



BYLAWS OF

BHCU

**Updated as of 28 February, 2022
Ratified as of 30 March, 2022**

ARTICLE I

NAME, LOCATION and BUSINESS HOURS

- Section 1. This Credit Union shall be known as BHCU.
- Section 2. The business of this Credit Union shall be transacted in any city, borough, or township, designated in the articles of incorporation of this Credit Union filed in the office of the Secretary of the Commonwealth of Pennsylvania.
- Section 3. The principal office of the Credit Union shall be located at 501 Industrial Highway, Ridley Park, Pennsylvania. The location of the principal office may be changed at any time by a resolution of the Board of Directors. Written notice of such change shall immediately be given to all members and to the Department of Banking.
- Section 4. Offices of the Credit Union shall be open for business during such hours and on such days as the Board of Directors shall determine.

ARTICLE II

MEMBERSHIP

- Section 1. The membership of this Credit Union shall be limited to such persons and associations as are set forth in the Articles of Incorporation files in the office of the Secretary of the Commonwealth of Pennsylvania. A member of this Credit Union is any person or association having the equivalent of one or more shares in the Credit Union standing to his/her or its credit or who has subscribed for at least one share and paid the first installment thereon.
- Section 2. Applications for membership shall be signed by the applicant, and approved by the Membership Officer or his/her designated representative, or the Board of Directors. A list of all applications approved or disapproved shall be presented to the Board monthly.
- Section 3. Every applicant elected to membership shall pay no entrance fee and shall subscribe to the purchase of not less than one share.
- Section 4. A member who leaves the field of membership of the Credit Union shall retain all rights, privileges, and obligations as provided by law.

ARTICLE III

MEMBERSHIP MEETING

- Section 1. The annual meeting of the members shall be held during February or March of each year.
- Section 2. Special members meetings may be called by the Chairman of the Board or the Board of Directors. Special members meetings shall be called by the Chairman of the Board upon written request of five (5%) percent of the membership not to exceed five hundred (500) members. Special members meetings held in response to the written request of an appropriate number of members shall be held within ninety (90) days of when the Chairman receives an appropriate written request for the same. Such written request shall fairly identify the reason for a special members meeting. No business other than that specified in the notice of the meeting shall be transacted at a special members meeting. Special members meetings called for by membership written request shall not be held more frequently than every 120 days.
- Section 3. Notice of all special members meetings and/or annual members meetings shall be given by the Secretary, who shall, at least five (5) days before the date of the meeting, post a notice thereof, specifying the time, place and hour of the meeting, in a conspicuous place in the office of the Credit Union. A copy of said notice shall be mailed or delivered in person to each member.
- Section 4. At annual or special members meetings, fifteen (15) members shall constitute a quorum.
- Section 5. Any item or items to be voted upon at a special members meeting shall be framed in a written ballot which shall be mailed to all members. The written ballot shall be prepared by the Board of Directors. Each member shall be permitted to vote: I) by mailing their executed ballot to the elections officer - each such ballot must be received prior to the time of the special members meetings; or II) via the internet - each such internet vote must be received prior to the time of the special members meeting.
If no quorum is present, an adjournment shall be taken to a date not less than seven (7) days thereafter. Notice of adjourned meetings shall be given in the same manner as provided in Section 3 of this article for the original meeting.

Section 6. The order of business of the annual meeting of the members shall be:
Roll Call
Reading and Approval of Minutes of Last Meeting
Report of Directors
Report of Treasurer
Report of Loan Officer
Report of Supervisory Committee
Unfinished Business
New Business
Elections
Adjournment

ARTICLE IV

ELECTIONS

Section 1. The Chairman of the Board shall appoint a nominating committee of three (3) members at least sixty (60) days prior to the annual meeting. A member of the Credit Union Board of Directors shall not be appointed to the nominating committee if he/she is running for an elected office position serving the Credit Union. It shall be the duty of the nominating committee to nominate one or more members for each vacancy for which elections are being held. Each individual desirous of receiving the nomination of the nominating committee shall at least fifty (50) days prior to the date of the election submit a resume on a form designed by the Board of Directors to the Nominating Committee detailing their qualifications for the position sought. The nominating committee shall review the resumes of the candidates and perform any investigations as they deem necessary to arrive at a list of nominees and recommended nominees. The nominating committee shall refuse to place on the ballot any individual who is disqualified based upon the list of Board of Directors Nominating Criteria attached hereto.

