

**Georgia Department of
Banking and Finance**

**Standard Form Bylaws
for Credit Unions**

Revised February 2012

PREFACE

The Department of Banking and Finance of the State of Georgia has adopted the following Standard Form Bylaws for use by State-chartered credit unions in Georgia. It is the view of the Department that these bylaws are in conformance with the legal requirements of Georgia law, sound corporate and business practices, and the proper needs of credit union directors and management for member guidance in fulfilling the goals of the credit union and its membership. Credit unions which have previously elected to use these Standard Form Bylaws are not required to take any further action to implement changes contained herein; credit unions desiring to use these bylaws for the first time and credit unions wishing to adopt their own unique bylaws must follow the procedures set forth in the Financial Institutions Code of Georgia for adoption or amendment of bylaws.

Additional information about the Standard Form Bylaws:

1. The Department may from time to time adopt recommended language for bylaws and bylaw amendments of credit unions as required by generally accepted corporate and business practices of financial institutions. Credit Unions utilizing the Standard Form Bylaws shall not be required to have the adoption of such Standard Form or Standard Form Bylaw Amendments approved further by the Department in accordance with the provisions of Section 7-1-634 of the Financial Institutions Code of Georgia.
2. Any credit union which determines to discontinue using Standard Form Bylaws or any Standard Bylaw Amendments shall adopt new bylaws in accordance with the requirements of Section 7-1-634 of the Financial Institutions Code of Georgia.

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(NOTE: Bylaws generally are governed by the provisions of the Financial Institutions Code of Georgia Section 7-1-631 and the Uniform Commercial Code of Georgia. Further references cited herein are to code provisions governing specific sections of the bylaws. Code provisions cited, as well as others not cited, may have additional requirements not duplicated in the bylaw provisions.)

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EDITORIAL COMMENTS

These Standard Form Bylaws have been written using the customary practice of citing the male gender pronoun. All such references should be read to equally include the female gender pronoun.

Many provisions of these Standard Form Bylaws are of an optional nature whereas many others are mandated by statute or regulation. While the terms of these bylaws are considered optimum for most credit union operations, some credit unions may choose to adopt their own unique provisions in some areas thus creating a modified Standard Form Bylaws. Others still may wish to adopt their own totally unique set of bylaws and abandon the Standard Form entirely. Both of these options are available to credit unions to the extent that changes proposed are not inconsistent with the requirements of the Financial Institutions Code of Georgia and Rules and Regulations promulgated by the Department of Banking and Finance. To adopt any bylaw forms other than the Standard Form Bylaws contained herein, a credit union should follow the procedure set forth in Section 7-1-634 of the Financial Institutions Code.

In the event of any conflicts between these Standard Form Bylaws and other authorities governing the operations of the credit union, the following order of precedence is applicable:

1. Statutes
2. Regulations
3. Articles of Incorporation
4. Bylaws
5. Written Policies of the Board of Directors
6. Official Actions by and within the Scope of the Authority of Committees of the Board of Directors.

All matters affecting the credit union which are not governed by provisions of items (1) through (4) above and which are not specifically reserved to the membership are subject to consideration within the discretion of the Board of Directors subject to oversight by the membership and regulatory authorities.

BYLAWS

PREAMBLE

It is the intent of the membership/owners of _____ that the business to be conducted is that of a credit union. It is the further intent that the business and affairs of the credit union be conducted in accordance with the laws of the State of Georgia and in accordance with safe and sound financial practices for the protection of members funds, to promote thrift and savings among the members and to facilitate adequate sources of credit to meet the reasonable needs of the members. Management of the business and affairs of the credit union is generally vested in the Board of Directors which is elected in accordance with the procedures set forth herein. It is the purpose of these Bylaws to provide a general guide to the Board of Directors in management of the corporate affairs of the credit union.

ARTICLE I

* * * *

Offices

1.1 Registered Office. The credit union shall maintain a registered office in the county in the State of Georgia where the credit union is authorized to conduct its general business. The office where the General Ledger is maintained shall be the registered office.

1.2 Other offices. In addition to its registered office, the credit union also may have offices at such other place or places as the Board of Directors may from time to time select, or as the business of the credit union may require or make desirable, subject to the laws of this State.

