

**H. CODE OF ETHICS FOR O BEE CREDIT UNION VOLUNTEERS**

**STANDARDS OF BUSINESS CONDUCT**

**Volunteers**

**O BEE Credit Union**

The volunteers serve the Credit Union membership. The volunteers are committed to ensuring the integrity of their actions and decisions and to follow the highest standards of moral conduct for the best interest of the members. The volunteers agree to meet this commitment by conducting their actions with the following principles of ethics and standards of business conduct:

**CODE OF ETHICS**

- 1. To observe the highest standards of business and personal conduct relating to the business of the Credit Union at all times.**

Volunteers owe a duty of loyalty to the Credit Union and the members to commit to carry out their duties and responsibilities in the best interests of the Credit Union and its members, whose interest must be placed before the individual's interests. No personal favors or special treatment should be expected or accepted. Officers shall exercise their fiduciary responsibilities and perform their duties in good faith, in a manner that they believe to be in the best interests of the Credit Union, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

- 2. To strictly uphold the laws, bylaws, rules, policies, and regulations relating to the operation of the Credit Union.**

Volunteers must comply with policy guidelines relating to the Credit Union's operation. They should examine all information, opinions, reports, or statements — including financial statements and other financial data to be fully informed about the Credit Union's operations. Volunteers shall exercise good business judgment in applying Board policies and ensuring the operations of the Credit Union are conducted in compliance with all applicable laws, rules, and regulations affecting the Credit Union.

- 3. To prevent the use or apparent use of the Credit Union position for personal or financial advantage or special privilege and avoid conflicts of interest with Credit Union policies and operations.**

Volunteers must never use their position for personal profit or gain, must not engage directly or indirectly in any cover-up or obstruction of questionable practices, and must exhibit diligence and a strong sense of honesty in dealing with all Credit Union matters. When a volunteer has a personal interest in a contract, transaction or relationship to which that person, person's family or any business affiliates may be a party, the existence of such interest must be disclosed and the nature of such interest described to the other volunteers' prior to the time any action is taken by the Board or management with respect to the matter. The interested party shall not directly or indirectly participate in any deliberation or determination of the matter and should take all reasonable steps to avoid the conflict or even the appearance of the conflict.

- 4. To carry out the duties and responsibilities of the Credit Union position to the best of one's abilities and to actively participate in opportunities to increase that knowledge and skill.**

Volunteers should participate actively in the decisions and planning of the Credit Union's activities. They should take the time necessary to prepare for, attend, and participate actively in all appropriate volunteer meetings. In particular, Board members should make an effort to understand the economic and social environment in which the Credit Union operates, should review and respond to supervisory agency examinations and review Committee reports, and should promptly discharge all of the duties of their office.

- 5. To follow open, democratic procedures in the nomination and election of officials and in their formulation of Credit Union policy and practices.**

Volunteers are not expected to manage and operate the Credit Union. The Board is responsible for overseeing the management of the Credit Union operation. Board members shall cooperate with all other Board members and Committee members, support majority decisions, and are willing to work toward consensus decisions.

While public disclosure is essential on matters of common knowledge, matters of confidentiality must be treated as such. Information and discussions about confidential Credit Union business must be held in strict confidence to protect the privacy of member information. Disclosure of financial conditions or transactions of members shall be handled by management and can only be made in accordance with applicable privacy laws.

These moral and ethical principles constitute the basis upon which O Bee Credit Union's volunteers will serve the Credit Union members. By acknowledging

these standards, the volunteers commit to exhibit integrity and honesty in all of their actions.

