

August 12, 2019

NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS

BYLAWS

PREAMBLE

Mission

The mission of the National Association of State Credit Union Supervisors is to enhance state credit union supervision, and actively advocate for and support a competitive, innovative, safe and sound state credit union system.

ARTICLE I

Name and Location

(I) Section 1. Name

The name of this organization shall be the National Association of State Credit Union Supervisors (“NASCUS” or “Association”), a non-profit state credit union regulators’ association incorporated under the laws of the District of Columbia.

(I) Section 2. Offices

The principal offices of NASCUS shall be located in the Washington, DC Metro area at such place as may be designated by the chief executive officer subject to the review and approval of the Association’s board of directors.

ARTICLE II

Membership

(II) Section 1. Membership in the Association

Membership in NASCUS shall be made available to three (3) classes of members: regulator members, credit union members, and associate members.

(II) Section 2. Regulator Members

Regulator membership in the Association shall be limited to the state agency responsible for the supervision of state-chartered credit unions in any state, the District of Columbia, the Commonwealth of Puerto Rico, or any territory of the United States. The state agency shall be represented by the state official having responsibility for the supervision of state-chartered credit unions in that jurisdiction or by a representative duly designated by such state official, who is an employee of the state agency or department of that jurisdiction. Regulator members shall be eligible to hold any office and serve on any committee of the Association other than as a member of the Association’s advisory council or any sub-committee thereof. Regulator members may be appointed by the chairperson of the Association’s board of directors to serve on a committee of the Association.

Regulator members shall have full voting rights on any matters properly brought before the regulator membership, in the election of the Association's board of directors, and on any matters properly brought before any committees of the Association on which the regulator member serves.

(II) Section 3. Credit Union Members

Credit union membership in the Association shall be made available to all state and federal credit unions headquartered in any state, the District of Columbia, the Commonwealth of Puerto Rico, or any territory of the United States. The credit union member shall be represented by the chief executive officer (or equivalent) or by a representative duly designated by such chief executive officer, who is an employee of the credit union. Credit union members shall be eligible to hold any office and serve on any committees of the Association other than as a member of the Association's board of directors or any sub-committees thereof. Credit union members may be appointed by the chairperson of the Association's advisory council to serve on committees of the Association. Credit union members shall have full voting rights on any matters properly brought before the credit union membership, in the election of the Association's advisory council members, and on any matters properly brought before any committees of the Association on which the credit union member serves.

(II) Section 4. Associate Members

Associate membership in the Association shall be made available to any person (e.g., individual, business, association) that does not meet the criteria for either regulator or credit union membership. The associate member shall represent themselves except that an associate member that is not an individual shall be represented by the chief executive officer (or equivalent) or by a representative duly designated by such chief executive officer, who is an employee of the associate member. Associate members shall have no voting rights in the affairs of the Association and shall not be eligible to hold any office in the Association. An associate member may fully participate in a voting and advisory capacity on any committee of the Association upon appointment to the committee by the chairperson of the board of directors, the chairperson of the advisory council, or the chairperson of the committee.

ARTICLE III

Membership Dues, Term, and Status

(III) Section 1. Membership Dues

Dues for each class of membership shall be established by the Association's chief executive officer subject to the review and approval of the Association's board of directors. Dues cover a period of twelve (12) months except that dues for partial year memberships may be prorated at the discretion of the Association's chief executive officer. Any change in the dues formula that results in an increase of more than ten (10) percent in the dollar amount payable in any single calendar year by the regulator membership shall be subject to review and approval by vote of the regulator membership.

(III) Section 2. Membership Term

Dues for each class of membership shall be payable at the start of each membership term and shall be remitted within thirty (30) days thereafter. The term of regulator, credit union, and associate

membership is twelve (12) months except that partial year memberships may be permitted at the discretion of the Association's chief executive officer.

(III) Section 3. Membership Status and Standing

Members in good standing are entitled to all rights and privileges in the Association that are applicable to the class of membership. Members not in good standing are subject to restrictions and loss of rights and privileges in the Association, up to and including termination of membership. Determination of whether a member is in good standing is at the sole discretion of the Association's board of directors, to include any reinstatement of standing. Membership in the Association is deemed to be terminated upon the member's notification being received by the chief executive officer or when the member's dues are in arrears by more than ninety (90) days. However, the Association's chief executive officer shall have the discretion to grant extensions or waive dues for up to one year subject to the review and approval of the Association's board of directors, which will include consideration of whether or not the member remains in good standing with the Association and retains all rights and privileges applicable to the class of membership. The member will be notified in writing by the chief executive officer within thirty (30) days of a determination that the member is not in good standing. The written notification will specify any restrictions or loss of rights and privileges in the Association. The member will have the opportunity to submit a written appeal to the Association's board of directors within thirty (30) days of such notification. Input from the Association's advisory council will be a significant factor considered by the board of directors in the determination of standing for any member of the Association, but particularly as it pertains to the standing of a credit union member. The association's performance standards committee will be immediately notified of any change in standing as it pertains to a regulator member.

