



# Bylaws of Avadian Credit Union

*As amended and approved at the Annual Meeting  
of the Membership February 17, 2018.*

## **ARTICLE I - NAME AND LOCATION**

**Section 1.** The name of this Credit Union shall be Avadian Credit Union.

**Section 2.** The Board of Directors shall have the authority to change the place of the principle office of the Credit Union and to establish branch offices anywhere within the State of Alabama. With written approval of the Administrator of the Alabama Credit Union Administration, the Credit Union may establish branches in other states.

**Section 3.** The Administrator of the Alabama Credit Union Administration shall be immediately notified of any changes in location or address of any office and of the location of additional offices or branches which are established.

## **ARTICLE II - PURPOSE**

**Section 1.** The purpose of this Credit Union shall be:

- a. To promote thrift.
- b. To make loans to its members at reasonable rates of interest.
- c. To receive deposits from its members.
- d. To invest any surplus not required for loans to members in the way and manner by law provided.
- e. To exercise those functions described in the laws of the State of Alabama authorizing the organization of credit unions.

## ARTICLE III - MEMBERSHIP

**Section 1.** The field of membership shall be limited to:

- a. Employees of AT&T, Inc. and its subsidiaries, located in the State of Alabama.
- b. Employees of any telephone company and subsidiaries operating in the State of Alabama.
- c. Current or former representatives of the Communications Workers of America and Officers of Locals of that organization, also Locals of Communications Workers of America located in Alabama.
- d. Employees of Avadian Credit Union.
- e. Members of such other groups as are approved by the Board of Directors of this Credit Union and the Administrator of the Alabama Credit Union Administration.
- f. Former employees of companies and organizations described in A, B and C above.
- g. Persons related by blood or marriage to any member of this Credit Union.

**Section 2.** Membership status is determined by approval of the Board of Directors or by a designated representative.

- a. An applicant shall not be admitted to membership until
  - (a) it shall have been determined that he/she is eligible for membership;

(b) his/her written application for membership shall have been approved by the affirmative vote of a majority of the Board of Directors present at the meeting at which the application is acted upon, or a majority of the members of a duly appointed and authorized executive committee present at such a meeting, or by a membership officer duly appointed by the Board;

(c) he/she shall have qualified as a member by paying any entrance fee or membership fee, or both, established by the Board of Directors; and

(d) subscribing for at least one share of this credit union and paying the first installment thereon.

b. Subject to any special conditions established by the Board of Directors, a member who is no longer within the field of membership may retain his/her membership.

## **ARTICLE IV - MEETINGS OF MEMBERS**

**Section 1.** The Annual Meeting of the members shall be held in February of each year. At least twenty-one (21) days before the date of any Annual Meeting, or twenty-one (21) days before the date of any special meeting of the members, the secretary shall cause written notice thereof to be handed to each member in person, mailed to each member's address as the same appears on the records of this Credit Union, or communicated by electronic means. The Board of Directors shall be responsible for determining the date, time and location of the Annual or Special Meeting. Notice of any special meeting shall state the purpose for which it is to be held, and no business other than that related to this purpose shall be transacted at the meeting.

**Section 2.** Thirty (30) members shall constitute a quorum. If a quorum is not present on the date first appointed for a regular or special meeting of the Credit Union, the meeting shall be adjourned for ten days and a second notice shall be sent to all the members containing the date of the adjourned meeting, at which said adjourned meeting those then present shall constitute a quorum for the transaction of business.

**Section 3.**

(a) Special meetings of the members may be called by the Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, subject to the provisions of Article IV, Section 3 (c).

The date of any such special meeting called by the Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, shall be not more than 30 days after such meeting is called.

(b) Subject to the provisions of Article IV, Section 3 (c), a special meeting shall be called by the secretary pursuant to a written request of 30 members of the membership as of the date of the request provided that such written request sets for the purpose of such meeting. The date of a special meeting called pursuant to the written request by the requisite number of members shall be at a time designated by the Board of Directors, but not more than 45 days after the submission to the secretary of such written request.

