CORNERSTONE LEAGUE

Fractional Leadership Handbook for Small Credit Unions

A practical, plain-language guide to deciding when fractional talent makes sense, finding the right person, and setting the engagement up for success.

Introduction

Many small credit unions operate with lean teams, making every hire a high-impact decision. Fractional talent can provide experienced leadership or specialized skills without the commitment of a full-time hire.

For small credit unions, fractional talent can be a flexible and practical way to access experienced professionals without overextending your team or budget.

This document is designed to help credit unions that are new to fractional staffing understand:

- How Fractional Leadership Helps
- Fractional, Shared, and Project-Based Support
- When to Consider Fractional Leadership
- Evaluating Fractional Talent
- Potential Interview Questions and Red Flags
- Designing the Engagement
- Onboarding and Integration
- Managing the Relationship
- Do's, Don'ts, and Common Pitfalls
- Knowledge Transfer and Closeout
- Supporting Articles
- Appendix: Sample Contracts

How Fractional Leadership Helps

Fractional leadership provides access to experienced executives or specialized professionals on a part-time, shared, or project basis.
It can:

- Address leadership gaps and operational complexity without adding a full-time role.
- Provide senior-level judgment for improved strategic decision-making and governance.
- Bridge transitions and offer flexibility to scale leadership support up or down during succession planning, retirements, vacancies, or organizational change.
- Enhance collaboration through shared services and expertise.
- Works best when the work is well-defined, outcomes are clear, and both sides treat the engagement as a focused partnership.

Fractional, Shared, and Project-Based Support

Fractional executive

- An experienced leader serves in a role on a part-time basis. Often shared between a small number of credit unions.
- Common roles could include CEO, CFO, CIO, COO, risk/compliance leadership, strategic transition support

Shared services/platforms

- Specialized functions are pooled across credit unions or delivered by a shared provider. Shared technology platforms can offer efficiency and scalability.
- Common functional areas could include Compliance, IT, marketing, HR, operations support, reporting, etc.

Project-based specialist

- A professional is engaged for a defined deliverable or short-term initiative.
- *Examples*: SOP development, process mapping, onboarding redesign, system implementation, policy updates, etc.

Interim leadership

- Temporary leadership coverage during a vacancy or transition, such as succession gaps, leave coverage, post-merger integration, emergency continuity

When to Consider Fractional Leadership

Fractional leadership is most useful when the need is important but does not require a permanent full-time hire. Before recruiting, clarify the problem you are trying to solve and the outcome you need.

- You need experienced leadership but cannot justify or fund a full-time position.
- The work requires experience, judgment, and focused execution.
- You have a short-term initiative that requires senior expertise and execution.
- Your team needs specialized help or process improvement.
- You are navigating a leadership transition and need continuity while a permanent plan is developed.
- You want to test a need before committing to a long-term hire.

Here are some questions to evaluate if your credit union is ready for fractional help:

- Can we clearly define the problem or outcome?
- Do we know who will approve decisions and clear roadblocks?
- Can we onboard the person with enough context and access?
- Do we have time to let them assess before expecting results?

If you answer no to any of these questions, pause before hiring. Vague expectations lead to confusion and limited results. Take time to define ownership and escalation paths. Prepare basic documents, systems access, and stakeholder introductions. Set realistic expectations and allow ramp time. Fractional is not an overnight fix.

Evaluating Fractional Talent

If you answered yes to the questions above, you are ready to start looking for talent. A strong fractional professional is not simply experienced; they are clear about their expertise, realistic about scope, able to assess quickly, and focused on outcomes that matter to your credit union. Consider the following factors as you evaluate fractional talent.

Clear Area of Expertise (and Awareness of Their Limits)

- Strong candidates know exactly what they do well—and what they don't.
- They should be able to clearly explain their specialty (e.g., lending operations, compliance, finance, marketing).
- Be cautious of candidates who present themselves as able to "do everything."

Proven, Hands-On Experience

- Look for individuals who have done the work, not just advised on it.
- The strongest fractional professionals have held leadership or operational roles and can execute, not just plan.
- Ask specific follow-up questions:
    - What was your exact role?
    - What decisions did you personally make?
    - What challenges did you face and how did you handle them?