ARTICLE II

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Membership

2.1 Field of Membership. The field of membership shall be (as set forth in the Articles of Incorporation). _____

_____ and may include persons related by blood, adoption, or marriage to or living in the same household with a person within the common bond, and to the surviving spouses of deceased members. (NOTE: If the Articles of Incorporation do not specify field of membership, insert current field of membership in the blank), as approved by the Department of Banking and Finance.

2.2 Applications. Each application for membership shall be in writing.

2.3 Admission to Membership. The initial subscribers shall be members of the credit union. Other persons within the field of membership shall be admitted as members after it has been determined that they are eligible, after their applications have been approved by a majority vote of the Board of Directors or the Executive Committee present at any meeting at which applications are acted upon by a membership officer, or in accordance with other procedures authorized by the Board of Directors, and after said applicants have subscribed to and paid for one share together with the required entrance fee as established by the Board of Directors.

2.4 Other Eligible Members. Societies, associations, partnerships, and corporations composed of persons who are eligible for membership may be admitted to membership and may participate in the services of the credit union in the same manner and under the same conditions as such persons.

2.5 Withdrawal from Membership. A member who withdraws all his deposits and his share thereby ceases to be a member.

2.6 Continuation of Membership. At the discretion of the Board of Directors, a member who leaves the field of membership may retain his membership.

ARTICLE III

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Membership Meetings

3.1 Place of Meeting. Meetings of the members of the credit union may be held at any location as set forth in the notice thereof, or, in the event of a meeting held pursuant to waiver of notice, as set forth in the waiver, or, if no place is so specified, at the registered office of the credit union.

3.2 Annual Meeting. The annual meeting of members of the credit union shall be held on the ___ Day in _____(Month) unless that day is a legal holiday, and in that event on the next succeeding business day, for the purpose of electing directors and transacting any and all business that may properly come before the meeting. The Board of Directors may postpone any annual meeting for not more than seven (7) days, for cause, upon not less than ten (10) days written notice to all members.

3.3 Substitute Annual Meeting. If the annual meeting is not held on the day designated in Section 3.2, any business, including the election of directors, which might properly have been acted upon at that meeting, may be transacted at any subsequent membership meeting held pursuant to these bylaws or held pursuant to a court order requiring a substitute annual meeting.

3.4 Special Meetings. Special meetings of members or a special meeting in lieu of the annual meeting shall be called by the credit union upon the written request of ten percent (10%) or more of all the members entitled to vote in an election of directors. Special meetings of the members or a special meeting in lieu of the annual meeting may be called at any time by the President, Chairman of the Board, or the Board of Directors.

3.5 Notice of Meeting. Unless waived as contemplated in Section 6.2, or by attendance at the meeting for any purpose other than to object to the transaction of business, a written or printed notice of each meeting stating the place, day and hour of the meeting shall be delivered not less than ten (10) days, nor more than fifty (50) days before the date thereof, either personally, by mail, or by telegram, charges prepaid by or at the direction of the Chairman of the Board, President, the Secretary or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. In the case of an annual or substitute annual meeting, the notice of the meeting need not state the purpose or purposes of the meeting unless the purpose or purposes constitute a matter which the Financial Institutions Code of Georgia requires to be stated in the notice of the meeting. In the case of a special meeting, the notice of the meeting shall state the general nature of the business to be transacted.

3.6 Quorum. At all meetings of the members, twenty-five (25) members shall constitute a quorum, except where the membership is less than one hundred (100) members, in which case fifteen (15) members shall constitute a quorum. If a quorum is present, a majority of the members present at the meeting and entitled to vote on the subject matter shall determine any matter coming before the meeting unless a different vote is required by the Financial Institutions Code of Georgia, by the Articles of Incorporation or these bylaws. The members at a meeting at which a quorum is once present may continue to transact business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized for lack of a quorum, those members present may adjourn the meeting to such time and place as they may determine. In the case of a meeting for the election of directors which is twice adjourned for lack of a quorum, those present at the second of such adjourned meeting, notice of which has been given in writing, shall constitute a quorum for the election of directors without regard to other quorum requirements of the Financial Institutions Code of Georgia, the Articles of Incorporation, or these bylaws.

3.7 Voting of Shares. Each member present shall be entitled to one vote on each matter submitted to a vote. Voting on all matters shall be by voice vote or by show of hands unless five (5) qualified voters, prior to the voting on any matter, demand vote by ballot. Any member, other than a natural person, shall designate the person to vote its share.