## **STANDARDS OF BUSINESS CONDUCT**

The Credit Union volunteers agree to adhere to the following standards of business and personal conduct and practices:

### **1. Protection of Confidential Information.**

- a. Confidentiality of Credit Union Documents.** The Credit Union provides the volunteers and management, documentation regarding the governance and affairs of the Credit Union, including but not limited to: a Board Policy Manual; a Code of Ethics Policy; monthly Board minutes, meeting agenda and supporting documents; Board resolutions and memoranda of Board and management actions; documents related to the Credit Union corporate, legal and operational issues; Credit Union budget and financial information, business plans and strategies; reports of state and federal examiners; reports of outside auditors and internal auditors and research and supporting documents provided at Credit Union planning conferences, retreats and meetings (collectively “Credit Union documents”).

The protection and proper use of the use of Credit Union documents is essential to ensure sound business decisions by Credit Union management and staff. The Credit Union documents are considered proprietary and confidential to the Credit Union and shall not be disclosed to any third party, except authorized regulatory agencies, law enforcement agencies, authorized agents of the Credit Union or as otherwise expressly permitted by the Board Chair. The Credit Union documents are and remain the property of the Credit Union and all volunteers shall return to the Credit Union or destroy to a point that they cannot reasonably be reconstructed Credit Union documents to the Credit Union when a volunteer no longer serves the Credit Union in any such capacity. No Credit Union documents may be copied or reproduced in any manner except to comply with a requirement of law or as expressly permitted by the Board Chair. Information developed for or provided to the Board by a volunteer is considered Credit Union property and each person waives and relinquishes all rights to such works or property.

- b. Proper Custody of Credit Union Documents.** The Credit Union relies on its business records for making sound financial and business decisions,

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for making representations to its members, government regulators, and the media concerning the Credit Union, and for asserting its legal rights. It is critical that these records be accurate and complete and that they be maintained and disposed of in accordance with applicable professional standards and Credit Union data and record retention policies. It is your responsibility to see that any Credit Union records including those reviewed or generated by you satisfy this high standard and any records in your custody or control are maintained strictly in accordance with published Credit Union document retention policies. In addition, the Credit Union prohibits its Officers and volunteers from destroying, altering, or falsifying Credit Union records when such acts are intended to impede or obstruct the investigation of any governmental or regulatory entity.

- c. Protection of Member Information.** Any information regarding a member or joint account owner or borrower, including personally identifiable financial information, received or generated by the Credit Union, excluding publicly available information, (“Member Information”) shall be held in strict confidence and not disclosed by any volunteer except as authorized by the Board or required by applicable privacy law. Under no circumstances will confidential member information be used for one’s own or anyone else’s personal benefit. Such confidential information shall not be divulged to any person outside the Credit Union. This includes family members, business clients, or associates of any officer, employee, director, agent, or other credit unions or financial institutions. Unauthorized disclosure of confidential information is a failure to perform the person’s position which violates the policy of this Credit Union and constitutes grounds for suspension or removal.
- d. Protection of Credit Union Information.** No financial or other information regarding the Credit Union or any of its activities that could reasonably be expected to affect the Credit Union’s position in the general community is to be related to any person not affiliated with the Credit Union except as authorized by the Board or as required by law. Any other Credit Union matter shall not be related to any person who is not an officer or volunteer of the Credit Union until such information has been made available to the Credit Union members and general public.

**2. Impermissible Investments.**

- a. Prohibited Investments.** No volunteer shall knowingly make any financial investment, direct or indirect, in any affiliate, vendor, customer or supplier of the Credit Union except as outlined below. Any exceptions must be approved in advance by the Board Chair. This prohibition applies to all volunteers and their families and to all forms of investment including, but not limited to, securities, investment in a proprietorship, joint ventures, or similar business activities.
- b. Permissible Exceptions.** Financial investments are permitted in companies who are vendors, customers and/or suppliers if such investments are in publicly traded securities, or if it is otherwise clear such investments are not being made on any terms that are more favorable than those terms available to the general public.
- c. Compliance.** Personal investments or investments of immediate family members should never involve the use of any confidential information which might be considered to be “insider information,” i.e. information not publicly disclosed. Volunteers are expected to comply with all laws and regulations (federal, state, and local). The use of any Credit Union person or resource which is in violation of any federal, state, or local law or regulation is strictly prohibited.

