



CREDIT UNION ONE CORPORATE GOVERNANCE GUIDELINES

Corporate governance is the process and structure used to direct the affairs of the credit union, with the objective of enhancing member value, which includes ensuring the financial viability of the business and the achievement of strategic objective on behalf of the membership, within the required legal and regulatory framework.

The Board and Management

Credit Union ONE's Board of Directors is responsible for the overall oversight and direction of Credit Union ONE's business to ensure the long-term interests of its member-owners are being served. The Board's primary responsibilities are the setting of the vision, values, and mission; approving and setting risk management standards to assure financial safety and soundness; approving strategic plans, budget and business plans; and evaluating the performance of the President/CEO and credit union in relation to strategic and business plans and budgets. This is accomplished through delegation of authority and assignment of responsibility to the President/CEO to implement directives of the Board of Directors and oversee the daily operations of the business. The primary means of operating the business plans is through the Credit Union ONE Executive Management Team (EMT), which is under the direction of the President/CEO. It is important that the Board of Directors, President/CEO and EMT understand and recognize their respective roles, and maintain the appropriate level of separation between policy making and policy implementation. The Board, President/CEO and the EMT recognize that the long-term interests of Credit Union ONE and its member-owners may be advanced by taking into consideration the interests of the communities Credit Union ONE serves, including members, employees, vendors, community organizations and governmental entities.

Board Committees Credit Union ONE will at all time have the following committees: Audit, Compensation, Nominating, Investments and Corporate Governance. All of the members of the above-referenced committees will be Directors who are all member-owners. The Board will have such additional committees and subcommittees as may be appropriate from time to time. Other committees may include non-director member-owners of the credit union.

In general, committee members will be appointed by the Board based upon the recommendation of the Board Chairperson. Ratification of such recommendations will be made at the first meeting following the Annual Meeting. However, the Corporate Governance will always be comprised of the Chairperson, Vice Chairperson and Secretary/Treasurer. Consideration will be given to the experience of individual Directors and members, and their desires. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a policy. The Board may remove any committee member at any time with or without cause.

Each Board committee will have its own written charter. The charters in general will set forth the purposes, goals, and responsibilities of the committees. The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee

meetings consistent with any requirements set forth in the committee's charter or applicable law. The Chair of each committee, in consultation with the appropriate members of management, will develop the committee's agenda. The schedule for each committee will be furnished to all Directors. The Management of the credit union shall provide the administrative support necessary for the successful operation of each committee.

The Board, the Audit Committee, the Compensation Committee and the Corporate Governance Committee each have the authority to hire, at the expense of Credit Union ONE, independent legal, accounting, financial, or other advisors as they may deem necessary without consulting in advance, or obtaining the approval of, any officer of Credit Union ONE. The engagement of such advisors will be reported to the President/CEO unless a majority of the Board believes it is in the best interest of the credit union to maintain the confidentiality of such engagement. Expenses for such activities will be reported to the President/CEO (unless the previous paragraph related to confidentiality applies) and the entire Board of Directors. Appropriate budgetary consideration and expenses are required for the engagement of any outside third parties to support the Board or any of its committees.

Director Nominations The Nominating Committee will recommend nominees for directorships in accordance with the Bylaws of Credit Union ONE. Criteria for assessing nominees will include a potential nominee's ability to represent the long-term interests of the credit union's three core constituencies: its member-owners, the communities it serves and its employees. Minimum qualifications for a director nominee are experience in those areas that the Board determines are necessary and appropriate to meet the needs of the Credit Union, including leadership positions in business organizations, or not-for-profit, professional or educational organizations. For those proposed director nominees who meet the minimum qualifications, the Committee shall then assess the proposed nominee's specific qualifications, evaluate his or her independence, and consider other factors, including skills, geographic location, considerations of diversity, standards of integrity, memberships on other boards (with a special focus on Director interlocks), and ability and willingness to commit to serving on the Board for an extended period of time and to dedicate adequate time and attention to the affairs of the credit union as necessary to properly discharge his or her duties.