ARTICLE IV

Meetings of the Association

(IV) Section 1. Notice

Unless otherwise specified in these Bylaws or in applicable regulation or law, required notices shall be sent by the Association's chief executive officer on behalf of the party or parties required to give the notice. Whenever notice is required in these Bylaws, personal notice is not meant. The format, either paper or electronic, will be at the discretion of the Association.

(IV) Section 2. Meeting Format and Parliamentary Procedures

With the exception of a meeting held for the purpose of removing a director or council member, any meetings required or permitted by these Bylaws may be conducted by teleconference or other electronic means that supports the ability of all persons participating in the meeting to communicate with each other, and as necessary, to record each participating member's vote. Participation in a meeting conducted by teleconference or other electronic means shall be the legal equivalent of presence in person at such a meeting. Unless otherwise provided for in these Bylaws, the parliamentary procedures that governs all meetings of the Association shall be *Robert's Rules of Order*.

(IV) Section 3. Quorum

The lesser of twenty (20) members of the class of membership or twenty (20) percent of the class of membership shall constitute a quorum for a meeting of the class of membership. Proxies will be counted toward a quorum for the purposes of a membership meeting. The presence of not less than fifty (50) percent of the membership of the board of directors, advisory council, or any committee of the Association shall constitute a quorum. Ex-officio members do not count towards a quorum of any committee unless otherwise stated in these Bylaws.

(IV) Section 4. Voting

Every member represented in-person, or where permitted telephonically or electronically, shall be entitled to one vote on issues properly brought before the membership class or committee except that ex-officio members of any committee are non-voting unless otherwise stated in these Bylaws. Any member shall have the absolute right, that does not require a motion or second, to request that a vote be taken by secret ballot for any vote in which the member is entitled to participate. Unless otherwise provided for in these Bylaws, issues shall be decided by a simple majority of the votes cast. Ballot voting is required for election of directors to the Association's board of directors and for election of council members to the Association's advisory council. The format of ballots, including whether the ballot shall be in paper or electronic form and whether the ballot may be cast by mail or other reasonable means of transmission, shall be at the discretion of the chairperson. Ballot voting is optional at the discretion of the chairperson for all other meetings of the Association at which a simple voice vote shall be the standard. The notice of any meeting at which ballots will be accepted shall be accompanied by a ballot on which member's vote may be cast. Ballots received by the parliamentarian by the time set for submission shall be counted as present for purposes of determining the presence of a quorum and shall be counted for purposes of determining the results of the vote. The Association's general counsel, or the general counsel's designee, shall serve as parliamentarian for all ballot voting and shall be responsible for the collection and counting of ballots. The chairperson shall announce the results of the vote to the meeting participants except when the chairperson is a subject of the vote, in which case the chairperson shall step out of the presiding role and the vice-chairperson shall serve as the temporary presiding officer during any discussion of the topic, motions, voting, and announcement of the results of the vote. In the absence of the vice-chairperson, the secretary/treasurer shall serve as the temporary presiding officer. Following announcement of the results of the vote, the temporary presiding officer shall immediately relinquish the presiding officer role to the chairperson.

(IV) Section 5. Annual Meetings of the Membership

Annual meetings of the regulator and credit union membership shall be held at such place and on such dates as may be determined by the Association's board of directors. Meetings may be held concurrently. Not less than thirty (30) days prior written notice of the time and place of said meeting shall be sent to each of the Association's members, who will be provided an opportunity to submit, in writing, agenda items for consideration during the annual meetings. Final agendas for the annual meetings will be at the discretion of the chairperson of the board of directors for the regulator membership annual meeting and at the discretion of the chairperson of the advisory council for the credit union annual meeting.

(IV) Section 6. Special Meetings of the Membership

Special meetings of the regulator or credit union membership for any proper purpose may be called by the chairperson of the board of directors for the regulator membership and by the chairperson of the advisory council for the credit union membership. Such meetings may alternatively be called for by a petition signed by twenty (20) percent of the members in good standing for the class of membership. The location, date, and time of a special meeting shall be established by the board of directors for the regulator membership and by the advisory council for the credit union membership. Not less than twenty (20) days nor more than fifty (50) days prior written notice of a special meeting stating the location, date, time, and purpose shall be sent to each of the Association's members entitled to vote at the special meeting.

(IV) Section 7. Meetings of the Board of Directors

Meetings of the board of directors shall be held at least four (4) times in each calendar year, with at least two meetings held in-person at a location, date, and time established by the chairperson. Other meetings may be held via teleconference or via other suitable alternatives.

Special meetings of the board of directors may be called by the chairperson or upon demand of not less than fifty (50) percent of the membership of the board of directors. As a matter of courtesy, the chairperson will make every effort to provide the chairperson of the advisory council with advance notice of a special meeting of the board of directors and may invite the advisory council chairperson and/or other persons to attend the special meeting as a guest of the board of directors.