After the nominating committee arrives at its list of nominees and recommended nominees, a ballot shall be prepared by the nominating committee and shall be mailed to all Credit Union members. Each member shall be permitted to vote either 1) by mailing their executed ballot to the elections officer - each such mail-in ballot must be received by the elections officer via the U.S. mail at least one week prior to the time of the annual meeting or 2) via the internet - each such internet vote must be received at least one week prior to the time of the annual meeting.

The elections officer, appointed by the Board, shall be such individual or entity who shall receive and safe keep any mail-in ballots, and deliver the same at the annual meeting. Such individual shall also be charged with counting the internet vote. Such individual shall also determine the validity of disputed ballots.

Section 2. When the voting is closed the elections officer shall tally the vote and the results shall be announced at the annual meeting. All elections shall be by ballot except where there is only one nominee for the office. All elections shall be by plurality vote.

Section 3. The Board of Directors shall consist of no less than nine (9) or no more than fifteen (15) members. All terms of office of all Directors shall be for three years and shall be so fixed that an equal number of terms shall expire at each annual meeting.

Section 4. Any vacancy occurring on the Board of Directors between annual meetings shall be filled by the Board of Directors. Any Director appointed by the Board to fill such vacancy shall serve only until the next annual election. At the next annual election, a Director shall be elected to serve for the unexpired term of such vacancy.

ARTICLE V

DIRECTORS AND OFFICERS

- Section 1. A meeting of the newly elected Board of Directors shall be held within ten (10) days after the annual meeting of this Credit Union at which time there shall be elected from its membership a Chairman of the Board, one or more Vice-Chairmen of the Board, a Treasurer and a Secretary who shall serve for a period of one year or until successors are elected and installed. The office of Treasurer and Secretary may be held by one person.
- Section 2. The Directors may appoint from the membership one or more Assistant Treasurers.
- Section 3. The Board of Directors shall hold regular monthly stated meetings the day or date of which shall be fixed by the Board and properly recorded in the minutes. At all meetings a majority of the total directorate shall constitute a quorum. Special meetings of the Board may be called by the Chairman of the Board, and shall be called by the Chairman of the Board upon written request of three (3) members of the Board.
- Section 4. The Board of Directors shall have general management of the affairs of the Credit Union and shall fulfill the duties and have such other authority as is provided by law. The Board shall designate the depository banks of the Credit Union and the persons who shall have control, with the Treasurer, of the securities of the Credit Union. The Board shall at all times have free access to the books and records of the Credit Union.
- Section 5. If a Director fails to attend monthly stated meetings of the Board for three (3) consecutive meetings or a total of four (4) stated meetings in a calendar year, his/her office may be declared vacant by a two thirds majority of the entire Board and the vacancy filled as provided by law. During the absence of any officer from a meeting of the Board, the Board may appoint another of its members to act temporarily in his/her stead.
- Section 6. The Chairman of the Board shall preside at meetings of the members and of the Board of Directors, shall countersign all checks, notes and drafts drawn by the Credit Union only if in excess of the highest maximum loan amount in effect, and shall have such other powers and perform such duties as are generally exercised by and appertain to the office of the Chairman of the Board, or as may be assigned by the Board of Directors.
- Section 7. A Vice-Chairman of the Board shall perform the duties of the Chairman in the event of the absence or disability of that officer and such other duties as the Board of Directors may assign.