3.8 Proxies. No member may vote by proxy.

3.9 Presiding Officer. The Chairman of the Board of Directors or, in the absence of a Chairman of the Board of Directors, the President, shall serve as chairman of every membership meeting unless some other person is elected to serve as chairman by a majority vote of the members present at the meeting. The chairman shall appoint such persons as he deems required to assist with the meeting.

3.10 Adjournment. Any meeting of the members, whether or not a quorum is present, may be adjourned by a majority of the members present at the meeting to reconvene at a specific time and place. Except as otherwise provided by Section 3.6, it shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting, any business may be transacted which could have been transacted at the meeting which was adjourned.

3.11 Action of Members Without a Meeting. Any action required by the Financial Institutions Code of Georgia to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a written consent, setting forth the action so taken, shall be signed by a majority of the members entitled to vote with respect to the subject matter thereof. Upon filing with the officer of the credit union having custody of its books and records, such consent shall have the same force and effect as a unanimous vote of the members at a special meeting called for the purpose of considering the action authorized. The matter for which action by members is required must be presented to each member entitled to vote by First Class Mail and each member shall be given at least thirty (30) days to return his/her ballot. All ballots shall be signed and dated and the signature shall be witnessed.

3.12 Rules for Conduct of Meetings. In the event of any question as to the parliamentary procedures followed in conducting any meeting, the standards established by the Robert's Rules of Order shall be used unless alternative procedures are agreed upon by the majority of the members present and voting.

3.13 Order of Business. The order of business at annual meetings of the members shall be in accordance with the following; provided, however, the order of business may be suspended by a majority vote of the members present and voting at the annual meeting:

Order of Business:

- a) Ascertainment that a quorum is present;
- b) Reading and approval (or correction) of the minutes of the last meeting;
- c) Report of Directors;
- d) Financial Report;
- e) Credit Committee / Loan Officer Report;
- f) Supervisory Committee Report;
- g) Other Reports;
- h) Unfinished business;
- i) New business other than elections;
- j) Elections;
- k) Adjournment.

ARTICLE IV

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The Board of Directors

4.1 General Powers. The business and affairs of the credit union shall be managed by the Board of Directors. In addition to the powers and authority expressly conferred upon it by these bylaws, the Board of Directors may exercise all such powers of the credit union and do all such lawful acts and things as are not reserved to the members by law, the Articles of Incorporation or these bylaws.

4.2 Qualifications. Each director of the credit union shall be a member in good standing of the credit union and a United States citizen.

4.3 Number, Election and Term of Office. The Board of Directors of the credit union shall consist of not less than five (5) nor more than twenty-five (25) persons, with the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of the Board of Directors, or by resolution of the members at any annual or special meeting. The Board of Directors may increase or decrease the number of directors by not more than two (2) in any one year, so long as such increase or decrease does not place the number of directors at less than five (5) nor more than twenty-five (25). Each director, except in the case of his earlier death, resignation, retirement, disqualification, or removal, shall serve until his successor shall have been elected and qualified. Terms of office for directors shall be for three (3) years, with the terms of approximately one-third (1/3) of their number expiring annually.

4.4 Oath of Office. Before assuming office, each officer, director and committee member shall take an oath or affirmation that he shall diligently and honestly perform his duties in the administration of the credit union, that he will not permit a willful violation of laws by the credit union and that he meets the eligibility requirements of the Financial Institutions Code of Georgia, the credit union's Articles of Incorporation and these bylaws. Such oath or affirmation shall be signed and filed with the minutes of meetings of the Board of Directors.

4.5 Removal. The entire Board of Directors or any individual director may be removed from office with or without cause by the affirmative vote of a majority of the members entitled to vote at an election of directors. In addition, the Board of Directors may remove a director from office if such director is adjudicated as incompetent by a court; if he is convicted of a felony; if he does not, within sixty (60) days of his election, accept the office in writing or by attendance at a meeting of the Board of Directors and fulfill any other requirements for holding the office of director; or if he fails to attend regular meetings of the Board of Directors for six (6) consecutive meetings without having been excused by the Board of Directors; or if he fails to attend at least fifty percent (50%) of the scheduled meetings for the prior calendar year.

4.6 Vacancies. A vacancy occurring in the Board of Directors, whether caused by removal or otherwise and including vacancies resulting from an increase in the number of directors, may be filled for the unexpired term, and until the members shall have elected a successor, by the affirmative vote of a majority of the directors remaining in office though less than a quorum of the Board of Directors. Positions on the Board of Directors created by the Board of Directors expanding its number shall be deemed to have a term expiring at the next annual meeting.