Ability to Quickly Assess and Add Value

- Fractional hires should be able to step in and evaluate your environment with minimal direction.
- Early indicators of success:
    - They can navigate your systems without excessive handholding
    - They identify gaps, risks, or inefficiencies on their own
    - They translate findings into practical next steps—not just observations

Outcome-Oriented Mindset

- Strong candidates focus on results, not activity.
- They should be able to describe measurable outcomes from past work (e.g., improved processes, cost savings, operational efficiencies).
- Look for resumes and examples that quantify results, not just list responsibilities.

Comfortable Operating at Multiple Levels

- The best fractional professionals can move between strategy and execution.
- They should be comfortable:

    - Advising leadership or boards
    - Rolling up their sleeves to implement solutions

Ability to Define Scope and Push Back Thoughtfully

- A strong fractional candidate will not say "yes" to everything.
- They should:
    - Help you clarify what success looks like
    - Push back on vague or unrealistic requests
    - Set clear, achievable goals for the engagement

Realistic Approach to Timeline and Impact

- Effective fractional work starts with understanding, not immediate change.
- Expect the early phase (often the first few weeks) to focus on:
    - Listening
    - Reviewing current processes
    - Diagnosing key issues

Strong Communication and Simplicity

- Look for someone who can simplify complex topics and communicate clearly.
- They should be able to:
    - Translate technical or financial information into clear recommendations
    - Keep you informed without overwhelming you

Professionalism and Alignment in Presentation

- Resumes and LinkedIn profiles should be:
    - Clear, concise, and consistent
    - Focused on relevant experience
    - Free of errors and unnecessary detail
- Look for:
    - Action-oriented language ("led," "implemented," "improved")
    - Measurable outcomes
    - Relevant experience within the past 10 years

Practical Engagement Considerations

Before engaging a fractional candidate, clarify expectations around:

- Availability (hours per week)
- Compensation structure (hourly, retainer, project-based)
- Travel requirements or reimbursement (if applicable)
- Communication cadence and reporting

Potential Interview Questions and Red Flags

Here are some interview questions to help with your evaluation:

- What is your specific area of expertise, and where would you not be the right fit?
- Tell us about a similar engagement. What was your exact role, and what did you personally decide or implement?
- What would you need to review in the first few weeks to understand our current state?
- How do you define success in a fractional engagement?
- How do you communicate progress, concerns, and recommendations?
- How do you handle a request that falls outside the original scope?
- What documentation or knowledge transfer do you typically provide before the engagement ends?

Make sure to look out for these red flags:

- Promising significant results before understanding the current state. Effective fractional work starts with listening, reviewing, and diagnosing before major change.
- Saying yes to unclear or overly broad expectations. A candidate who says yes to everything may not protect the credit union from scope creep.
- Failing to ask questions about systems, people, priorities, constraints, or risk. Strong candidates should want context before proposing solutions.
- Describing responsibilities without being able to explain measurable outcomes. Fractional roles should be results-focused, not activity-focused.
- Presenting themselves as able to “do everything.” Specialization and self-awareness are important for limited-scope work.

Designing the Engagement

The engagement should be specific enough to guide work, but flexible enough to adjust as the fractional professional learns more about the organization.

Engagement element	Define before work begins
Scope	The specific problem to solve, deliverables to produce, and work that is out of scope.
Outcomes	What success looks like, including measurable goals or practical milestones.
Timeline	Key phases, checkpoints, and realistic ramp time.
Time commitment	Weekly hours, availability windows, response expectations, and meeting cadence.
Decision authority	What the fractional professional can decide, recommend, approve, or escalate.
Compensation	Hourly, retainer, or project-based structure; travel or reimbursement expectations if applicable.
Reporting	How progress will be tracked, who will receive updates, and how issues will be escalated.
Documentation	SOPs, templates, process maps, decisions, and recommendations to be captured.

Scope example

Instead of “help improve onboarding,” use “develop and implement a 90-day onboarding SOP, including roles, handoffs, templates, and success measures.”

Onboarding and Integration

- Provide organizational context, strategic priorities, communication norms, and relevant background.
- Set up the systems, files, reports, policies, or data needed for the work.
- Introduce the internal owner, executive sponsor, key staff, and board or committee contacts if relevant.
- Include them in relevant meetings and communications tied to the engagement.
- Explain how decisions are made and when issues should be escalated.