Section 8. The Treasurer shall have such duties and authority as are generally exercised by and appertain to his/her office or as may be assigned by the Board of Directors.

The Board of Directors shall be responsible for ascertaining that the surety bond is maintained at least at the minimum level required by law.

Section 9. A President/Chief Executive Officer, reporting to the Board of Directors, shall be the active manager of the Credit Union. He/she shall oversee the keeping of proper books of account satisfactory to the Department of Banking. He/she shall prepare a financial statement and statistical report showing the condition of the Credit Union as of the close of each month, and shall be posted within fifteen (15) workdays after the close of each month in a conspicuous place in the office of the Credit Union where it shall remain until replaced by the statement of the succeeding month.

Section 10. In the event of the emergency absence of the CEO, the BOD' shall meet and appoint an acting CEO. If the BOD designee cannot fill the position, then the BOD will take the necessary steps to provide for the duties and responsibilities of the CEO until such time as the CEO returns or a new CEO is named. Surety bond coverage for the acting CEO shall be the same as the President/Chief Executive Officer.

Section 11. The Secretary shall keep a correct record of all meetings of the members and of the Board of Directors. He/she shall give notice of all meetings of the members in the manner provided by the bylaws and shall perform such other duties as are generally exercised by and appertain to his/her office or as may be assigned by the Board of Directors.

Section 12. The Board of Directors shall authorize the CEO to appoint a Membership Officer(s) from the staff of the Credit Union.

ARTICLE VI

SUPERVISORY COMMITTEE

Section 1. The Supervisory Committee shall be appointed by the Board, selected from the membership of the Credit Union, and consist of not less than three members nor more than five members. No BHCU Board of Director or employee of BHCU, may be appointed to the Supervisory Committee.

The regular term of office of a member of the Committee shall be three years, commencing at the next Annual Meeting of BHCU membership (“Annual Meeting”). The Board shall ensure, however, that approximately an equal number of regular terms expire at each Annual Meeting.

The Committee members shall choose from among themselves a Chair and a Secretary. The offices of Chair and Secretary may be held by the same person. The Secretary shall keep a record of all meetings of the Supervisory Committee and prepare, maintain, and have custody of the records of all actions taken by the Committee. These reports and records shall become part of the records of the Credit Union.

Upon expiry of a member’s term of office, the member may be reappointed by the Board for a further term. Any vacancy on the Committee will be filled as soon as possible through appointment by the Board of a new member to serve until expiry of the regular term.

Section 2. The Supervisory Committee of BHCU supports the Board of Directors in fulfilling its oversight responsibilities for the following:

- Integrity of financial reporting;
- Compliance with legal and regulatory requirements;
- Appointment and supervision of independent auditors;
- Oversight of internal audit functions;
- Evaluation of internal controls and operational risk management.

A Supervisory Committee shall ensure that a comprehensive annual audit is completed by an outside CPA firm, assessing the financial affairs of the credit union. The audit shall include a written report as required by PA Title 17 and CFR Title 12, Chapter VII, Subchapter A, Part 715 and shall submit a report of the audit to the BHCU CEO and Board of Directors.

Section 3. The Committee shall convene a minimum of once each quarter per calendar year and may meet more frequently if needed. All Committee members need to attend a minimum of two quarterly scheduled meetings per year. Meetings may be attended in person, or virtually.

Meeting agendas and minutes will be prepared and distributed based on an agreed upon timeframe. Roberts Rules of Order will be the meeting protocol.

Section 4. The Committee shall have the sole authority to retain or terminate consultants to assist the Committee in the fulfillment of its duties. The Committee shall have sole authority to determine the terms of engagement and the extent funding is necessary for payment to any counsel, advisor, consultant or other professional retained to advise the Committee. The Committee also shall have sole authority over ordinary administrative expenses that are necessary or appropriate in carrying out its duties.

The BOD will provide the Supervisory Committee with an annual budget to perform their duties. If that budget is to be exceeded, they must get pre-approval from the BOD for additional funds.