(c) In the event that the Credit Union has called a special meeting during the calendar year, then any call for a special meeting by the Chairman of the Board of Directors, the secretary, the Board of Directors, or the Supervisory Committee (including a meeting called pursuant to Article VI, Section 3 (b), may be submitted by the Board of Directors to the Administrator of the Alabama Credit Union Administration who shall determine the advisability of calling such special meeting. In order to submit the advisability of holding

a special meeting to the Administrator of the Alabama Credit Union Administration, the Board of Directors must, within 15 days after receipt of the secretary of a written request for the special meeting or 15 days after a call for a meeting by the Chairman of the Board of Directors, the Board of Directors or the Supervisory Committee, make written request to the Administrator of the Alabama Credit Union Administration that he/she determine the advisability of holding a special meeting. If no such request is mailed or delivered to the Administrator of the Alabama Credit Union Administration within said 15 day period, then the special meeting will be held. If the Administrator of the Alabama Credit Union Administration determines that it is not advisable to hold such special meeting, then a special meeting will not be held and the purpose of such special meeting may be acted upon at the next annual meeting.

**Section 4.** Each member shall have but one vote irrespective of the number of shares he may own, but a member less than 16 years of age will not be permitted to vote. A member other than a natural person may vote through an agent designated in writing for the purpose. A trustee, or other person acting in a representative capacity, shall not, as such, be entitled to vote.

**Section 5.** The order of business at the Annual Meeting shall be as follows:

- a. Call to order, if a quorum is present.
- b. Reading of the minutes of last meeting.
- c. Report of Directors.
- d. Report of Treasurer.
- e. Report of Supervisory Committee.
- f. Unfinished business.

g. New business (including elections).

h. Adjournment.

## **ARTICLE V - DIRECTORS**

**Section 1.** The Board of Directors shall consist of nine (9) to fifteen (15) members. Directors shall be elected in terms of three (3) years unless the election is to fill a vacancy, in which event it shall be for the period of the unexpired term. By resolution of the board, the number of directors may be changed to any odd number that is not fewer than nine (9) and not more than fifteen (15). Any resolution changing the number of directors shall require a majority of then current directors plus one (1). No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, or other actions provided by the credit union's Bylaws. The directors shall be elected from qualified members at large.

The Board is authorized to establish an Associate Director Program and to appoint up to four (4) qualified Credit Union members to serve in that capacity. Associate directors shall be appointed by the Board to serve for successive terms not to exceed three (3) years each. Associate directors shall not vote at Board meetings, and shall be bound by all requirements of full directors set forth in the Associate Director's program guidelines. The Associate Director Program shall otherwise be conducted in accordance with the requirements of applicable law and regulations governing credit unions in the State of Alabama. No member of the Board of Directors shall serve on the Supervisory Committee.

**Section 2.** The Executive Officers of the Credit Union shall be elected by and from the Board of Directors and shall be comprised of:

a. A chairman of the Board of Directors from their own number and a vice chairman of the Board of Directors who shall serve as chairman of the Board of Directors in the absence of the chairman.

- b. A treasurer and a secretary who are members of the Board of Directors and such other officers as are elected by the Board of Directors from their own number.

**Section 3.** Executive officers shall be elected at the meeting of the Board following the Annual Meeting of the members, which shall be held no later than the next regular meeting of the Board and shall hold office for a term of one (1) year and until the election and qualification of their respective successors; provided that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer shall be elected by the Board to serve for the unexpired term of such officer and until his/her successor is duly elected and qualified.

**Section 4.** The chairman of the Board of Directors or, in his/her absence, the vice chairman of the Board of Directors shall preside at meetings of the members and at meetings of the Board of Directors unless disqualified through suspension by the Supervisory Committee.

