

2.2.3 Orientation of New Trustees

That the initial organizational meeting of a newly elected Board of Trustees shall be held immediately after the conclusion of the General Assembly at which they are elected.

2.3 Board Appointments and Re-elections

The Board of Trustees shall be elected every three years by majority of its members during its annual meeting.

The independent trustee shall be elected by the majority of its members upon the nomination of the Nomination Committee of the Board of Trustees. Notwithstanding the foregoing, for the duration that the Association is under conservatorship of the Insurance Commissioner, the independent trustee shall be appointed by, and shall serve at the pleasure of the Insurance Commissioner.

2.4 Code of Ethics and Conduct

2.4.1 Code of Conduct and Ethics for Trustees

Members of the board, management, officers and employees are committed to adhere to ethical business conduct/corporate governance rules and principles as follows:

a) Dealings of the Association with any of its trustees, officers, and their related interests shall be in the regular course of business and upon terms not less favourable to the Association than those offered to others to avoid insider abuses and unfair competitive advantage.

b) The Board of Trustees and the created committees must be able to perform their duties with a high degree of independence; Board of Trustees, officers and employees shall not engage in any act or omission which may be considered as conducting business in an unsafe and unsound manner;

c) Every member of the organization should promote the good reputation of the Association in dealing with members and other parties that transact business with the institution (e.g. ensuring payment of claims within the 1-3-5 day target);

d) The Board of Trustees and the management shall at all times fully disclose material information dealings such as acquisition or disposition of asset, board changes, related party transactions, corporate strategy and off balance sheet transactions;

e) The Association office's facilities shall not be used in the furtherance of any criminal activity;

f) Members of the board and senior management shall disclose material interest in transactions affecting or which may affect the Association;

g) The board shall review all material transactions that are not done in the ordinary course of business;