4.7 Compensation. A director may serve the credit union in a capacity other than that of director and receive compensation, as determined by the Board of Directors, for services rendered in such other capacity. Provided, however, no director shall be compensated from commissions derived from the sale of credit related insurance (credit life, disability, accident and health insurance, etc.) where premiums paid by a credit union member for such insurance are financed by the credit union as a part of the credit extended.

4.8 Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, shall designate a credit committee, supervisory committee, and may designate from among its members an executive committee and one or more other committees, each consisting of three or more persons. Each committee shall have the authority of the Board of Directors in regard to the business of the credit union to the extent set forth in the resolution establishing such committee, subject to the limitations set forth in State laws and regulations. The Chairman of each committee must be a director and each member of the committee must be a member of the credit union.

4.9 Honorary and Advisory Directors. The Board of Directors of the credit union may appoint any individual an Honorary Director, Director Emeritus, or member of any advisory board established by the Board of Directors. Any individual appointed an Honorary Director, Director Emeritus, or member of an advisory board as provided by this Section 4.9 may be compensated as provided in Section 4.7, but such individual may not vote at any meeting of the Board of Directors or be counted in determining a quorum as provided in Section 5.5 and shall not have any responsibility or be subject to any liability imposed upon a director, or otherwise be deemed a director.

ARTICLE V
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Meetings of the Board of Directors

5.1 Regular Meetings. An annual organizational meeting of the Board of Directors shall be held immediately following the annual meeting of the members. In the event the annual meeting is not held

as provided by Sections 3.4 or 3.11, such organizational meeting shall be held as herein provided for regular meetings. In addition, regular meetings of the Board of Directors shall be held on the _____ of every month during the calendar year, except during the month in which the organizational meeting of the Board of Directors is held; provided, however, that the Board of Directors and the President are authorized to cancel not more than two (2) of such regular meetings, excluding the organizational meeting, during each calendar year.

5.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, Chairman of the Board, the Supervisory Committee, or by any two directors in office at that time.

5.3 Place of Meetings. Directors may hold their meetings at any place within (or without) the State of Georgia as the Board of Directors may from time to time establish for regular meetings, or as set forth in the notice of special meetings, or in the event of a meeting held pursuant to waiver of notice, as set forth in the waiver.

5.4 Notice of Meetings. No notice shall be required for any regularly scheduled meeting of the directors of the credit union. Unless waiver as contemplated in Section 6.2, the President or Secretary of the credit union, or any director thereof shall give notice to each director of each special meeting stating the time, place and purpose(s) of the meeting. Such notice shall be given by mailing notice of the meeting at least five (5) days before the date of the meeting, or by telephone, telegram, or personal delivery at least three (3) days before the date of the meeting. Notice shall be deemed to have been given by telegram or cablegram at the time notice is filed with the transmitting agency. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

5.5 Quorum. At meetings of the Board of Directors, more than fifty percent (50%) of the directors then in office shall be necessary to constitute a quorum for the transaction of business.

5.6 Vote Required for Action. Except as otherwise provided in these bylaws, by the Articles of Incorporation, or by law, the act of a majority of the directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors.

5.7 Action by Directors Without a Meeting. Any action which may be taken at any meeting of the Board of Directors, or at any meeting of a committee of directors may be taken without a meeting if a written consent thereto is signed by all directors, or all the members of the committee, as the case may be, and if such written consent is filed with the minutes of the proceedings of the Board of Directors or the committee. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors or the committee of directors.

ARTICLE VI

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Notice and Waiver

6.1 Procedure. Whenever these bylaws require notice to be given to any member or director, the notice shall be given as prescribed in Sections 3.5 or 5.4, whichever is applicable. Whenever notice is given by mail, the notice shall be sent first class mail by depositing the same in a post office or letter box in a postage prepaid, sealed envelope, addressed to the member or director at his last known address, and

such notice shall be deemed to have been given at the time the same is deposited in the United States mail. Provided, however, the Board of Directors may provide for a posting of notice in lieu of the procedures set forth in these bylaws in accordance with the provisions of the Financial Institutions Code of Georgia.