ARTICLE VII

LOANS TO MEMBERS

- Section 1. Loans shall be made only for the purpose and upon the conditions by law provided and only to the members by law permitted to borrow.
- Section 2. A Credit Union may make loans to its members only. Loans must be for a purpose deemed by the Loan Officer to be provident or for productive purposes, and must be made subject to the conditions contained in the bylaws. A borrower may repay his/her loan, in whole or in part, any day the office of the Credit Union is open for business. A director, officer, or member of any committee may only borrow from the Credit Union in which he/she holds office, an amount not exceeding the unsecured loan limit as prescribed by law, plus the member's shareholdings or the unpledged and free shares of another member of this Credit Union pledged as security for such loan. In no case shall the loan exceed the legal limit. He/she shall have the same mortgage borrowing privilege as defined by law. No director, officer, or member of any committee may endorse a loan granted by the Credit Union in which he/she holds office.
- Section 3. Applications for loans shall be in writing, shall state amount of loan, purpose of loan, security offered on loan, amount outstanding to the credit of the borrower and each co-maker or endorser on the books of the Credit Union at the time of application, existing liability of the borrower, co-maker or endorser at the time of application, and such other information as the Loan Officer shall be prescribed. Applications for loans shall be approved as provided by law.
- Section 4. Loans shall be evidenced by a note signed by the borrowing member and such other person or persons as may have been required as co-makers or endorsers by the Loan Officer. The note shall be filed with the application as a record of the Credit Union and the note shall be returned to the borrower upon final payment of the loan, but the application shall remain in possession of the Credit Union and shall be filed with its records.
- Section 5. The rate of interest charged on loans shall be established by Board of Directors and shall not exceed the rate fixed by law. A loan may be repaid in full at any time.
- Section 6. The Board of Directors may authorize the charging of a fine when any installment payment is overdue to the maximum extend provided by law.

ARTICLE VIII

SHARES

- Section 1. Shares in this Credit Union shall have a par value as designated in its articles of incorporation.
- Section 2. Shares may be paid in cash when subscribed or may be paid in installments.
- Section 3. The maximum amount or number of shares which may be purchased or subscribed by any member shall be determined from time to time by the Board of Directors.
- Section 4. Shares may be purchased or subscribed for in the name of a minor child of a member. Shares may be purchased or subscribed for by a member as trustee for any person designated by such member. Shares may be purchased or subscribed for by a member in joint tenancy with right of survivorship with any person designated by such member. No such minor, beneficiary, or joint tenant may vote, hold office or borrow from the Credit Union unless he/she is otherwise a qualified member.
- Section 5. Shares or the money paid in on subscribed shares may be withdrawn at any time the office of the Credit Union is open for business; provided, however that the Board of Directors may require a notice of withdrawal not exceeding sixty (60) days. When the demand for withdrawal is greater than the funds available, such withdrawal shall be paid in the order in which received as funds become available. Applications for withdrawal shall be made in writing in the form prescribed by the Board of Directors.
- Section 6. Every share shall be subject to an automatic lien for the payment of any indebtedness due the Credit Union by the owner thereof as maker, co-maker or endorser on any loan due the Credit Union which lien shall be enforceable against such share by the forfeiture and cancellation thereof by resolution of the Board of Directors and the application of the proceeds or so much thereof as may be necessary to pay the amount due the Credit Union.
- Section 7. No charge shall be made for withdrawal or cancellation of shares.

