

Family First Credit Union

Emergency Executive Succession Plan for the President/Chief Executive Officer (CEO) Policy

General Policy Statement

The Chief Executive Officer (CEO) position in the Credit Union is a central element in the organization's success. Therefore, insuring the functions of the Chief Executive Officer are well understood is important for safeguarding the Credit Union against unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition when it is predictable and planned.

While the Board acknowledges that such an absence is highly improbable and certainly undesirable, it also believes that due diligence in exercising its governance functions requires that it have an emergency executive succession plan in place. It is expected that this plan will ensure continuity in external relationships and in staff functioning.

Plan Implementation

The Board of Directors authorizes the Chairperson of the Board to implement the terms of this emergency succession plan in the event of a planned, unplanned temporary/short-term absence, or vacancy of the Chief Executive Officer position.

Priority Functions of the Chief Executive Officer (CEO)

The following are the key functions of the CEO to be covered by an Acting CEO.

1. Serve as the Credit Union's principle leader and representative
2. Support the Board of Directors
3. Convene and lead the Management Team
4. Participate in recruitment, interview, selection, and evaluation for key executive level positions
5. Strategize organizations' short-range and long-range program and project goals

Succession plan in the event of a temporary, unplanned absence – Short-Term

Definitions

- A temporary absence is one in which it is expected that the CEO will return to his position once the events precipitating the absence are resolved.
- An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical.
- A short-term absence is 3 months or less.

Procedures for the appointment of Interim CEO

- The Board of Directors will implement the terms of this emergency plan in the event of the unplanned absence of the CEO.
- In the event of an unplanned absence of the CEO, the EVP/Chief Financial Officer (CFO) shall immediately inform the Chairperson of the Board of Directors and the Supervisor Committee of the absence.
- As soon as possible, the Chairperson shall convene a meeting of the Board of Directors to affirm the procedures prescribed in this plan or to make modifications the Board deems appropriate.
- The EVP/Chief Financial Officer (CFO) shall serve as Interim CEO in the absence of the CEO.
- Should the EVP/CFO be unable to stand appointee as Interim CEO, the back-up appointee will be the Chief Lending Officer (CLO).
- Should the EVP/CFO and the CLO be unable to stand appointee as Interim CEO, the next back-up appointee will be the Operations Manager.
- The person appointed as Interim CEO shall have full authority for decision making and independent action as the regular CEO

Board of Directors Responsibility for Oversight and Support

As with a CEO, the Board of Directors will have responsibility for monitoring the work of the Interim CEO. The Board of Directors will also be alert to the special support needs of the executive in this temporary leadership role.

Communications Plan

Within 48 hours after the Interim CEO has begun covering an unplanned absence, the Chairperson of the Board and the Interim CEO shall communicate the temporary leadership structure to the following key support organizations to the Credit Union:

- National Credit Union Administration – NCUA
- The Department of Banking and Finance
- Georgia Credit Union Affiliates – GCUA
- Credit Union Attorneys
- Allied Solutions, LLC

As soon as possible, the Chairperson of the Board and the Interim CEO shall implement the communications plan to announce the organization's temporary leadership structure to Board of Directors, staff, and key stakeholders.

Succession plan in the event of a temporary, unplanned absence – Long-Term

Definition

A long term absence is one that is expected to last more than 3 months

Procedures for the appointment of Interim CEO

- The procedures and conditions to be followed shall be the same as for a short-term absence with two additions:
 - The Board of Directors will give immediate consideration, in consultation with the Interim CEO, to temporarily back-filling the management position left vacant by the Interim CEO. This is in recognition of the fact that, for a term of more than 3 months, it may not be reasonable to expect the Interim CEO to carry the duties of both positions.
 - The position description of a temporary manager would focus on covering the priority areas in which the Interim CEO needs assistance.

Succession plan in the event of a Permanent, unplanned absence

Definition

A permanent absence is one which it is firmly determined that the CEO will not be returning to the position.

Procedures for the appointment of a new permanent CEO

- The procedures and conditions shall be the same as for a long-term temporary absence with one addition:
 - The Board of Directors shall appoint a Transition and Search Committee to plan and carry out a transition to a new permanent CEO.

Approvals and Maintenance of Record

Succession Plan Approval

This succession plan policy will be approved by the Board of Directors.

Maintenance of Record

Copies of this policy shall be maintained by the Chairperson of the Board, Board members, the Chief Financial Officer (CFO), and the Credit Union attorney.

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Approved by Board of Directors Date __05/20/2014__

Policy Updated Date _____