

**ARROWHEAD CREDIT UNION
NOTICE OF 2017 ANNUAL MEETING OF THE MEMBERS**

Arrowhead Credit Union's Annual Meeting of the Members will take place on Thursday, April 20, 2017 at 5:00 p.m., at the Hilton Garden Inn, 1755 South Waterman Avenue, San Bernardino, CA 92408.

At the meeting, Credit Union officials will present year-end reports. Elections for positions on the Board of Directors and Supervisory Committee will also be held. Nominees for the two (2) Board of Directors positions are Robin Steege and Tim McHargue. Nominees for the one (1) Supervisory Committee position is Cathleen Farrar.

In addition to the above, the Board of Directors of the Credit Union will present the following new business.

Bylaw Amendments

Currently, Article VI, Section 600 (Number of Members, Qualifications, Compensation) and Article VIII, Section 800 (Number of Members, Qualifications, Compensation) read as follows:

“SECTION 600. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Board of Directors shall consist of seven (7) members, each of whom shall be a member of the Credit Union in his or her own right, shall be at least eighteen (18) years of age, and until May 31, 2015, shall not have been an employee of the Credit Union within the two (2) years preceding the June 25, 2010 conservatorship of the Credit Union. No member of the Board of Directors shall serve as a member of the Supervisory Committee and/or the Credit Manager or loan officer; nor receive compensation for his or her services as a director. A director may be compensated for actual services performed as an employee of the Credit Union pursuant to Section 14410(c) of the California Financial Code. A director may also be reimbursed for actual expenses incurred in the performance his/her duties pursuant to Section 14410(b) of the California Financial Code.”

“SECTION 800. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Supervisory Committee shall consist of three (3) persons, each of whom shall be a member of the Credit Union in his or her own right and shall be at least eighteen (18) years of age. No member of the Supervisory Committee shall serve as a member of the Board of Directors, as credit manager, or as an employee of the Credit Union. Members of the Supervisory Committee may be reimbursed as set forth in Section 14410(b) of the California Financial Code.”

In order to streamline governance procedures, the Credit Union proposes amending the Bylaws from a fixed number of Director positions (seven (7)), to a range (between seven (7) and fifteen (15)), and from a fixed number of Supervisory Committee positions (three (3)), to a range (between three (3) and seven (7)).

Accordingly, the membership, in person and by proxy, will vote on amending the Bylaws of Arrowhead Credit Union for the purpose of changing the number of Board of Director positions from a fixed number of seven (7) to a range between seven (7) and fifteen (15), and the number of Supervisory Committee positions from a fixed number of three (3) to a range between three (3) and seven (7). The Proposed language is as follows:

“SECTION 600. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Board of Directors shall consist of an odd number of Directors not less than seven (7) nor more than fifteen (15), each of whom shall be a member of the Credit Union in his or her own right and shall be at least eighteen (18) years of age. Within the foregoing range, the number of Directors may be changed by resolution of the Board of Directors. No member of the Board of Directors shall serve as a member of the Supervisory Committee and/or the Credit Manager or loan officer; nor receive compensation for his or her services as a Director. A Director may be compensated for actual services performed as an employee of the Credit Union pursuant to Section 14410(c) of the California Financial Code. A Director may also be reimbursed for actual expenses incurred in the performance of his or her duties pursuant to Section 14410(b) of the California Financial Code.”

“SECTION 800. NUMBER OF MEMBERS, QUALIFICATIONS, COMPENSATION. The Supervisory Committee shall consist of an odd number of persons not less than three (3) nor more than seven (7), each of whom shall be a member of the Credit Union in his or her own right and shall be at least eighteen (18) years of age. Within the foregoing range, the number of Supervisory Committee members may be changed by resolution of the Board of Directors in concurrence with the Supervisory Committee. A copy of such resolution shall be filed with the official copy of the Bylaws of this Credit Union, and shall be filed with the Commissioner of the Department of Business Oversight. No member of the Supervisory Committee shall serve as a member of the Board of Directors, as Credit Manager, or as an employee of the Credit Union. Members of the Supervisory Committee may be reimbursed as set forth in Section 14410(b) of the California Financial Code.”

All eligible members are welcome to attend and vote. Should you have any questions, please do not hesitate to call us at (800) 743-7228.