**3. Conflicts of Interest.**

- a. General Rule.** The Credit Union recognizes and respects that volunteers may take part in legitimate financial, business, and other activities outside of their positions with the Credit Union. However, conflicts between the individual interests of Credit Union volunteers and the Credit Union are prohibited. The volunteers shall conduct their private business and personal activities in a manner avoiding conflict of interest either with the Credit Union or its members. A conflict of interest exists when a person engages in an activity that could prevent the person from fully and impartially discharging his or her duties and responsibilities to the Credit Union. The appearance of a conflict of interest exists when a Credit Union employee, officer, volunteer maintains a business relationship with a related party in which one party has the ability to exercise influence over

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business decisions that might unfairly provide an advantage to the related party or the employee. Examples of such activities could include where the Credit Union or Credit Union affiliate is asked to enter into a contract or business relationship with another entity in which a volunteer also holds an ownership interest. In order to avoid the appearance of impropriety, the Board prohibits its volunteers from transacting business with related parties unless such transactions have been approved by the Board Chair and are otherwise in compliance with the Bank Bribery Act Compliance Policy.

- b. Disclosure Responsibility.** Each volunteer shall take responsibility to avoid any conflict between individual personal interests and the interests of the Credit Union. Outside jobs, investments or other activities that may lessen the impartiality of your judgment or interfere with management and oversight effectiveness must be avoided. Volunteers must disclose their outside activities, financial interests, and relationships that may present a possible conflict of interest or the appearance of a conflict of interest and obtain approval from the Board Chair before accepting any position as an officer or director of an outside business concern. Volunteers shall not render services to, represent, or undertake to act for any outside or competing concern, whether for compensation or not, unless the Board Chair determines that such relations with the outside or competing concern do not conflict with the interests of the Credit Union and that there is no reasonable likelihood that the relations will influence the person's judgment or actions in performing duties to the Credit Union.
- c. Prohibited Actions.** No volunteer, or any member of his/her family (including spouse, parents, children, brothers, sisters, or other immediate relatives) shall solicit, accept, or retain any personal benefit from any of the following:

  - (1) A member of the Credit Union.
  - (2) Any individual or organization that is or seeks to be a vendor, customer or supplier of the Credit Union. A personal benefit is defined as any type of gift, favor, service, loan, fee, or other compensation. Exceptions to these prohibitions are limited strictly to normal business courtesies where there is full disclosure and no

improper influence or the appearance of improper influence to the performance of the officer, employee, or volunteer.

- d. Representation of Credit Union.** Representation of the Credit Union members is an important function. Volunteers must exhibit the highest integrity in their positions while representing the Credit Union at any function or when they could be perceived as representing the Credit Union. Volunteers shall not conduct business related to their personal employment while representing the Credit Union.

**4. Outside Relationships and Activities.**

- a. Community Participation.** Volunteers are encouraged to be active and involved participants in the community. **Industry Relationships.** The Credit Union will act with trade associations and other credit unions only to further ethical and beneficial social objectives and will not participate in business activities that are or could be construed to be in violations of anti-trust laws.
- b. Government Relationships.** It is the Credit Union's policy not to contribute money, property, or services to any government official, political party, or candidate whether local, state, or federal. Volunteers may, and are encouraged to, engage in any governmental, regulatory, and elective process in which they are interested. This participation may be on an individual basis, group basis, or as a member of a political action committee. Since the Credit Union is without preference as to political parties, candidates, and opinions, each volunteer must act only on his/her own behalf and not represent that he/she represents the Credit Union in such activities or views.

**5. Public Statements and Representations.**

Although the Credit Union has a policy of maintaining good relations with all news media and tries to accommodate media inquiries, there is much information concerning the Credit Union that should not be made available to the public. This includes information about corporate sponsors or individual members which the Credit Union has a responsibility not to divulge as well as information which might be valuable to a competitor. For these reasons, any inquiry made to a

volunteer about the Credit Union by the media should be referred to the Board Chairperson, or President or Chief Executive Officer.