**Section 5.** The Board of Directors shall meet at least monthly and set policy for the management of the affairs, funds, and records of the Credit Union. It shall be their special duty to:

- a. Approve the amount of fidelity and surety bonds;
- b. Govern the rates of interest on loans;
- c. Approve a financial entity as a depository for the funds of the Credit Union;
- d. Borrow money;
- e. Declare dividends in the way and manner provided in these Bylaws;
- f. Recommend and approve amendments to these Bylaws;



g. At its discretion, fill vacancies on the Board until the election and qualification of successors;

h. Approve Investment Policy for the investment of funds of the Credit Union;

i. Approve the salary ranges of the employees;

j. The Board may delegate the exercise of its lending authority to the President of the credit union and his/her designees to only make loans in accordance with policy established by the Board;

k. Establish rules and regulations for the conduct of elections;

l. Exercise all the authority of the Credit Union and exercise all powers for the credit union, unless some power or authority is expressly granted to some other body or to the membership by these Bylaws or by applicable law.

The Board of Directors may delegate exercise of its authority or power to a committee of its members or to an executive officer or employee of the Credit Union, but it shall be the duty of the Board of Directors to supervise the exercising of such authority.

**Section 6.** No member of the Board of Directors, or member of Committees, shall receive compensation.

**Section 7.** If a member of the Board of Directors fails to attend regular meetings of the Board for three (3) consecutive meetings, or if he/she is absent from six (6) meetings in any twelve (12) consecutive months, his/her office may be declared vacant by the Board and the vacancy shall be filled as herein provided.

## **ARTICLE VI - OFFICERS AND THEIR DUTIES**

Section 1. In addition to the Officers specified in Article V, Section 2, of these Bylaws, the Board shall employ a President who is not a member of the Board and who shall serve at the pleasure of the Board.

**Section 2.** The duties of the Chairman of the Board shall be to preside at meetings of the members and of the Board of Directors, to perform such other duties as customarily appertain to the office of the Chairman of the Board and to perform such other duties as may be, from time to time, directed by the Board of Directors not inconsistent with the provisions of law or these Bylaws.

**Section 3.** The Vice-Chairman, shall in the event of the absence or disability of the Chairman of the Board, perform the duties of the Chairman of the Board, and such other duties as the Board of Directors may, from time to time, prescribe.

**Section 4.** The Treasurer shall be the custodian of the funds, securities, books of account, and all other valuable papers of the Credit Union.

**Section 5.** The Secretary shall keep correct records of all meetings of the members and the Board of Directors. The Secretary shall give notice of all meetings of the members, in the way and manner herein before provided, and shall perform all other duties incident to this office.

**Section 6.** Duties of the President, subject to the supervision of the Chairman of the Board and the Board of Directors, shall be the day-to-day general management of the Credit Union, all other duties as are customarily incident to the office of the President and such other duties as the Board of Directors may, from time to time, prescribe.

## **Section 7.**

(a) The officers, directors, and committee members of this Credit Union shall hold in strictest confidence all transactions of the Credit Union and personal affairs of its members.

(b) Violation of the provisions contained in part (a) above, shall be deemed sufficient grounds for removal from office of any officer, director, or committee member who is found guilty of such violation. The vacancies thus created shall be filled as provided herein.

## **ARTICLE VII - SUPERVISORY COMMITTEE**

**Section 1.** The Supervisory Committee shall consist of three (3) members, who shall be elected for a term of three (3) years by the members.

**Section 2.** The Supervisory Committee shall make an annual audit of the books of the Credit Union and make a report to the members. The Supervisory Committee shall inspect the securities, cash, and accounts of the Credit Union, verify member accounts and supervise the acts of the Board of Directors and the officers as often as necessary.

**Section 3.** At any time, the Supervisory Committee, by unanimous vote at a meeting called for that purpose, may suspend any member of the Board of Directors, or any officer, and by a majority vote may call a meeting of the shareholders to consider any matter submitted to it by this committee.