6.2 Waiver. Except as limited by the Financial Institutions Code of Georgia, whenever any notice is required to be given to any member or director by law, by the Articles of Incorporation, or these bylaws, a waiver thereof in writing, signed by the director or member entitled to such notice, shall be deemed equivalent thereto; provided, however, that no such waiver shall apply by its terms to more than one required notice.

ARTICLE VII

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Officers

7.1 Number. The Officers of the credit union shall consist of a Chairman, President and Secretary. In addition, the Board of Directors may from time to time elect or provide for the appointment of such other officers or assistant officers as it deems necessary for the efficient management of the credit union, or as shall otherwise be required by law or regulation. Any two or more offices may be held by the same person, except the offices of Chairman, President and Secretary. The Board of Directors shall have the power to establish and specify the duties for all officers of the credit union.

7.2 Election and Term. All officers shall be elected or appointed by the Board of Directors and shall serve at the will of the Board of Directors and until their successors have been elected or appointed and have qualified, or until their earlier death, resignation, retirement or disqualification.

7.3 Compensation. The compensation of all officers of the credit union shall be fixed by the Board of Directors or by such person or committee as the Board shall designate. Provided, no officer shall be compensated from commissions derived from the sale of credit related insurance (credit life, disability, accident and health insurance, etc.) where premiums paid by a member for such insurance are financed by the credit union as part of the credit extended.

7.4 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without any cause whenever, in its judgment, the best interests of the credit union will be served thereby without prejudice to any contract right to such officer. The credit union shall immediately inform the Georgia Department of Banking and Finance in writing of the names of any officers removed and the reasons for such removal.

7.5 Chairman of the Board. The Board of Directors shall elect or appoint from its number a Chairman of the Board of Directors who shall preside and act as chairman at all meetings of the members and the Board of Directors, and who shall perform such other duties as the Board of Directors may from time to time direct.

7.6 President. The President shall be the chief executive officer of the credit union and shall have general control and supervision over the business and affairs of the credit union. He shall see that all orders and resolutions of the Board of Directors are carried into effect and shall account to the Board of Directors. In the absence of a Chairman of the Board of Directors, the President shall preside and act as

chairman of all meetings of the members and the Board of Directors. He also shall perform such other duties as may be delegated to him from time to time by the Board of Directors. The President, unless he is a member of the Board, shall be an Ex-Officio member of the Board of Directors and shall have all of the rights and responsibilities of a director, including the right to vote on all matters coming before the Board of Directors.

7.7 Officer in Place of President. The Board of Directors may designate an officer who shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President.

7.8 Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members, directors and committees of directors. He shall have authority to give all notices required by law or these bylaws. He shall be custodian of the corporate books, records, contracts and other documents. The Secretary may affix the credit union's seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature.

7.9 Bonds. Any director who is authorized to handle money or negotiable assets on behalf of the credit union and all officers and employees of the credit union shall be bonded by a regularly incorporated surety company authorized to do business in the State of Georgia, and the credit union may pay the cost of such bonds. The form, amount and surety of such bonds shall be approved by the Board of Directors and shall be subject to any additional requirements of the Georgia Department of Banking and Finance.

ARTICLES VIII

* * * *

Shares, Deposits, and Liabilities

8.1 Share Capital. The par value of a share shall be \$_____. No member shall hold more than one share in the credit union. The Share Capital means the sum of the shares of the membership which remain outstanding.

8.2 Deposit Accounts. This credit union may receive funds from its members in the form of deposits on accounts or as evidenced by certificates of deposit issued by the credit union. It may receive savings deposits from non-members at rates of interest not exceeding that rate of interest paid to members for the same class of deposits in such manner as the Board of Directors may provide.

8.3 Notice of Withdrawal. The Board of Directors shall establish days and times for the transaction of Credit Union business, including the withdrawal of deposits. The Board of Directors may require members and non-members to give sixty (60) days' written notice of intention to withdraw the whole or any part of said deposits. Deposits officially pledged as security for loans may not be withdrawn. Subject to limitations of applicable law and regulations, the Board of Directors may establish service charges for activity or inactivity to accounts.

8.4 Terms for Deposit Accounts. The Board of Directors may establish rules, classes, and conditions under which deposits, Savings Clubs, and other accounts may be established.

8.5 Right of Offset. This Credit Union shall have a lien on a member's share and deposits and on dividends or interest payable thereon for and to the extent of any loan made by it to such member and of fines payable to it by such members.

