

BECU's SUPERVISORY COMMITTEE CHARTER*
[April 21, 2011]

Purpose

The purpose of the Supervisory Committee is to provide oversight with respect to:

1. The adequacy of the Credit Union's processes for managing material risks.
2. The integrity of financial reporting
3. The appointment of the Credit Union's independent auditor
4. The performance of the internal audit function
5. The Credit Union's compliance with legal and regulatory requirements

Responsibilities

The Supervisory Committee will:

1. Provide oversight of the integrity of the Credit Union's financial statements, which includes reviews with management and external auditors of significant accounting and reporting issues and understanding their impact on the financial statements, such as:
 - a. Critical management estimates and judgments
 - b. Complex or unusual transactions
 - c. Any significant changes in the Credit Union's selection and application of accounting principals
2. Provide oversight of the Credit Union's safety and soundness by reviewing the effectiveness of the Credit Union's risk management processes and related internal controls, including:
 - a. BECU's control environment and governance processes
 - b. Safeguarding of assets
 - c. Financial reporting
 - d. Compliance with laws and regulations
3. Review questionnaires, reports and findings of all examinations by regulatory authorities and management's responses to such reports.
4. Periodically meet with the Credit Union's general counsel and review any matters that may have a material impact on the Credit Union's safety and soundness.
5. Make a report to members at the Credit Union's Annual Membership Meeting.
6. Review the overall scope, personnel qualifications, budget resources, activities, effectiveness, and organizational structure of the audit services function, including:
 - a. The review and evaluation of the scope, risk assessment and prioritization of planned audits in the yearly Audit Services' Plan, as well as its relevance to overall Credit Union business objectives and subsequent changes
 - b. Reviews of internal audit results, significant corrective actions, and final disposition thereof.
 - c. Participation in the selection of the Chief Audit Executive.
 - d. Ensuring that the Chief Audit Executive has direct access to the Committee and periodically meets in a separate executive session to discuss privately any issues of concern.
7. Appoint, compensate, and oversee the work of the public accounting firm employed by the Credit Union to conduct the annual audit of BECU's consolidated financial statements, which includes:
 - a. Review of adequacy of the audit scope; and
 - b. Review the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.

8. The Committee will periodically invite members of management, auditors or others to provide pertinent information as necessary.
9. The Committee will meet separately, periodically with management, Audit Services and the independent auditors in an executive session to discuss any issues of concern.
10. Review the Credit Union's process and performance in respect to retention and treatment of complaints received from both internal and external sources, related to internal fraud or irregularities. This includes a process in which employees may submit confidential and anonymous concerns for investigation and correction as required.
11. Ensure that an annual self assessment evaluation of its activities is completed.
12. Also have the authority to
 - a. Conduct or authorize investigations into any matter within its scope of responsibility.
 - b. Gain unrestricted access to Credit Union personnel and documentation for the purpose of fulfilling its responsibilities.
 - c. Preview and evaluate the Credit Union's business objectives, strategies and plans.
 - d. Engage the Credit Union's Audit Services department to perform such functions as necessary to meet its responsibilities related to adequacy of internal controls, risk management and governance practice.
 - e. Acquire outside professional services and take corrective actions when deemed appropriate to fulfilling its responsibilities.

Committee Member Qualifications

Committee members, as a group, shall ensure they maintain the qualifications necessary to ensure the Committee's particular fiduciary functions can be effectively executed.

All Committee members shall have substantially all the following competencies:

1. Ability to understand and analyze financial statements with a level of complexity comparable to that of the Credit Union;
2. An understanding of the application of generally accepted accounting principles with respect to such financial statements, especially with respect to estimates, accruals and reserves;
3. Experience in reviewing and assessing risk management processes and internal controls; and
4. An understanding of audit committee functions.

In addition, the Committee shall, to the extent practical, maintain a minimum of two members who meet at least one of the following qualifications:

- CPA or CMA; or
- Experience as a CEO, CFO, Controller, Principal Accounting Officer or Internal Audit Executive, of an organization with at least the breadth and complexity of the Credit Union.

*This Charter repeats the provisions of Sections 3104-4, 3104-5 and 3104-1 (including the relevant portion of Exhibit A) of BECU Policy 3100. Article VII of BECU's Bylaws and BECU Policy 3100 are the complete authoritative language for the Supervisory Committee.