



CREDIT UNION ONE AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee ("Committee") assists the Board in monitoring: (1) the internal control over financial reporting of Credit Union ONE (the "Credit Union") and the audits of its financial statements; (2) the independent auditor's qualifications and independence; (3) the performance of the Credit Union's internal audit function and independent auditors; (4) enterprise risk management standards; and (5) compliance by the Credit Union with legal and regulatory requirements.

Membership

The Committee shall consist of no fewer than three members, none of which may be Board Officers. Committee members must be able to read and understand financial statements at the time of their appointment.

Meetings

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically with management and auditors in separate executive sessions, and as may be required by law or regulation. The Committee may request any officer or employee of the Credit Union or the Credit Union's outside counsel or auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Authority and Responsibilities

The Committee shall consult with management regarding the appointment of internal and/or independent auditors.

To make or cause to be made, as required by the Michigan Credit Union Act and rules and regulations governing the operation of credit unions, a comprehensive audit of the books and records of the credit union not less than annually. Such comprehensive audit shall be an independent review of the internal policies, procedures, and controls of the credit union and its compliance with them as necessary for the reviewing party to come to a reasonable conclusion that the financial statements of the credit union fairly and accurately represent the condition of the credit union.

To verify, under controlled conditions, all member accounts with the records of the credit union at least once every two (2) years. A statistical sampling procedure may be used in lieu of verifying all member accounts provided it is performed in accordance with generally accepted auditing standards. Records of those accounts so verified must be retained until the following verification of members accounts is completed.

To the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Credit Union shall provide for appropriate funding, as determined by the Committee, for payment of compensation to auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

The Committee Chairperson or designee, shall make reports to the Board at the next regularly scheduled meeting of the Board after a Committee meeting is held, unless a special meeting is required.

Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

To the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

Review and discuss with management and auditors the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board to accept and adopt such financial statements for publication in the Credit Union's Annual Report to Members.

Discuss with management and auditors any significant financial reporting issues and judgments made in connection with the preparation of the Credit Union's financial statements, including any significant changes in the Credit Union's selection or application of accounting principles, any major issues as to the adequacy of the Credit Union's internal controls and any special steps adopted in light of material control deficiencies.

Annually review and discuss reports received from auditors on: (a) All critical accounting policies and practices to be used; (b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; (c) Other material written communications between auditors and management, such as any management letter or schedule of unadjusted differences.

Discuss with management and auditors any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Credit Union's internal control over financial reporting.

Oversight of the Credit Union's Internal Audit Function

Review the appointment an internal auditor who may be an independent audit firm engaged to perform this function or an individual employed by the credit union.

Review the significant reports to management prepared by an internal auditor together with management's responses and follow-up to these reports.

Compliance Oversight Responsibilities

Receive reports from management, the Credit Union's Security and Compliance Officer and auditors that the Credit Union is in conformity with applicable legal and regulatory requirements and the Credit Union's Codes of Ethics.

Review reports and disclosures of insider party transactions. Advise the Board with respect to the Credit Union's policies and procedures regarding compliance with applicable laws and regulations and with the Credit Union's Codes of Ethics.

Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Credit Union's financial statements or accounting policies.

Discuss with management any reports of examination issued by state or federal regulatory agencies with oversight or authority over the operations of the Credit Union, and any responses to such reports.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Credit Union's internal control over financial reporting is effective or that its financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and auditors.

Adopted: September 27, 2007