8.6 Minors and Trusts. A share may be issued and deposits may be received in the name of a minor and in trust and such shares and deposits may be treated as other shares and deposits provided the minor is a member.

ARTICLE IX

* * * *

Indemnification

9.1 Indemnification. Any person, his heirs, executors, or administrators, may be indemnified or reimbursed by the credit union for reasonable expense actually incurred in connection with any action, suit, or proceeding, civil or criminal, to which he shall be made a party by reason of the fact that he is or was a director, trustee, officer, employee or agent of the credit union, or that he is or was serving, at the request of the credit union, as a director, trustee, officer, employee, or agent of another firm, corporation, trust, or other organization or enterprise; provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding as to which he shall finally be adjudged to have been guilty of or liable for gross negligence, willful misconduct or criminal acts in the performance of his duties to the credit union, or to such other firm, corporation, trust, organization, or enterprise; and provided further that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding which has been in the subject of a compromise settlement, except with the approval of

- (i) a court of competent jurisdiction,
- (ii) a majority of the members of the credit union, or
- (iii) a majority of the members of the Board of Directors then holding office, excluding the votes of any directors who are parties to the same or substantially the same action, suit, or proceeding.

9.2 Payment of Expenses in Advance. Expenses incurred in defending any action, suit, or proceeding referred to above may be paid by the credit union in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the credit union as provided above.

9.3 Insurance. The credit union, upon the affirmative vote of a majority of its Board of Directors, may purchase and maintain insurance on behalf of any person who is or was a director, trustee, officer, employee, or agent of the credit union, or is or was serving, at the request of the credit union, as a director, trustee, officer, employee, or agent of another firm, corporation, trust, or other organization or enterprise against liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the credit union would have the power to indemnify him against such liability under the foregoing provisions of these bylaws.

9.4 Rights Not Exclusive. The foregoing rights of indemnification or reimbursement shall not be exclusive of other rights to which the persons referred to above, or their heirs, executors, or administrators, may be entitled as a matter of law, and the credit union may indemnify such persons to

the extent permitted by the Financial Institutions Code of Georgia and the Georgia Business Corporation Code, as such laws may be amended from time to time.

ARTICLE X

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Emergency Operations

10.1 General. In the event of an emergency declared by the President of the United States or the person performing his functions, or an emergency declared by the Governor of the State of Georgia or the person performing his functions, the officers and employees of this credit union shall continue to conduct the affairs of the credit union under such guidance from the directors as may be available except as the matters which by Statute or regulation require specific approval of the Board of Directors and subject to conformance with any governmental directives during the emergency. In the absence of a plan of operation formulated by the Board of Directors providing for conducting the business of the credit union during the time emergencies exist, the following provisions shall govern the operations of the credit union notwithstanding any other provisions of these bylaws to the contrary. Provided, further, that all operations shall be consistent with all State and Federal laws governing emergency operations.

10.2 Meeting of Board of Directors. The Board of Directors shall meet as soon as practicable at the time and place within the State of Georgia, or, if no place within the State of Georgia can be utilized promptly, without the State of Georgia, as designated by the Chairman of the Board of Directors, the President, the officer designated pursuant to Section 7.7, or any two directors. Any director may waive notice of such meeting in writing before, at, or after such meeting.

If it shall be determined at such meeting that there are less than five (5) directors then capable of serving, the directors present at such meeting, shall, by majority vote, appoint a sufficient number of persons to fill the vacancies existing in the Board of Directors to bring the total number of directors to not less than five (5).

As soon as a majority of such Board of Directors, consisting of not less than five (5) members, can be assembled at the meeting required by this Section 10.2, or any adjournment thereof, which adjournment can be effected at any time by a majority vote of those in attendance, the Board of Directors as then constituted shall:

- (i) appoint such officers as may be required to transact the business of the credit union to succeed the then appointed or acting officers who have been incapacitated as a result of the emergency, and
- (ii) designate and authorize temporary relocation and establishment of the main office and any branch office of the credit union which may become wholly or partially unusable as a result of the emergency conditions at any other office, or branch office of the credit union, or other location in the State of Georgia, and
- (iii) at its discretion, authorize the entry of the credit union into an agreement with any financial institution whereby the credit union shall act as agent for the other financial institution or the other financial institution shall act as agent for the credit union and perform temporarily any and all operations and functions thereof.

