

In order to avoid any situation where a possible conflict of interest could arise with respect to the duties and obligations of Board members, and to provide an understanding of what must be avoided for the guidance of all concerned, the Board adopts the following Conflict of Interest Policy:

University of Iowa Community Credit Union

Board of Directors

Conflict of Interest Policy

Directors shall avoid conflicts of interest with the Credit Union. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Credit Union shall be disclosed promptly to the Board.

A conflict of interest occurs when a director's personal interest interferes, or appears to interfere, with the interest of the Credit Union as a whole. Conflicts of interest also arise when a director, a member of his or her immediate family (a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone who share such person's home), or an entity with which the Director is affiliated receives improper personal benefits as a result of his or her position as a director of the Credit Union.

Potential conflicts which directors should avoid include:

1. *Conduct or Activities.* Directors may not engage in any conduct or activities which are substantially inconsistent with the Credit Union's interests as determined by a majority of the Board of Directors.
2. *Gifts.* Directors and members of their immediate families may not accept gifts from persons or firms who deal with the Credit Union where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.
3. *Compensation from non-Credit Union sources.* Directors may not accept compensation for services performed for the Credit Union from any source other than the Credit Union.
4. *Personal use of Credit Union assets, information and opportunities.* Directors may not use Credit Union assets, labor or information for personal use unless approved by the Board of Directors. Directors may not use opportunities that are discovered through the use of Credit Union property, Credit Union information or position, for their personal benefit or the benefit of persons or entities outside the Credit Union. Directors may obtain and use products or services offered by the Credit Union to other members, such as loans and deposits, but Directors may not receive preferential treatment from the Credit Union on any product or service offered by the Credit Union, such as loan or deposit rates.
5. *No Competition with Credit Union.* Directors may not compete with the Credit Union, or have any affiliation or material interest in any entity which offers products or services which could be reasonably construed to be of a competitive nature to those offered by the Credit Union. This limitation is intended to only apply to Directors. A member of a Director's immediate family (a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone who share such person's home), or an entity with which a member of a Director's family is affiliated, may compete with the Credit Union, and have any affiliation or material interest in any entity which

offers products or services which could be reasonably construed to be of a competitive nature to those offered by the Credit Union.

6. *Positions with other Entities.* Directors may not hold any position with any other entity which might substantially conflict with the interests of the Credit Union, or impair their independence of judgment in the exercise of their duties as a Director of the Credit Union. It shall be in the sole determination of a majority of the Board of Directors whether there is such a substantial conflict or an impairment of the independence of judgment.

Disclosure. A director shall promptly disclose to the Board any known interest, relationship or responsibility (financial, professional or otherwise) held by the director, any member of his or her immediate family, or any of his or her business associates with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for consideration, even if such interest, relationship or responsibility has otherwise generally been disclosed to the Board. In addition, directors must disclose information regarding their financial interests in organizations doing business with the Credit Union.

Board Action. For any potential conflict, the Board, with the abstention of the interested director, may decide whether such director may participate in any reporting, discussion or vote on the issue that gave rise to the potential conflict. The Board shall withhold any information on such issues from the Board materials distributed to the applicable director and take all such other action necessary to effectuate this policy. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking such action.

Recusal. Any director with such an interest, relationship or responsibility which conflicts or potentially conflicts with the interest of the Credit Union, shall recuse himself or herself from any reporting, discussions and vote on the issue that gave rise to the conflict and, if necessary, from the Board meeting, or applicable part thereof.

Annual Statement. Each director shall annually sign a statement, in the form attached hereto and incorporated herein as Exhibit "A", which affirms that such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy,
4. Was not a participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Credit Union which has resulted or could result in personal benefit to them which was not disclosed to and approved by the Board, and
5. Was not a recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or entity engaged in any transaction with the Credit Union which was not disclosed to and approved by the Board.

Penalty. If any Board member, in the Board's sole discretion, willfully and substantially violates this Conflict of Interest policy, said member may be subject to dismissal from the Board by a two-thirds majority vote of the Board of Directors.

Effective Date. This policy shall become immediately effective upon approval of the Board of Directors of the University of Iowa Community Credit Union.

EXHIBIT "A"
ANNUAL CONFLICTS OF INTEREST STATEMENT

I, _____, do hereby affirm as follows:
PRINT NAME

1. I am a member of the Board of Directors of the University of Iowa Community Credit Union;
2. I have received a copy of the Credit Union's Conflicts of Interest Policy;
3. I have read and understood the Policy, and agree to comply with the Policy;
4. I was not a participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Credit Union which has resulted or could result in personal benefit to them which was not disclosed to and approved by the Board, and
5. I was not a recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or entity engaged in any transaction with the Credit Union which was not disclosed to and approved by the Board.
6. To the best of my knowledge, unless otherwise indicated, I am in full compliance with the Policy as of this date.
7. The following is a list of my business interest(s) and other organization(s) with which I am affiliated:

Member: _____ Entity: _____ Affiliation: _____

Member: _____ Entity: _____ Affiliation: _____

Member: _____ Entity: _____ Affiliation: _____

Member: _____ Entity: _____ Affiliation: _____

Signature Date

Name: _____