Any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting, without prior notice, and such votes may be conducted by any reasonable means, including email, that allows votes to be known, unless an objection is raised by a board member. Such votes taken outside of a meeting will be documented in the official minutes of the board of directors, which shall be maintained by the Association as a record of all non-executive session actions taken by the board of directors.

The board of directors shall always retain the option of holding all or part of its proceedings in executive session, which may be requested by any member of the board of directors and shall be implemented at the discretion of the chairperson. To promote full and open exchange of ideas, executive session will be implemented as an exception to standard procedure and shall generally be limited to matters that are highly sensitive or confidential in nature, such as regulator-only matters. Minutes of the executive session of the board of directors shall be documented and maintained by the secretary/treasurer of the board of directors and shall serve as a record of all executive session actions taken by the board of directors.

(IV) Section 8. Meetings of the Advisory Council

Meetings of the advisory council shall be held at least four (4) times in each calendar year, with at least two meetings held in-person at a location, date, and time established by the chairperson. Other meetings may be held via teleconference or via other suitable alternatives.

Special meetings of the advisory council may called by the chairperson or upon demand of not less than fifty (50) percent of the membership of the advisory council. As a matter of courtesy,

the chairperson will make every effort to provide the chairperson of the board of directors with advance notice of a special meeting of the advisory council and may invite the chairperson of the board of directors and/or other persons to attend the special meeting as a guest of the advisory council.

Any action required or permitted to be taken at any meeting of the advisory council may be taken without a meeting, without prior notice, and such votes may be conducted by any reasonable means, including email, that allows votes to be known, unless an objection is raised by an advisory council member. Such votes taken outside of a meeting will be documented in the official minutes of the advisory council, which shall be maintained by the Association as a record of all non-executive session actions taken by the advisory council.

The advisory council shall always retain the option of holding all or part of its proceedings in executive session, which may be requested by any member of the advisory council and shall be implemented at the discretion of the chairperson. To promote full and open exchange of ideas, executive session will be implemented as an exception to standard procedure and shall generally be limited to matters that are highly sensitive or confidential in nature, such as credit union-only matters. Minutes of the executive session of the advisory council shall be documented and maintained by the secretary of the advisory council and shall serve as a record of all executive session actions taken by the advisory council.

(IV) Section 9. Joint Meetings of the Board of Directors and Advisory Council

Leadership meetings shall, as a matter of routine, be scheduled and have meeting agendas established through coordination of the chairperson of the board of directors, the chairperson of the advisory council, and the chief executive officer so as to promote the conduct of meetings reflective of the joint leadership of the Association. The board of directors as governing body of the Association has established the advisory council to provide advice and input to the mission and activities of the Association. Meetings of the board of directors and advisory council shall be conducted in such a manner as to promote full and open exchange of ideas. To facilitate discussion of agenda items and/or to promote transparency of the Association's governance, the chief executive officer may invite members of the Association's staff and/or other guests to attend meetings of the board of directors and advisory council subject to the consent of the chairpersons. Matters for discussion as well as motions made and seconded may be properly brought before the board of directors by any member of the board of directors or any member of the advisory council. Motions properly made and seconded are subject to a non-binding vote of the advisory council in its advisory capacity. In addition to open discussion of the matter, the board of directors shall consider the results of any non-binding vote by the advisory council on the matter as the board of directors, the governing body of the Association, votes on the matter with the result being binding upon the Association.

ARTICLE V

The NASCUS Board of Directors

(V) Section 1. Authority and Responsibility

The governing body of the Association shall be the NASCUS board of directors, which shall have oversight, control, and direction of all affairs of the Association. The board of directors shall review and approve the strategies and policies that govern the conduct of the Association and the

Association's affiliates, and may, in the exercise of powers granted, delegate authority to any individual or individuals the board of directors may choose.

(V) Section 2. Eligibility and Election of Directors

Only regulator members of the Association in good standing shall be eligible to serve on the Association's board of directors. The election of directors to serve on the board of directors shall be held in conjunction with the annual meeting of the regulator membership. Candidates for vacant or expiring director positions shall be selected by the nominating committee of the regulator membership or may be nominated by petition of not less than five (5) of the Association's regulator membership. The nominating committee's report shall be submitted at least seventy-five (75) days prior to the annual meeting of the regulator membership to allow for notification of the regulator members of the slate at least sixty (60) days prior to the annual meeting. Any petitions for nomination must be received by the Association on behalf of the nominating committee at least forty five (45) days prior to the annual meeting. Nominations from the floor at the annual meeting shall only be allowed if sufficient nominations have not been made by the nominating committee to provide for each director position to be filled or there is a subsequent vacancy by a nominee for a position to be filled and the vacancy has not been filled by appointment by the chairperson pursuant to Article V, Section 4 of these Bylaws. Elections of directors shall be by ballot and shall be determined by a simple majority of the votes cast.