No officer, employee, volunteer or agent will use any official Credit Union material (e.g. stationary) for personal or non-job related purposes, particularly when such use would reflect unauthorized affiliation or imply endorsement by the Credit Union, or makes reference to Credit Union employment or affiliation in matters of personal dispute. Any correspondence regarding Credit Union business other than in the normal course of business shall be reviewed by the Board Chair, the President, or the Chief Operating Officer prior to mailing and copies shall be retained at the Credit Union office.

**6. Financial Responsibility.**

All volunteers should conduct their financial affairs in such a responsible manner as to be above criticism. The following list is not exhaustive but is intended to be a guide for each volunteer's responsible financial conduct:

- (1) Prompt payment of personal bills and debts.
- (2) Avoid overdrafts in personal checking accounts.
- (3) Use of any Credit Union credit cards, expense account reimbursements, equipment, and supplies only for official Credit Union use.
- (4) Avoid any requests for waived fees or preferential treatment with any account relationship, except specific employee benefit programs.
- (5) Avoid any requests for compensation considerations or the like.
- (6) Officer or volunteer loans are to be in strict compliance with applicable law and internal lending policies and agreements. Incur indebtedness only for legitimate purposes made in accordance with applicable laws, regulations, or guidelines.

**7. Personal Conduct.**

**a. Dishonesty.**

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This Credit Union is required by Washington law and the National Credit Union Administration to consider ineligible for the position of volunteer, any individual who fails to fulfill his or her legal duties and obligations. The volunteers agree the standards for their performance shall be no less than management or employees. Any volunteer who commits an act constituting breach of trust or dishonesty, i.e. theft, fraud, or falsification of Credit Union records, will be subject to suspension or removal from office as permitted by law

**b. Impermissible Practices.**

It is the Board's policy to thoroughly investigate the occurrence of any impermissible practice, and to discipline appropriately any responsible person including volunteers and officers, up to and including termination or removal from office. Impermissible practices include but are not limited to the following:

- (1) Any action which renders an officer, employee, volunteer an unacceptable security risk, adversely affects the Credit Union.
- (2) Release of confidential information or use of confidential information for personal gain.
- (3) Unauthorized possession, distribution, or use of any illegal drug or illegal narcotic.
- (4) Inability to perform work or responsibility due to consumption of alcohol or any other controlled chemical substance.
- (5) Removal or borrowing of Credit Union property without permission.
- (6) Persistent financial irresponsibility.
- (7) Making any threat to a member or Credit Union employee.
- (8) Unauthorized possession of weapon(s).
- (9) Willful destruction or waste of property belonging to the Credit Union.

- (10) Any action materially violating this Code of Ethics.

**8. Bank Bribery Compliance.**

The Bank Bribery Act (BBA) is a federal law that prohibits Credit Union volunteers and employees from giving, offering, promising, demanding, accepting, or agreeing to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of the Credit Union. The Credit Union Board has adopted and maintains the following Bank Bribery Act Compliance Policy.

Under the Bank Bribery Act, the Credit Union's employees, volunteers, agents and attorneys are prohibited from corruptly offering to or accepting from, any person anything of value in connection with any business or transaction of the Credit Union. Therefore, it is the policy of the Credit Union to require all employees, volunteers, agents and attorneys to adhere to the prohibitions of this policy with regard to all business or transactions at Credit Union.

**a. General Prohibitions.**

- (1) All Credit Union employees, volunteers, agents and attorneys are prohibited from corruptly giving, offering or promising, anything of value to any person in return for any business, transaction, service, or confidential information of Credit Union.
- (2) All Credit Union employees, volunteers, agents and attorneys are prohibited from corruptly soliciting, demanding, accepting, or agreeing to accept, anything of value from any person, in return for any business, transaction, service, or confidential information of Credit Union.

