulations, the credit union’s charter, or the credit union’s bylaws.

- Ensuring that policies and control procedures are sufficient to safeguard against error, conflict of interest, self-dealing or fraud.

- Requesting Board approval for compensation of clerical and auditing assistance.

- Approving the selection of the CU’s internal auditor.

B. Committee Member Qualifications. It is the policy of the credit union to actively recruit and appoint qualified Supervisory Committee members. Some basic qualification requirements include:

1. Being a member in good standing of the credit union.
2. Not being an employee of the credit union or any other credit union.
3. Having the ability and desire to attend all regular and special meetings.
4. Demonstrating a desire to learn about the credit union, its services, the laws and regulations that govern it and the job responsibilities of a Committee member.
5. Having the ability to take and handle criticism for making necessary but unpopular decisions.

- Having an open mind and the ability to use sound judgment, willingness to accept responsibility and to make group decisions with fellow Committee members.
SUPERVISORY COMMITTEE MEMBER APPLICATION

1. POLICY
The Board Chair, or those to whom he/she gives the authority, will actively recruit potential committee members when a committee vacancy exists or is anticipated. Potential Supervisory Committee members will complete the necessary form in order to be considered for a committee vacancy. Forms are located in appendix A & B.

STATEMENT OF CONSENT FOR SUPERVISORY COMMITTEE MEMBERS

1. POLICY
Prior to becoming a Supervisory Committee member, each potential committee member must sign the following statement of consent. By signing the statement of consent, each individual affirms he/she will abide by the stated directives.

2. FORMS
The statement of consent form is in the appendix:

<table>
<thead>
<tr>
<th>APPENDIX A STATEMENT OF CONSENT FORM FOR A VOLUNTEER POSITION</th>
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<tbody>
<tr>
<td>I, the undersigned, fully understand and do hereby agree that if elected to the Board of Directors, I will conform to and abide by the following:</td>
</tr>
<tr>
<td>Always perform in a fiduciary manner and use the credit union products and services.</td>
</tr>
<tr>
<td>Attend all regular and special meetings of the Board when notified, unless prevented by circumstances beyond my control (in which case I will notify the Chair in advance).</td>
</tr>
<tr>
<td>Participate to the best of my ability in the determination of the organization’s direction, governing policies and other matters coming before the Board, give full attention to meeting the needs of the credit union, and vote on all issues submitted or proposed for Board action.</td>
</tr>
<tr>
<td>Consider the business of the credit union and its members to be properly confidential in nature and not betray my trust by indiscriminate talk or conversation that might prove harmful in nature.</td>
</tr>
<tr>
<td>Give all assistance possible to my fellow Board members, appointed officers and the CEO of the credit union in the discharge of the duties of their offices.</td>
</tr>
<tr>
<td>Place the welfare of the credit union as a matter of first importance. Disclose any conflict of interest to the Board and refrain from voting on issues related to such conflict, should I ever find myself under obligation to any other group or organization which may create such conflict with the credit union.</td>
</tr>
<tr>
<td>Attend the credit union’s annual strategic planning retreat.</td>
</tr>
<tr>
<td>1. Continually seek to learn more about the credit union organization and its services, as well as my individual responsibilities as a Board member, by attending a minimum of twelve hours of training per year in addition to all Board meetings.</td>
</tr>
<tr>
<td>I hereby authorize an investigation of my credit history and will present financial disclosure if requested.</td>
</tr>
<tr>
<td>DATE: __________________ SIGNED: ____________________________</td>
</tr>
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