(V) Section 3. Composition of the Board of Directors

The Association's board of directors shall be comprised of between seven (7) and nine (9) persons in total, with up to eight (8) directors being elected by the regulator membership and one (1) director being appointed by the chairperson of the board of directors. The Association's chief executive officer shall be an ex-officio member of the board of directors and all committees thereof with all the rights and privileges of a director except that the chief executive officer shall not count towards a quorum, shall not have the right to vote nor make a motion, and shall not have the right to hold an officer position on the board or serve as chairperson of a committee of the board of directors.

(V) Section 4. Term of Directors; Vacancies

The term of a director appointed by the chairperson of the board of directors under Article V, Section 3 of these Bylaws shall be for one (1) year. Each of the directors elected by the regulator membership shall be elected for a three (3) year term. A director's term of office shall be from the time of election or appointment until a successor takes office. If any director position on the board of directors shall become vacant, the chairperson may appoint a successor to serve for any unexpired portion of the director's term. The chairperson, in coordination with the nominating committee of the regulator membership, shall establish staggered terms for director positions so as to promote continuity in the Association's board of directors and depth of experience to fill officer positions of the board of directors.

(V) Section 5. Removal of Directors

A director may be removed for conduct deemed detrimental to the Association at an in-person meeting of the board of directors. The director in question shall be provided an opportunity to attend and address the board of directors prior to the vote on removal. The presence of the director subject to the removal vote shall not count toward the quorum or in person requirements and such director shall be recused from the vote. A majority vote of all sitting board members, excluding the director

in question, is required to remove a director. The vote on removal of a director shall be final. A director that misses four (4) consecutive meetings of the board of directors without being reasonably excused by the chairperson is automatically removed from the board of directors.

(V) Section 6. Officers of the Board of Directors

The board of directors shall elect from among its number the officer positions of chairperson, vice-chairperson, and secretary/treasurer, each of which has a specific role and responsibilities. Any director shall be eligible for election to any officer position except that no director shall simultaneously hold more than one officer position. Officers shall be elected by the board of directors as soon as practical after the annual board election or annual meeting. Elections will be held to fill any subsequent vacancy in the offices of vice-chairperson or secretary/treasurer as soon as practical after notice of vacancy. Vacancy in the office of chairperson, either during the term of office or at the conclusion of the term of office where the chairperson is unwilling or unable to serve an additional term of office, shall be immediately filled by the vice-chairperson. Should the vice-chairperson be unwilling or unable to succeed the outgoing chairperson, an election to fill the chairperson office shall be held as soon after notice of vacancy as possible. The director filling a vacated officer position shall serve the remainder of the unexpired term of that office, which shall not constrain the director's ability to serve successive elected terms of office.

The chairperson shall preside at all meetings of the Association's regulator membership and meetings of the board of directors. The chairperson shall perform all duties as set forth in these Bylaws and all duties as customarily assigned to the office or as may be directed to be performed by the board of directors, not inconsistent with these Bylaws. Those duties shall include, but not be limited to, providing timely notification to the board of directors and chairperson of the advisory council in the event of resignation, termination, disability, or death of the Association's chief executive officer as well as taking any other actions established in the Association's management succession plan. The chairperson shall hold office for two (2) years and until their successor is elected and takes office. Any person elected chairperson may use another appropriate title such as "chairman," "chairwoman," or "chair" in place of chairperson.

The vice-chairperson shall exercise the power of the chairperson during the chairperson's prolonged absence or inability to act. In the absences of the chairperson, the vice-chairperson shall be the presiding officer at all meetings of the Association's regulator membership and meetings of the board of directors. The vice-chairperson shall be responsible for the performance of other duties assigned by the chairperson or the board of directors. The vice-chairperson shall immediately assume the office of chairperson in the event of a vacancy in that office. The vice-chairperson shall serve a one (1) year term and no person may serve more than four (4) consecutive terms as vice-chairperson.

The secretary/treasurer shall perform all duties commonly assigned to the position, including but not limited to, overseeing the Association's finances, keeping an account of all monies received and expended by the Association, making disbursements as authorized by the board of directors, and making a report on the financial condition of the Association to the Association's membership at the annual meeting and at such other times as may be requested by the board of directors. The secretary/treasurer shall make the determination of the chairperson's or vice-chairperson's prolonged absence or inability to act pursuant to this Section. The secretary/treasurer shall perform such other duties as from time to time may be required by law, regulation, these Bylaws, the board of directors, or the chairperson. The secretary/treasurer shall hold office for two (2) years and until their successor is elected and takes office. It shall be at the discretion of the board of directors whether an individual may serve consecutive terms of office as secretary/treasurer.

(V) Section 7. Executive Committee of the Board of Directors

The executive committee of the board of directors shall consist of the chairperson, the vice-chairman, and the secretary/treasurer. The chairperson of the board of directors shall serve as the presiding officer of the executive committee, which may act in lieu of the board of directors in between regularly scheduled meetings as may be required by these Bylaws, the board of directors, or the chairperson. The executive committee of the board of directors shall be responsible for, among its other duties, working with the executive committee of the advisory council and the chief executive officer to review and make recommendations at least annually to the board of directors on the Association's annual budget.