**Section 4.** Within seven days after the suspension of any member of the Board of Directors or of any officer, the Supervisory Committee shall call a special meeting of the members to take such action relative to such suspension as the members may deem advisable. A notice of such meeting shall be mailed to each member of the Credit Union not less than twenty-one days prior to the date of such meeting. The Supervisory Committee shall fill vacancies in its own membership until the next annual meeting.

**Section 5.** The Supervisory Committee shall make, or cause to be made, a thorough annual audit of the books and records and affairs of the Credit Union as required by law. Following such audit, the Supervisory Committee shall make a full report to the Board of Directors and shall report at the annual meeting of the members. The report shall be filed with the records of the Credit Union. The Supervisory Committee shall also make such reports to the Alabama Credit Union Administration as are required by law and as directed by said Administrator.

## **ARTICLE VIII - CAPITAL**

**Section 1.** The capital of this Credit Union shall consist of undivided earnings and reserves.

## **ARTICLE IX - SHARES, DEPOSITS AND LIABILITY**

**Section 1.** The par value of each share shall be set by the Board of Directors. If the Board of Directors votes to increase the par value of a share, such increase in par value shall not be effective until the first day of the dividend period following the vote of the directors to increase the par value of a share. The members of the Credit Union shall be advised of such change in par value prior to the end of the dividend period during which such change takes effect. In the event of any increase in the par value of a share, a member who has not deposited into his/her share account an amount equal to the new par value of a share shall have the right to make an additional deposit at any time during the dividend period following the vote to increase his/her deposits to the minimum par value.

**Section 2.** The maximum amount in shares, deposits, or other thrift accounts which may be owned by any one member may be established from time to time by the Board of Directors.

**Section 3.** Money paid in on shares and other accounts may be withdrawn as provided in these Bylaws on any day when payment for shares and other accounts may be made; but the Board of Directors shall have the right at any time to require members to give sixty (60) days notice of

intention to withdraw the whole or any part of the amounts paid in by them; provided, however, only a thirty (30) days' notice of intention to withdraw may be required of deposit accounts.

**Section 4.** No member may withdraw any accounts below the amount of his/her total liability to the Credit Union as a borrower, endorser, comaker, or guarantor without the written approval of the officer or committee responsible for loan approval. The Board of Directors may give advance blanket approval for the withdrawal of any accounts owned by borrowers, comakers, endorsers, or guarantors that are not pledged as required security on loans; provided, however, that payments on loans are current at the time applications are made for such withdrawals. "Required security", as used in this section, refers to shares or deposits which are specifically required to be pledged as security as part of a secured loan transaction. Such advanced blanket approval shall not reduce the time of the aforesaid "60 days' notice of intention to withdraw" period which is required to be given as provided by this section and the aforesaid "notice of intention to withdraw" may only be given after the aforesaid approval for withdrawal has been obtained.

**Section 5.** If a member's share balance falls below the par value of one share and remains below the par value of one share for twelve (12) months, such shareholding may be absorbed by a service charge upon authorization of the Board.

**Section 6.** Share and other accounts may be issued in the name of a minor or in trust in such way and manner as the Board of Directors may determine.

**Section 7.** Shares and other accounts may be issued as joint tenancy accounts with rights of survivorship. An account may have a Payable on Death designation instruction that the account funds at the death of the last account owner be payable to any named surviving Payable on Death payee. Any payment and the receipt of shares paid out by the credit union to designated Payable on Death designees shall be valid and sufficient release and discharge to the credit union of all amounts so paid. The share

account of a deceased member, other than one held in joint tenancy with another member may be continued until the close of the dividend period in which the administration of the deceased's estate is completed, but not to exceed a period of four (4) years. No person designated as a joint owner or payable on death designee shall be permitted to vote, obtain loans, or hold office unless he/she is within the field of membership and is a qualified member.

## **ARTICLE X - RESERVES**

**Section 1.** The Credit Union shall establish and maintain the regular statutory reserves necessary to comply with the law of Alabama.