Director Responsibilities The basic responsibility of the Directors is to exercise their business judgment in good faith, fulfill their fiduciary and legal duties, and to act in what they reasonably believe to be in the best interests of Credit Union ONE. In discharging such obligations, Directors are entitled to rely on the honesty and integrity of their fellow Directors, Credit Union ONE's senior executives and outside advisors and auditors.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors should review in advance of the meeting the information and data that are distributed to them. Failure to attend and/or participate in Board or committee meeting or activities may result in removal from the Board and/or a committee.

The Chair will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review Credit Union ONE's financial statements, long-term strategic plans and the principal issues that Credit Union ONE anticipates facing in the future during at least one strategic planning meeting each year, and as deemed necessary to meet goals and objectives.

The Board will provide for appropriate funding for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Credit Union ONE; (ii) compensation to any independent outside legal, accounting, financial or other advisers employed by a committee that are necessary or appropriate in carrying out its duties.

The Board believes that the President/CEO or any member of the EMT designated by the President/CEO speaks for Credit Union ONE. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with Credit Union ONE. However, it is expected that Board members will do this only with the knowledge of the President/CEO and absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

Board Size As of September 1, 2007, the Board has 8 members. Credit Union ONE considers Board size in light of the availability of qualified Directors, the requirements imposed on Directors and the issues facing the Board from time to time.

Service on Other Boards Credit Union ONE Directors members may not serve on more than three other for-profit or non-profit boards in addition to the Credit Union ONE Board, none of which can be related to financial services. One or more Directors may sit on the Board of Directors of any subsidiary or affiliate company of Credit Union ONE. In no circumstance may service on another board violate and legal or regulatory requirements.

Service on Other Audit Committees Members of Credit Union ONE's Audit Committee may not serve on more than two other boards or audit/legal committees, none of which can be related to financial services.

Director Retirement The Board does not believe it should establish term limits. Term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into Credit Union ONE and its operations and, therefore, provide an increasing contribution to the Board as a whole.

Depending on the tenure of service and contributions made to Credit Union ONE, the Board of Directors may appoint one or more retiring board members as a Director Emeritus. The status of such designation, including term and rights and responsibilities, is at the discretion of the Board of Directors.

Director Access to Officers and Employees Directors have full and free access to officers and employees of Credit Union ONE. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of Credit Union ONE and will, to the extent appropriate, copy the CEO on any written communications between a Director and an officer or employee of Credit Union ONE. It is expected that Directors will not put employees or officers in the position of maintaining the confidentiality of their communications from the CEO or other senior management.

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of Credit Union ONE as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of, or no, management representatives.

Code of Business Conduct and Ethics for Employees Credit Union ONE strongly believes in fostering a culture of honesty, accountability and integrity. Credit Union ONE has adopted a Code of

Business Conduct and Ethics for Employees to promote ethical behavior. It addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws, rules and regulations and encouraging the reporting of any illegal or unethical behavior. Any waiver of the Code of Business Conduct and Ethics for Employees by an executive officer may be made only by the Board or a Board committee.

Code of Business Conduct and Ethics for Members of the Board of Directors

Credit Union ONE has adopted a comprehensive Code of Business Conduct and Ethics for Members of the Board of Directors, and Directors are expected to act at all times in accordance with its requirements. It addresses, among other things, conflicts of interest, corporate gifts, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws, and the reporting of illegal/unethical behavior. Any waiver of the Code of Business Conduct and Ethics for Members of the Board of Directors may be made only by the Board of Directors.

Director Compensation All Directors serve as volunteers and are representatives of the member-owners of the credit union. As such there is no compensation for service on the Board of Directors of Credit Union ONE.

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 Credit Union ONE's strategic plans, its significant financial, accounting, and risk management issues, its compliance programs, its various codes of ethics, its principal officers, and its auditors.

CEO Evaluations and Management Succession The Board of Directors will conduct an annual review of the President/CEO's performance which shall be facilitated by the Compensation Committee, as set forth in its charter. The Compensation Committee will also make recommendations regarding the compensation and benefits provided to the President/CEO and other senior executive level employees.

The Compensation Committee should periodically report to the Board on succession planning. Succession planning should include policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the President/CEO.

Annual Performance Evaluation The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee will review such self-evaluations. Annually, a report will be made to the Board on the assessment of the performance of the Board and its committees. 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 Credit Union ONE and specifically focus on areas in which the Board or management believes that the Board or its committees could improve.

Adopted: September 27, 2007