ARTICLE VI

The NASCUS Advisory Council

(VI) Section 1. Authority and Responsibility

The governing body of the Association, the NASCUS board of directors, has established an advisory council of the credit union membership to advise and consult with the board of directors on all aspects of the Association's strategy, mission, and operations.

(VI) Section 2. Eligibility and Election of Council Members

Only credit union members of the Association in good standing shall be eligible to serve on the Association's advisory council. The election of council members to serve on the advisory council shall be held in conjunction with the annual meeting of the credit union membership. Candidates for vacant or expiring council member positions shall be selected by the nominating committee of the credit union membership or may be nominated by petition of not less than five (5) of the Association's credit union membership. The nominating committee's report shall be submitted to the advisory council and consist of a slate of nominees for election to the advisory council. The report shall be submitted at least seventy-five (75) days prior to the annual meeting of the credit union membership to allow for notification of the credit union members of the slate at least sixty (60) days prior to the annual meeting. Any petitions for nomination must be received by the Association on behalf of the nominating committee at least forty five (45) days prior to the annual meeting. Nominations from the floor at the annual meeting shall only be allowed if sufficient nominations have not been made by the nominating committee to provide for each council member position to be filled or there is a subsequent vacancy by a nominee for a position to be filled and the vacancy has not been filled by appointment by the chairperson pursuant to Article VI, Section 4, of these Bylaws. Elections of council members shall be by ballot and shall be determined by a simple majority of the votes cast.

(VI) Section 3. Composition of the Advisory Council

The Association's advisory council shall be comprised of between seven (7) and nine (9) persons in total, with up to eight (8) council members being elected by the credit union membership and one (1) council member being appointed by the chairperson of the advisory council. The Association's chief executive officer shall be an ex-officio member of the advisory council and all committees thereof with all the rights and privileges of a council member except that the chief executive officer shall not count towards a quorum, shall not have the right to vote, and shall not have the right to hold an officer position or serve as chairperson of a committee of the advisory council.

(VI) Section 4. Term of Council Members; Vacancies

The term of a council member appointed by the chairperson of the advisory council under Article VI, Section 3 of these Bylaws shall be for one (1) year. Each of the council members elected by the credit union membership shall be elected for a three (3) year term. A council member's term of office shall be from the time of election or appointment until a successor takes office. If any council member position on the advisory council shall become vacant, the chairperson may appoint a successor to serve for any unexpired portion of the council member's term. The chairperson, in coordination with the nominating committee of the credit union membership, shall establish staggered terms for council member positions so as to promote continuity in the Association's advisory council and depth of experience to fill officer positions of the advisory council.

(VI) Section 5. Removal of Council Members

A council member may be removed for conduct deemed detrimental to the Association at an in-person meeting of the advisory council. The council member in question shall be provided an opportunity to attend and address the advisory council prior to the vote on removal. The presence of the council member subject to the removal vote shall not count toward the quorum or in person requirements and such council member shall be recused from the vote. A majority vote of all sitting council members, excluding the member in question, in favor is required to remove a council member. The vote on removal of a council member shall be final. A council member that misses four (4) consecutive meetings of the advisory council without being reasonably excused by the chairperson is automatically removed from the advisory council.

(VI) Section 6. Officers of the Advisory Council

The advisory council shall elect from among its number the officer positions of chairperson, vice-chairperson, and secretary, each of which has a specific role and responsibilities. Any council member shall be eligible for election to any officer position except that no council member shall simultaneously hold more than one officer position. Officers shall be elected by the advisory council as soon as practical after the annual advisory council election or annual meeting. Elections will be held to fill any subsequent vacancy in the offices of vice-chairperson or secretary as soon as practical after notice of vacancy. Vacancy in the office of chairperson, either during the term of office or at the conclusion of the term of office where the chairperson is unwilling or unable to serve an additional term of office, shall be immediately filled by the vice-chairperson. Should the vice-chairperson be unwilling or unable to succeed the outgoing chairperson, an election to fill the chairperson office shall be held as soon after notice of vacancy as possible. The council member filling a vacated officer position shall serve the remainder of the unexpired term of that office, which shall not constrain the council member's ability to serve successive elected terms of office. The chairperson shall preside at all meetings of the Association's credit union membership and meetings of the advisory council. The chairperson shall perform all duties as set forth in these Bylaws and all duties as customarily assigned to the office or as may be directed to be performed by the advisory council, not inconsistent with these Bylaws. Those duties shall include, but not be limited to, providing timely notification to the advisory council in the event of resignation, termination, disability, or death of the Association's chief executive officer. The chairperson shall hold office for two (2) years and until their successor is elected and takes office. Any person elected chairperson may use another appropriate title such as "chairman," "chairwoman," or "chair" in place of chairperson.