ARTICLE IX

DIVIDENDS

- Section 1. The Directors of the Credit Union may declare dividends from net earnings, which dividend shall be paid on all shares outstanding at the end of the stated period. No dividend shall be paid that will cause the credit union's capital classification to fall below adequately capitalized under PA Department of Banking regulations.
- Section 2. Dividends shall be paid on all shares. On shares which have become fully paid during the dividend period, the dividend to be paid shall be calculated from the first of the month following such payment in full.
- Section 3. Within the discretion of the Board of Directors, payments on all shares which are made within the first five (5) days of a month may be entitled to dividends for the full month in which such payment is made.
- Section 4. The Board of Directors may authorize an interest refund to be paid to all eligible borrowers and or savings. Such interest refunds, if authorized, must be declared by the Board of Directors. Refund approval must be authorized by the PA Department of Banking. Such interest refund may be distributed in the manner provided by the Board of Directors. No interest refund shall be paid that will cause the credit union's capital classification to fall below adequately capitalized under PA Department of Banking regulations.

ARTICLE X

RESERVES

- Section 1. A reserve fund shall be established and maintained in accordance with existing law. Uncollectible loans shall be charged to the Reserve Fund upon approval of the Board of Directors, or as otherwise required by the Department of Banking as provided by law. Uncollectible loans shall be deducted from current earnings prior to determination of dividends if no funds are in the reserve account.

ARTICLE XI

EXPULSION

Section 1. A member may be expelled from membership in the Credit Union in the manner provided by law.

ARTICLE XII

DISSOLUTION

Section 1. This Credit Union may be dissolved at any time in the manner provided by law.

ARTICLE XIII

AMENDMENTS

Section 1. These bylaws may be altered, amended or repealed as provided by law. All bylaw amendments shall be forwarded to the Department of Banking in duplicate for final approval.

BHCU BOARD OF DIRECTORS
NOMINATING COMMITTEE CRITERIA

1. No one shall be placed upon the ballot by the Nominating Committee if that individual has a criminal conviction within the ten (10) years prior to the date nominations are made.
2. No one shall be placed upon the ballot by the Nominating Committee if that individual is not able to be bonded by the Credit Union's current bonding company.
3. No one shall be placed upon the ballot by the Nominating Committee to the extent that within seven (7) years prior to the date for nominations that individual has had charge-offs, delinquencies, and/or has filed bankruptcy.
4. No one shall be placed upon the ballot by the Nominating Committee unless that individual has obtained a high school diploma or its equivalent.
5. No one shall be placed upon the ballot by the Nominating Committee unless such individual is a member in good standing of BHCU.
6. No one shall be placed upon the ballot by the Nominating Committee unless such individual shall agree to sign an authorization permitting the Committee to perform a credit check and/or otherwise investigate an applicant's background
7. No one shall be placed upon the ballot by the Nominating Committee to the extent such individual shall give false, misleading, and/or inaccurate information to the Nominating Committee about that individual's qualifications.
8. No one shall be placed upon the ballot by the Nominating Committee unless such individual has filled out a Board of Directors application, a copy of which is attached hereto.

APPLICATION

1. Full Name:
2. Address (Current and for the last ten years):
3. Social Security Number:
4. What is the highest grade you completed in school?
5. Did you graduate from High School? If so, please state where you graduated from and the year of graduation.
6. Have you obtained the equivalent of a High School diploma? If so, please state when you received it and how it was obtained?
7. Employment (Please provide names of employers and addresses of employers for each job held for the past ten years):

8. Please provide a statement of all your experience, education and attributes which you believe qualify you for the position sought.

9. Please state why you would like to be a Board Member.

10. Have you ever been arrested? If so, please specify the circumstances around the arrest, including the ultimate disposition, the date of arrest, the place of arrest, and final disposition.

11. Have you ever been convicted of a crime? If so, please specify when and where the conviction occurred and what the crime was?

12. Have you ever been turned down for bonding approval? If so, please provide the circumstances.

STATEMENT OF QUALIFICATIONS

I _____, do hereby wish to have my name considered for placement on the ballot for BHCU Board of Directors election. I hereby authorize the nominating committee to perform a credit check and to otherwise investigate my background to determine my suitability for the position sought.

I understand that any inaccurate statement provided by me in my Statement of Qualifications will operate immediately to disqualify me from placement upon the ballot.