10.3 Interim Administration. Until such time as the meeting of the Board of Directors required by Section 10.2 can be held and action taken by it, and in the event either the President or the officer of the credit union designated pursuant to Section 7.7 cannot be located or is unable to continue normal executive duties, all perfunctory matters ordinarily performed by the President may be performed by any Vice President if such officer or officers have been designated, and if not, by the Secretary of the credit union.

10.4 Interim Office. Until such time as the meeting required by Section 10.2 can be held and action taken by the Board of Directors as then constituted, and in the event that because of damage or disaster the main office or any branch office of the credit union becomes wholly or partially unusable, such main office, or branch office shall be relocated at one of the following locations, if available and usable, and in the following order:

- (1) _____
- (2) Any other branch or location designated by the acting President.
- (3) _____

The Acting President shall notify the State Regulatory Authorities of any such relocation of its main office, or branch offices as promptly as possible.

ARTICLE XI

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Miscellaneous

11.1 Inspection of Books and Records. The Board of Directors shall have power to determine which accounts, books and records of the credit union shall be open to the inspection of members, except such accounts, books, and records that are specifically open to inspection by law, and the Board of Directors shall have power to fix reasonable rules and regulations not in conflict with the applicable law for the inspection of accounts, books and records which by law or by determination of the Board of Directors shall be open to inspection.

11.2 Fiscal Year. The fiscal year of the credit union shall be the calendar year.

11.3 Seal. The corporate seal shall be in such form as the Board of Directors may from time to time determine.

11.4 Annual Statements. The credit union shall prepare such financial statements showing the results of its operations during its fiscal year as shall be required by Regulations of the Department of Banking and Finance. Upon receipt of written request, the credit union shall promptly mail to any member of record a copy of the most recent financial statement.

11.5 Contracts, Checks, Drafts, Reports, etc. Such of the officers or employees of the credit union as may from time to time be designated by the Board of Directors or by the Executive Committee shall have power and authority to sign contracts, checks, drafts and like instruments and to endorse checks,

bills of exchange, orders, drafts and vouchers made payable or endorsed to the credit union whether in its own right or in any fiduciary capacity. Any officer elected or appointed by the Board of Directors may sign reports to the Department of Banking and Finance and such other State and Federal agencies as may be filed, unless otherwise required by law or regulation.

11.6 Legal Restrictions. All matters covered in these bylaws shall be subject to such restrictions as shall be imposed on this credit union by State and Federal law and regulations.

ARTICLE XII

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Amendments

12.1 Power to Amend Bylaws. The Board of Directors shall have power to alter, amend or repeal these bylaws or adopt new bylaws in accordance with Section 7-1-634 of the Financial Institutions Code of Georgia, but any bylaws adopted by the Board of Directors may be altered, amended or repealed, and new bylaws adopted by the members. The members may prescribe that any bylaw or bylaws adopted by them shall not be altered, amended or repealed, by the Board of Directors.

12.2 Conditions. Action taken by the members with respect to bylaws shall be taken by an affirmative vote of a majority of members present at a duly called meeting of the membership, and action by the Board of Directors with respect to bylaws shall be taken by an affirmative vote of two-thirds of all directors then holding office.

12.3 Inspection. A copy of the bylaws, with all amendments thereto, shall at all times, be kept in a convenient place in the credit union, and shall be open to inspection by all members during business hours. The directors may furnish a copy of the bylaws, and all amendments thereto, to all members, provided that all amendments and alterations by the Board of Directors shall be furnished to the members at the first meeting of the members after adoption of said amendments.

12.4 Filing. A copy of the bylaws and all amendments, upon ratification by the members or directors, shall be filed with the Department of Banking and Finance within forty-five (45) days of ratification. Such bylaws and Amendments shall become effective upon written approval by the Department or at such later date established by the Board or members.

APPROVED

STANDARD FORM

STATE CHARTERED

CREDIT UNION

BYLAW AMENDMENTS

STANDARD FORM STATE CHARTERED CREDIT UNION BYLAW AMENDMENTS

The attached Standard Bylaw Amendments have been approved in advance by the Department of Banking and Finance pursuant to Section 7-1-634(a) of the O.C.G.A. Credit unions may adopt these Standard Bylaw Amendments under the following conditions:

- 1) They must be adopted verbatim.
- 2) A notice (letter) should be mailed to the Department within 30 days after the adoption setting forth the date of the adoption and the Amendment(s) that was adopted.
- 3) Non-standard Bylaw Amendments shall not become effective until approved in writing by the Department pursuant to Section 7-1-634(a) of the O.C.G.A.