The vice-chairperson shall exercise the power of the chairperson during the chairperson's prolonged absence or inability to act. In the absences of the chairperson, the vice-chairperson shall be the presiding officer at all meetings of the Association's credit union membership and meetings of the advisory council. The vice-chairperson shall be responsible for the performance of other duties assigned by the chairperson or the advisory council. The vice-chairperson shall immediately assume the office of chairperson in the event of a vacancy in that office. The vice-chairperson shall serve a one (1) year term and no person may serve more than four (4) consecutive terms as vice-chairman.

The secretary shall perform all duties commonly assigned to the position, including but not limited to, overseeing the Association's finances, reviewing the account of all monies received and expended by the Association, reviewing disbursements as authorized by the Association's board of directors, reviewing the report on the financial condition of the Association to be made by the secretary of the board of directors to the Association's membership at the annual meeting, and making a report on the financial condition of the Association at such other times as may be requested by the advisory council. The secretary shall make the determination of the chairperson's or vice-chairperson's prolonged absence or inability to act pursuant to this Section. The secretary shall perform such other duties as from time to time may be required by law, regulation, these Bylaws, the advisory council, or the chairperson. The secretary shall hold office for two (2) years and until their successor is elected and takes office. No individual may serve consecutive terms of office as secretary.

(VI) Section 7. Executive Committee of the Advisory Council

The executive committee of the advisory council shall consist of the chairperson, the vice-chairman, and the secretary. The chairperson of the advisory council shall serve as the presiding officer of the executive committee, which may act in lieu of the advisory council in between regularly scheduled meetings as may be required by these Bylaws, the advisory council, or the chairperson. The executive committee of the advisory council shall be responsible for, among its other duties, working with the executive committee of the board of directors and the chief executive officer to review and make recommendations at least annually to the advisory council on the Association's annual budget.

ARTICLE VII

Committees of the Association

(VII) Section 1. Nominating Committee of the Regulator Membership

A nominating committee of the regulator membership shall, at least one hundred (100) days prior to each annual meeting, be appointed by the chairperson of the board of directors, for the sole purpose of preparing a report nominating at least one regulator member for each existing or impending director vacancy. The nominating committee shall be comprised of not less than three (3) regulator members, one of whom shall be designated as the committee chairperson, and be shall subject to the review and approval of the board of directors. In the event that a director vacancy arises subsequent to the report of the nominating committee, the vacancy may be filled by appointment by the chairperson of the board of directors pursuant to Article V, Section 4 of these Bylaws.

(VII) Section 2. Nominating Committee of the Credit Union Membership

A nominating committee of the credit union membership shall, at least one hundred (100) days prior to each annual meeting, be appointed by the chairperson of the advisory council, for the sole purpose of preparing a report nominating at least one credit union member for each existing or impending council member vacancy. The nominating committee shall be comprised of not less than three (3) credit union members, one of whom shall be designated as the committee chairperson, and shall be subject to the review and approval of the advisory council. In the event that a council member vacancy arises subsequent to the report of the nominating committee, the vacancy may be filled by appointment by the chairperson of the advisory council pursuant to Article VI, Section 4 of these Bylaws.

(VII) Section 3. Audit Committee

The Association's audit committee shall oversee the design of a comprehensive audit program that provides reasonable assurance of the adequacy of financial reporting processes and the internal control environment of NASCUS and its affiliates. The audit committee is also directly responsible to appoint, contract for, oversee, and approve compensation for the certified public accounting firm engaged to prepare and issue an audit report to the Association's board of directors on the financial statements of NASCUS and its affiliates at least annually and in accordance with generally accepted auditing standards. The board of directors shall commit to provide such funds as are necessary and proper to ensure the engagement of the public accounting firm selected by the audit committee. The audit committee shall consist of five (5) persons, all of whom are members of the Association in good standing, and at least one (1) of whom is neither a director nor advisory council member. Three (3) members of the audit committee shall be appointed by the chairperson of the board of directors, subject to the review and approval of the board of directors. Two (2) members of the audit committee shall be appointed by the chairperson of the advisory council, subject to the review and approval of the advisory council. The term of each member of the Audit Committee shall be three (3) years, with staggered terms so that at least one member of the audit committee shall be appointed on an annual basis. The chairperson of the audit committee shall be selected from among its number and appointed annually by the chairperson of the board of directors, subject to the review and approval of the board of directors. The vice-chairperson of the audit committee shall be selected from among its number and appointed annually by the chairperson of the advisory council, subject to the review and approval of the advisory council. A vacancy on the audit committee shall be filled by appointment of the applicable chairperson, subject to the approval of either the board of directors or advisory council, accordingly. At its discretion, the board of directors, by a simple majority of the votes cast for such purpose, may either remove any audit committee member or appoint a non-voting advisory member to the audit committee. The chairperson of the audit committee shall submit a report to the board of directors, advisory council, and the Association's membership, to include committee's opinion on the adequacy of the financial reporting process, internal control structure, and audit program for NASCUS and its affiliates. The audit committee's report shall be submitted within ninety (90) days of issuance of the annual audit report by the certified public accounting firm engaged by the audit committee