**b. Exceptions to General Prohibitions.** Credit Union employees, volunteers, agents, and attorneys may give or receive the following items, without written disclosure to the Board Chair:

- (1) Bona fide salary, wages, fees, or other compensation paid, or expenses paid or reimbursed, to a Credit Union employee, officer, volunteer, agent or attorney in the usual course of business.

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- (2) Gifts, gratuities, amenities, or favors all of reasonable value based on the obvious family or personal relationships (such as those between the parents, children or spouse of a Credit Union employee, officer, volunteer, agent or attorney) where the circumstances make it clear that it is those relationships rather than the business of the Credit Union, which are the motivating factor.
- (3) Meals, refreshments or entertainment, all of reasonable value and in the course of a meeting or other occasion, the purpose of which is to hold bona fide Credit Union business discussions.
- (4) Loans from credit unions, banks or financial institutions on customary terms to finance proper and usual activities of Credit Union employees, officers, volunteers, agents or attorneys, such as home mortgage loans, except where prohibited by law.
- (5) Advertising or promotional material of reasonable value.
- (6) Discounts or rebates on merchandise or services that do not exceed those available to other members.
- (7) Gifts of reasonable value that are related to commonly recognized events or occasions.
- (8) Civic, charitable, educational, or religious organizational awards for recognition of service and accomplishment.

The term “reasonable value” shall mean a value that an ordinary person in a similar position within the Credit Union industry would reasonably expect or believe to be a legitimate business expense for such occasion. Credit Union employees and volunteers may accept items not listed above, with values of \$50.00 or more, provided that the employee or volunteer submits a full written disclosure of all relevant facts concerning the item accepted to the President, or for Directors only, the Board Chair and the acceptance is approved in writing by the President, or Board Chair as applicable.

- c. Disclosures of Potential Conflicts of Interest.** All Credit Union employees, volunteers, agents and attorneys must disclose all potential conflicts of interest with any business, transaction, service, or confidential information of Credit Union (including those in which they have been

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inadvertently placed due to either business or personal relationships with members, suppliers, business associates, or competitors of the Credit Union).

- d. **Disclosure of Offers or Acceptances that Exceed Exceptions.** All Credit Union employees, volunteers, agents and attorneys must disclose all offers or acceptances of anything of value from anyone in connection with any business, transaction, service, or confidential information of Credit Union beyond exceptions above.

**9. Administration and Responsibilities.**

The primary accountability and responsibility for the Code of Ethics and Standards of Personal Conduct rests with each individual volunteer. Each person has the additional responsibility to demonstrate by example what compliance with this policy means. The Supervisory Committee function has the responsibility to monitor and insure the execution of all Credit Union policies. All potential volunteers shall review and sign this policy and disclosure before consideration for office.

**10. Disciplinary Procedures.**

- a. **Enforcement.** The Credit Union shall consistently enforce this Code through appropriate means of discipline, pursuant to procedures adopted by the Board of Directors. Based on these procedures, it shall be determined whether violations of this Code have occurred and, if so, what disciplinary measures will be taken against any person who has so violated this Code.
- b. **Disciplinary Measures and Proceedings.** The disciplinary measures, which may be invoked by the Board of Directors or the Supervisory Committee, as applicable, include, but are not limited to, counseling, warnings, oral or written reprimands, probation, declaration of non-qualification, suspension and restitution as permitted by law.

Persons subject to disciplinary measures shall include, in addition to the violator, others involved in the wrongdoing such as: (a) persons who fail to use reasonable care to detect a violation; (b) persons who if requested to divulge information withhold material information regarding a violation; and (c) supervisors who approve or condone the violations or attempts to retaliate against employees for reporting violations or violators.

**11. Condition of Service.**

Compliance with this Code of Ethics and Standards of Business Conduct shall be a condition of service with the Credit Union as a volunteer and conduct not in accordance with this Code shall constitute grounds for disqualification to serve, disciplinary action, or suspension or removal as permitted by law. This Code of Ethics is not intended to be an all-encompassing policy statement on the part of the Credit Union. The Credit Union Board reserves the right to provide the final interpretation of this Code of Ethics and to revise this Code of Ethics as deemed necessary and appropriate.

