



Governance Policy

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| REVISION AUTHOR: | Governance Committee |
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| MOST RECENT BOARD APPROVAL: | August 17, 2015 |

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Corporate Governance Purpose Statement

Corporate governance is the process and structure used to direct the affairs of the credit union. Policies of the credit union provide guidance and direction for Officials, Volunteers, and Employees, in proper handling of the credit union affairs. At Infinity Federal Credit Union, the objective of the Board and Management will govern the credit union by:

- Custody, care, and fulfillment of the credit union Bylaws;
- Ensure the credit union is financially sound and fiscally responsible;
- Achieve strategic objectives as outlined in the credit union's Strategic Plan;
- Ensure the credit union's internal processes are conducted within defined risk parameters and in compliance with industry regulations;
- Uphold a transparent, collaborative, and timely communications environment with members, employees, and the communities in which we serve.

Governance Roles and Responsibilities

The Board of Directors fully understands and respects the need for effective collaboration and a clear separation of roles and responsibilities between the Board and Management to successfully lead Infinity today and into the future. The Governance Committee is responsible to periodically review Infinity's Bylaws, Corporate Governance Policies, and Roles and Responsibilities and present recommended revisions to the Board of Directors for review and approval.

Roles and Responsibilities for Officials and Volunteers

Roles and Responsibilities for established committees as defined by the Board of Directors will be established and reviewed periodically for control and effectiveness. Roles and Responsibilities will be maintained under separate document sets specific to the governing body.

Board Committees

The Board of Directors recognizes the effectiveness of Board Committees to contribute to the ongoing success of the credit union. The following committees have been established and individual appointments are made by the Board of Directors.

- Supervisory Committee – an independent, standing committee governed by Article IX of Infinity Federal Credit Union's Bylaws and further defined by adopted Supervisory Committee Roles and Responsibilities;
- ALCO Committee – a standing committee appointed by the Board of Directors annually defined by adopted Asset Liability/Finance Committee Roles and Responsibilities;
- Nominating Committee – appointed by the Chairman of the Board annually. This committee oversees the Board of Directors Nomination and Election Process and Protocol as set forth in Article V, Section of Infinity Federal Credit Union's Bylaws;
- Governance Committee – appointed by the Chairman of the Board annually consisting of 3 or more members from the Board of Directors, Supervisory Committee, or Executive Management;
- Compensation Committee – an Ad Hoc Committee appointed by the Chairman of the Board annually selected from the Board of Directors. The committee reviews executive compensation as it exists in the marketplace and makes recommendations to the Board of Directors on the compensation plans for the President/CEO;
- Community Investment Committee – a standing committee appointed by the Board of Directors to review charitable contribution requests.

Ethics, Fiduciary Duties, and Conflicts of Interest

Infinity Credit Union has adopted a comprehensive Code of Business Conduct and Ethics for Officials and Volunteers. Officials and Volunteers are expected to exercise sound judgment in execution of their roles and responsibilities. These areas are governed by Article XVI of Infinity Federal Credit Union's Bylaws

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and further defined by Fiduciary Duty and Conflict of Interest Statements reviewed and signed annually following the annual meeting.

Board Election Process

Persons interested in volunteering for Infinity Federal Credit Union must complete an "Application and Agreement for Infinity Federal Credit Union Volunteer" for new volunteers or "Application and Agreement for Infinity Federal Credit Union Incumbents" and submit to the Nominating Committee.

Eligibility Requirements – It is the nominating committee's duty to ascertain that all nominated candidates, including those nominated by petition, meet the eligibility requirements as outlined in the volunteer application.

Nomination Criteria and Election Process – Nominating procedures are outlined in Infinity Federal Credit Union's Bylaws under article V. The Board of Directors may establish additional reasonable criteria, in addition to the eligibility requirements, for the nominating committee to follow in making its nominations, including the candidates' professional background and financial experience, years of membership, and conflict of interest provisions, evaluated at the time of expressed interest. The board's nomination criteria apply only to individuals nominated by the nominating committee; they cannot be imposed on individuals who meet the eligibility requirements and are properly nominated by petition.

Director/Table Officer Term Limits

Contributions made by individual directors provide substantial benefits to the organization; therefore, term limits have not been adopted. Rotating Table Officer positions are set to 2 - 1 year terms within a 4 year period to support board participation and succession of the entire board. Table Officer Limits begin at the first meeting following the officer elections within 7 days of the annual meeting.

Board of Director Interactions with Credit Union Management

The Board's primary point of contact regarding credit union affairs is the President/CEO. It may be appropriate, from time to time, for a Board member to contact a member of Executive Management; however under a normal course of business, the President/CEO should be informed.

- Executive Management, including the CFO, COO, and CHRO, attend official board meetings.
- The President/CEO works on behalf of the Board as a whole. Therefore, the President/CEO may not deal with an individual director or a subset of the board as less than the whole board except:
 - a) when fulfilling reasonable requests for information;
 - b) having occasional 1:1 meetings for the purpose of maintaining open communications (the results of which are reported to the whole board);
 - c) Interacting with officers or committees duly charged by the board.

Director Compensation

Volunteers that serve as a Director of Infinity Federal Credit Union are representatives of the membership and are not compensated for this service. Reasonable expenses incurred by a Director, such as mileage or miscellaneous out-of-pocket expenses, while functioning as a Director of the Board, will be reimbursed as defined in Infinity's Business Travel Expense policy.

Director Orientation and Continuing Education

All new Directors must participate in an orientation program, which should be conducted following the annual meeting at which new Directors are elected or the time the new Director otherwise joins the Board. This orientation will include presentations by Senior Management to familiarize new Directors with Infinity FCU's strategic plans, business objectives, financial condition, and established risk appetite. New directors are required to participate in Financial Literacy and BSA training within their first 6 months of appointment. Continuing education is encouraged as an opportunity to stay current on industry events and concerns.

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Annual Performance Assessments

The Board will conduct an annual self-assessment to determine whether it and its committees are functioning effectively. The Governance Committee will coordinate such self-evaluations and report the outcome of the assessment to the Board of Directors. This report will be given following the end of each fiscal year. The assessment will focus on the contribution of the Board and its committees to Infinity FCU and specifically focus on areas in which the Board or management believes that the Board or its committees could improve.

Revision History

| Revision Date | Originator | Reason | Date of approval |
|---------------|----------------------|------------|------------------|
| 11-19-2012 | Governance Committee | New Policy | 11-19-12 |
| 7-9-15 | Governance Committee | Updates | 8-17-15 |
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