(VII) Section 4. Performance Standards Committee

The performance standards committee shall design and oversee the NASCUS accreditation program to advance the quality of state credit union regulation and, from time to time, make recommendations to the board of directors for modifications to the program. It shall be the duty of this committee to determine which applicant state credit union regulatory agencies meet the standards for accreditation,

whereupon the board of directors shall notify the agency in writing of its accredited status. The performance standards committee shall consist of at least five (5) persons to serve as voting members, all of whom are regulator members of the Association from an accredited agency in good standing, and at least one (1) of whom is not a director. Members of the performance standards committee shall be appointed by the chairperson of the board of directors, subject to the review and approval of the board of directors. The chairperson and the vice-chairperson of the performance standards committee shall be selected from among its number and appointed annually by the chairperson of the board of directors, subject to the review and approval of the board of directors. Up to three (3) credit union members of the Association in good standing may be appointed by the chairperson of the advisory council, subject to the review and approval of the advisory council, to serve on the performance standards committee in a limited, non-voting, advisory capacity to provide input to the design and implementation of the accreditation program.

(VII) Section 5. Legislative and Regulatory Affairs Committee

The legislative and regulatory affairs committee shall advance legislative and regulatory issues that preserve the viability of the dual chartering system and strengthen state credit union regulatory agencies by communicating and working cooperatively, whenever practicable, with the credit union community and federal and state legislative and governmental bodies. All members of the legislative and regulatory affairs committee are voting members, and membership in the committee is open, without limit on number, to all members of the Association that are in good standing. The chairperson and the vice-chairperson of the legislative and regulatory affairs committee shall be selected from among its number and appointed annually.

(VII) Section 6. Other Committees, Work Groups, and Task Forces

The board of directors and the advisory council may create additional committees to carry on the work of Association, and chairpersons of committees of the Association may at their discretion, subject to the review and approval of the board of directors and/or advisory council, as appropriate, may create subcommittees to most effectively and efficiently carry on the work of the committees. In addition, the chairperson of the board of directors, the chairperson of the advisory council, and/or the chief executive officer may create, on a temporary assignment, special committees, working groups, or task forces to most effectively and efficiently conduct the business of the Association.

(VII) Section 7. Committee Reports

All committees of the Association and of the board of directors, other than those established by and operating under the authority of the advisory council, are established and operate under the authority and direction of the board of directors and shall periodically provide a report to the board of directors on the activities of the committee. Regulator members participating on interagency assignments shall be assigned and directed by the chief executive officer subject to the review and approval of the chairperson of the board of directors and shall periodically provide a report to the board of directors on the activities of the interagency assignment.

All committees of the advisory council are established and operate under the authority and direction of the advisory council and shall periodically provide a report to the advisory council on the activities of the committee. Credit union members participating on special assignments shall be assigned and directed by the chief executive officer subject to the review and approval of the

chairperson of the advisory council and shall periodically provide a report to the advisory council on the activities of the special assignment.

(VII) Section 8. Ex-Officio Members

The chairperson of the board of directors, the chairperson of the advisory council, and chief executive officer shall be non-voting, ex-officio members of any and all committees, work groups, and task forces created pursuant to this Article unless specifically excluded by these Bylaws, or if the nature of the working group precludes such. The ex-officio members shall not count towards a quorum for the committee, work group, or task force.

Article VIII

Chief Executive Officer and Staff

(VIII) Section 1. Appointment

The board of directors shall hire and the Association shall employ a salaried head of staff to serve as the NASCUS chief executive officer, who shall have the title “President and Chief Executive Officer (CEO)” and whose terms of employment shall be established and specified by the NASCUS board of directors.

(VIII) Section 2. Authority and Responsibility

The chief executive officer shall manage and direct the day to day affairs of the Association and shall be overseen by and accountable to the board of directors. The chief executive officer shall employ a staff as necessary to carry out the work of Association and shall have exclusive authority to terminate the employment of members of the staff. The chief executive officer shall be a non-voting, ex-officio member of the board of directors, the advisory council, and all committees of the Association, except the nominating and audit committees.

(VIII) Section 3. Vacancy

In the event there arises an unexpected or sudden vacancy in the position of chief executive officer other than a vacancy arising from termination of employment, or in the event of the prolonged inability of the chief executive officer to act, the board of directors shall name an acting chief executive officer to serve until the board of directors hires, and NASCUS employs, another chief executive officer. Determination of the prolonged inability of the chief executive officer to act shall be made by the board of directors of the Association.

Article IX

Bonding and Indemnification

(IX) Section 1. Bonding

The chief executive officer and the secretary/treasurer as well as other persons entrusted with the handling of funds or property of NASCUS shall, at the discretion of the board of directors, furnish at

the expense of the Association, a fidelity bond approved by the board of directors in such sum as the board of directors shall prescribe.