**Section 2.** The regular statutory reserve fund shall belong to the Credit Union and shall be used to meet losses except those resulting from an excess of expenses over income and shall not be distributed except on liquidation of the Credit Union or in accordance with a plan approved by the Administrator of the Alabama Credit Union Administration. The Board of Directors may transfer an amount to the regular statutory reserve which is in excess of the amount required to be transferred to the regular statutory reserve.

**Section 3.** In addition to any other reserves, special reserves may be established from time to time by the Board of Directors.

## **ARTICLE XI - DIVIDENDS**

**Section 1.** The Board of Directors shall declare dividends from net earnings after deducting all required reserves and shall determine the intervals, periods and computation of such dividend.

**Section 2.** From the remaining net earnings and/or undivided earnings, after required reserves and declared dividends, the directors may provide for interest refunds to borrowers in proportion to the interest paid by such borrower covering such classes of loans and for such periods under such circumstances as the Board may prescribe.

## ARTICLE XII - AMENDMENTS OF BYLAWS AND CHARTER

**Section 1.** Amendments of these bylaws may be adopted by the affirmative vote of two-thirds of the members of the Board of Directors at any duly held meeting, provided that the members of the board were given prior written notice of said meeting and the notice contained a copy of the proposed amendment or amendments. No amendment of the bylaws shall become effective, however, until approved in writing by the Administrator of the Alabama Credit Union Administration.

## ARTICLE XIII - GENERAL MATTERS

**Section 1.** Notwithstanding any other provisions in these Bylaws, any director or committee member of the Credit Union may be removed from office by the affirmative vote of two-thirds (2/3) of the members present at a regular or at a special meeting called for the purpose, but only after an opportunity has been given him/her to be heard.

**Section 2.** No director, committee member, officer, agent or employee of the Credit Union shall in any manner, directly or indirectly, participate in the deliberation upon the determination of any question affecting his/her pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than the Credit Union) in which he/she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the Board for deliberation or determination, such director shall withdraw from such deliberation or determination; and in such event the remaining qualified directors present at the meeting, if constituting a quorum with the disqualified directors, may exercise the respect to this matter, by majority vote, all the powers of the Board. In the event of the disqualification of any member of the Supervisory Committee, such committee member shall withdraw from such deliberation or determination.

**Section 3.** No employee, director, or official shall engage in any activity, employment, investment, or action which uses any information received while an employee, director or agent of the Credit Union or in any other way conflicts with their duties or loyalty to the Credit Union. Such activities shall include, but not be limited to the following:

- a. Investment or ownership of any business or company which does business with or bids upon business with the Credit Union.
- b. Acting as an employee, director, agent or having any other affiliation with any business or company which does business or bids upon business with the Credit Union.
- c. The use of any information received as an employee, director or official of the Credit Union whether the information arises from the Credit Union or from information relating to a member or a member's account in any way outside of one's duties with the Credit Union.
- d. Profit in any way from any activity with the Credit Union other than as an employee of the Credit Union.
- e. Take action or use influence in an attempt to obtain special treatment for any relative by blood or marriage.

Any suspected conflict of interest shall be reported in writing to the President of the Credit Union. The President shall report the matter to the Board of Directors and the Supervisory Committee and shall take appropriate action regarding any employee. The Board of Directors shall make a recommendation to the Supervisory Committee, whether or not the Supervisory Committee has taken action regarding the matter. If the Supervisory Committee has not taken action prior to the 14th day after such Board recommendation, then the Chairman of the Board of Directors shall schedule a special meeting of the shareholders to determine by majority vote whether such person should be removed from



office and shall schedule a meeting of the Board to determine whether such members should be suspended from office, pending such membership vote on removal.



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The credit union is federally insured by the  
National Credit Union Administration.  
Additional coverage up to \$250,000 provided by Excess Share Insurance  
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