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**Acknowledgment and Agreement**

I acknowledge that I have read this Code of Ethics and Standards of Business Conduct for O Bee Credit Union, a copy of which has been supplied to me and which I will retain for future reference, and agree to comply in all respects with the terms and provisions thereof. I also acknowledge that this Code of Ethics and Standards of Business Conduct may be modified or supplemented from time to time, and I agree to comply with these modification and supplements as well. I also acknowledge that compliance with this Code shall be a condition of service and of continued service with the Credit Union, and conduct not in accordance with this Code shall constitute grounds for disciplinary action, including termination of service.

I acknowledge that I have reviewed O Bee Credit Union's Code of Ethics and Standards of Business Conduct and I agree to follow and be bound by its terms for myself and my immediate family.

X \_\_\_\_\_

Date \_\_\_\_\_

**INITIAL STATEMENT OF DISCLOSURE**

1. Do you hold any position or office that might conflict with interests of the Credit Union, or which might influence your independence of judgment in the exercise of your duties with the Credit Union? \_\_\_\_\_
  
2. Do you receive, directly or indirectly, any commission or compensation from the business transactions of or any entity which competes or has business relationships with the Credit Union? \_\_\_\_\_
  
3. Are you employed by or have an ownership, financial or other interest either directly or indirectly, in:
  - a. A competing institution or financial services company of the Credit Union such as a bank, securities or insurance firm or finance company? \_\_\_\_\_
  
  - b. A vendor, customer, contractor or supplier of goods or services or other principal dealing with the Credit Union or other financial institution? \_\_\_\_\_
  
4. Are you participating as an officer, director or employee in any business which provides services to members of this Credit Union or are you indebted to members or vendors other than recognized lending institutions? \_\_\_\_\_
  
5. Are there any circumstances or any other matters of a personal or family nature, direct or indirect, which could conflict with the interest of the Credit Union or any of its affiliates?  
\_\_\_\_\_
  
6. Are you a director of any for-profit company or corporation, outside the Credit Union? \_\_\_\_\_

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7. Are there any professional relationships others could perceive as a conflict of interest in performing your duties as a Credit Union official? \_\_\_\_\_
  
8. Have you received gratuities or reimbursements of gifts from any Credit Union vendors, contractors, or service provider? \_\_\_\_\_
  
9. Are you a volunteer member, or official for any Credit Union trade or professional association? \_\_\_\_\_
  
10. Would any family members answer affirmatively to any of the above questions to the best of your knowledge? \_\_\_\_\_
  
11. Do you have any personal interest or investment that conflicts with the interest of the Credit Union which might influence your independence of judgment in the exercise of your Credit Union duties? \_\_\_\_\_
  
12. Have you used your title, position or office in any activity which lends the appearance of endorsement to an outside organization, product, service or cause?  
\_\_\_\_\_
  
13. Does your spouse or any member of your household receive income from supplying goods or services to Credit Union members or the Credit Union? \_\_\_\_\_  
\_\_\_\_\_
  
14. Is there any other potential conflict of interest that should be on record before discussion or votes on related issues? \_\_\_\_\_

**IF YOU ANSWERED YES TO ANY QUESTIONS, PLEASE EXPLAIN BELOW. IDENTIFY BUSINESS ENTITIES, POSITIONS HELD, ETC, AS APPROPRIATE.**

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I acknowledge that I have reviewed a copy of the “Statement of Disclosure” adopted by O Bee Credit Union’s Board of Directors. I agree to make full and complete disclosure of any conflict of interest I have that is within the intent of disclosure.



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I certify to the best of my knowledge and believe that I have no present conflict of interest within the intent of the resolutions other than those disclosed on this statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please Print Name