(IX) Section 2. Indemnification

To the extent permitted by law, NASCUS shall indemnify and save harmless each officer or director now or hereafter serving the Association and its affiliates from and against any and all claims, liabilities, penalties, forfeitures and fines, to which person may be or become subject to by reason of their being an officer or director of the Association. Such indemnification shall include the cost of reasonable settlement made with the approval of a simple majority of the votes cast by the board of directors who are not parties to such proceeding, even though less than a quorum may be present. In addition, such officers or directors may be reimbursed for all legal or other expenses reasonably incurred in the defense of any such proceedings to enforce or collect any such claim, liability, penalty, forfeiture or fine. Alternatively, board of directors may elect for NASCUS to assume the burden of such defense or advance the cost of defense to a director. This indemnification shall apply to each officer or director now or hereafter serving the Association, whether or not in office at the time of the claim, liability, penalty, forfeiture, or fine. However, no officer or director shall be indemnified or saved harmless if he or she shall have been guilty of gross negligence, acted in bad faith, or engaged in conduct that could reasonably be believed to be contrary to the interests of the Association. The foregoing rule of indemnification shall not be exclusive of other rules of which any such person may now or hereafter be entitled as a matter of law and shall also apply to counsel for NASCUS, and/or any of the management firm responsible for administration of NASCUS.

ARTICLE X

Seal

The board of directors shall provide a suitable seal containing the name of NASCUS and the year of incorporation.

ARTICLE XI

Dissolution

Upon dissolution of NASCUS, after paying or adequately providing for all debts and obligations in accordance with the law, the remaining assets, if any, shall be distributed to any charitable or civic institutions or organizations at the sole discretion of the board of directors.

ARTICLE XII

Amendments

(XII) Section 1. Amendments of the Bylaws

The board of directors may adopt, amend or repeal any of these Bylaws with the exception of Article III Section 1, Article IV Section 1, Article V Sections 2 and 3, and Article VI Section 1. In

order to amend or repeal any of those enumerated sections, the amendment or repeal must also be approved by a vote of the regulator membership. Amendments to these Bylaws may be made with or without approval of the board of directors by resolution of the regulator members adopted at any annual meeting of the regulator membership or by a simple majority of the votes cast by regulator members at a special meeting of the regulator membership as provided in Article IV, Section 6 of these Bylaws.

(XII) Section 2. Amendment of the Articles of Incorporation

Amendments to the NASCUS Articles of Incorporation may be made by resolution of the board of directors at a meeting held for such purpose by a majority vote of all sitting directors in favor of the change, providing that each director receives at least fifteen (15) days prior written notice of the time, place, and purpose of such meeting. Amendments to the Articles of Incorporation may be made with or without approval of the board of directors by resolution of the regulator members adopted at any annual meeting of the regulator membership or by a simple majority of the votes cast by regulator members at a special meeting of the regulator membership as provided in Article IV, Section 6 of these Bylaws.

ARTICLE XIII

Miscellaneous

(XIII) Section 1. Non-Profit Character; Non-Liability of Members

The Association does not afford pecuniary gain, incidentally or otherwise to its members. There shall be no personal liability of members for obligations of NASCUS.

(XIII) Section 2. Power to Acquire and Hold Property

NASCUS shall be authorized to acquire property by grant, gift, purchase, devise or bequest, and to hold and dispose of such property as the board of directors shall require, subject to such limitation as may be prescribed by law, for the benefit of the members and not for pecuniary profit.

(XIII) Section 3. List of Members

Any member of the Association is entitled to solicit and receive in a timely fashion from the chief executive officer a complete list of members of the Association and the official contact information for those members.

(XIII) Section 4. Administrative Services

NASCUS shall provide all administrative services to any of its affiliates.

(XIII) Section 5. Compliance with Applicable Laws

NASCUS shall not engage in any activity from which NASCUS is prohibited by tax laws or other applicable laws.

(XIII) Section 6. Public Policy Statements of NASCUS

NASCUS shall maintain a record of all of the Association's public policy statements duly enacted by the board of directors. All NASCUS public policy statements shall sunset three (3) years from the date of enactment unless reauthorized for another three (3) year term, unless otherwise noted in the Public Policy Statements. There is no limit on how often a policy may be reauthorized.

(XIII) Section 7. Effective Date of Bylaws

These Bylaws shall be deemed to be effective and in force at a time designated by the board of directors at the time of their adoption by the board of directors.

Appendix I
Amendments to the Bylaws
Of the
National Association of State Credit Union Supervisors

<u>Action</u>	<u>Date</u>	<u>Enactors</u>
Enacted	April 2, 2005	NASCUS Membership & Board
Amended	May 12, 2007	NASCUS Board
Amended	July 19, 2013	NASCUS Board
Amended	June 8, 2016	NASCUS Board
Amended	July 15, 2018	NASCUS Board
Amended	August 12, 2019	NASCUS Board