TO ALLOW THE DIRECTORS TO ESTABLISH 18 AS THE MINIMUM AGE FOR HOLDING OFFICE AND 16 AS THE MINIMUM AGE TO VOTE.

Standard Wording:

4.3(a) Minimum Age for Voting and Holding Office

The board may establish by resolution a minimum age, not greater than 16 years of age, as a qualification for eligibility to vote at meetings of the members and a minimum age, not greater than 18 years of age, as a qualification to hold elective or appointed office, or both.

TO ALLOW FOR THE OPTION OF PROVIDING MAIL BALLOTS TO THE MEMBERSHIP FOR VOTING FOR ELECTED OFFICIALS.

Standard Wording:

4.3(b) Mail Ballot (7-1-663, 80-2-10-.01)

The election of the board of directors shall be conducted by mail ballot as follows:

- 1) The nominations committee, consisting of between three and five credit union members in good standing, one of which shall be a credit union official, shall nominate candidates for each expired term or vacancy. If only one candidate is nominated, in lieu of mail ballot then a vote would be taken at the annual meeting.
- 2) The nominations committee for the ensuing year will be selected from volunteer members at the annual meeting. If more than five members in attendance volunteer for the nominations committee then five will be selected by those members in attendance by a show of hands. If there are no volunteer members or less than three volunteer members, the nominations committee will be staffed in the following order: the volunteer(s) if any, the credit union manager, the secretary, a member of the Credit or Supervisory Committee and the immediate past president of the credit union. In lieu of the above, the Board of Directors may appoint a nominating committee.
- 3) The ballot shall include a brief biographical sketch and accompanying statement of qualifications of up to one hundred (100) words for each candidate.
- 4) The ballot information about the candidates and voting guidelines shall be included in the credit union newsletter accompanying the ballot. If the credit union does not publish a newsletter then a flyer with the information should be mailed to the members.
- 5) A ballot shall be mailed to each member at least sixty (60) days before the annual meeting. The completed ballot shall be mailed back to a post office box designated, in the self-addressed envelope provided. For the ballot to be counted it must be received in the post office box at least ten (10) days prior to the annual meeting.
- 6) Candidate information should be posted on the bulletin board at the credit union offices and in the break room of the sponsor (if allowed by the sponsor).

- 7) Ballots should be marked to include one (1) vote for each candidate. Ballots will not include a write-in option.
- 8) The ballot verification procedures are as follows:
 - (a) The ballots must be tallied by either the Supervisory Committee or independent accountants engaged for the purpose of counting the votes.
 - (b) The results must be certified and maintained under seal at the offices of the credit union until the annual meeting. The chairman of the Supervisory Committee will present the results to the members at the annual meeting.
 - (c) Ballots that are incorrectly completed or illegible will be treated as voided ballots. Voided ballots will not be counted in the final tally but the amount of voided ballots must be disclosed at the annual meeting by the Supervisory Committee Chairman.
 - (d) A tie will be broken by a show of hands at the annual meeting.
- 9) Ballots will be maintained for 90 days after the election and then be destroyed.
- 10) The certification of the final result will become a part of and attachment to the minutes of the annual meeting.

TO ALLOW FOR AN OPTIONAL CREDIT COMMITTEE.

3.13 Order of Business. The order of business at annual meetings of the members shall be in accordance with the following; provided, however, the order of business may be suspended by a majority vote of the members present and voting at the annual meeting:

Order of Business:

- a) Ascertainment that a quorum is present;
- b) Reading and approval (or correction) of the minutes of the last meeting;
- c) Report of Directors;
- d) Financial Report;
- e) Loan Officer Report;
- f) Supervisory Committee Report;
- g) Other Reports;
- h) Unfinished business;
- i) New business other than elections;
- j) Elections;
- k) Adjournment.

4.8 Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, shall designate a supervisory committee, and may designate from among its members an executive committee and one or more other committees, each consisting of three or more persons. Each committee shall have the authority of the Board of Directors in regard to the business of the credit union to the extent set forth in the resolution establishing such committee, subject to the

limitations set forth in State laws and regulations. The Chairman of each committee must be a director and each member of the committee must be a member of the credit union.