A Practical First 30 Days

1. Week 1: Onboard, review materials, meet key stakeholders, and confirm the scope.
2. Weeks 2-3: Assess the current state, identify gaps, and surface risks or opportunities.
3. Week 4: Confirm recommendations, priorities, milestones, and the implementation path.

Managing the Relationship

Successfully managing a fractional employee relationship requires clear communication, well-defined expectations, and disciplined project management. Regular, structured check-ins should focus on progress, roadblocks, and decisions that need attention, while a shared progress tracker or Planner-style board helps keep milestones, ownership, and status visible to everyone involved. To maximize effectiveness, communications should remain centered on the agreed-upon scope of work, avoiding the temptation to pull the fractional professional into unrelated projects. Any changes in priorities or responsibilities should be discussed and agreed upon before expanding the engagement. Most importantly, fractional professionals should be treated as strategic partners, with opportunities to share recommendations, process improvement ideas, and insights gained from their experience across organizations and industries that can add value to the engagement.

Do's, Don'ts, and Common Pitfalls

This guide highlights a lot to consider as you work through whether fractional help is right for your credit union. This concise list summarizes themes throughout the guide to help you make the most of your fractional relationships.

Do

- Define scope, outcomes, milestones, and success measures clearly. Clarity allows the professional to focus on meaningful results.
- Treat the fractional professional as a strategic partner for the agreed work. Leverage their cross-industry insights, process improvement ideas, and strategic recommendations.
- Integrate them into the meetings, communications, and information they need to be effective. Having context improves decision-making and execution.
- Clarify ownership, approval workflows, and escalation paths.
- Build SOPs, templates, process maps, and decision documentation into the engagement. This allows the credit union to retain value after the engagement ends.
- Hold brief, structured check-ins focused on progress, roadblocks, and adjustments.
- Work with HR or legal partners to confirm proper classification when needed.

Don't

- Do not treat them like full-time staff or expect constant availability.
- Do not start without a clear scope or defined outcome.
- Do not skip onboarding just because the person is experienced.
- Do not assume they understand your culture, communication norms, or internal processes.
- Do not assign low-value administrative work that does not require their expertise.
- Do not allow scope creep without revisiting the agreement.
- Do not lose the knowledge when the engagement ends.

Common pitfall

A fractional professional can bring senior-level experience, but they cannot be successful if the credit union has not defined the need, identified an internal owner, or created a path for decision-making.

Knowledge Transfer and Closeout

If fractional relationships are time-limited, having a knowledge transfer and closeout plan is essential. The goal is not only to complete the work, but to leave the credit union stronger after the engagement ends. Documentation should be part of the scope from the beginning.

- Final SOPs, templates, checklists, process maps, or decision logs.
- Summary of work completed, open items, risks, and recommendations.
- Training or walkthrough for internal owners who will maintain the work.
- List of systems, reports, files, and recurring activities touched during the engagement.
- Closeout discussion on what worked, what did not, and what should be revisited later.

Supporting Articles

- Bridging the Gap: How Fractional CFO Services Empower Small Credit Unions
- Beyond the Numbers: How Fractional CFOs Elevate Credit Union Performance
- Revolutionizing Leadership: Fractional CEOs and Executives in Credit Unions
- The Fractional CFO—Why It Makes Sense
- Community Financial Credit Union Reinvents Leadership with Fractional Role
- ACU Small Credit Union Committee Shared Resources Project

Appendix: Sample Contracts

- Fractional Executive Sharing Agreement Template
- Independent Contractor Agreement Template
- Cost-Sharing (Secondment) Agreement Template
- Intercompany Services Agreement Template

Fractional Executive Sharing Agreement Template

This document outlines a cooperative agreement among multiple credit unions to share the employment and costs of a fractional executive, specifying roles, responsibilities, employment status, cost allocation, fiduciary duties, governance, confidentiality, intellectual property, liability, term and termination conditions, conflict of interest policies, and general provisions to ensure effective shared executive leadership while maintaining institutional independence and regulatory compliance.

Use case: Sharing high-cost roles across peers such as fractional CFO, Chief Risk Officer, Chief Information Security Officer (CISO)

Example structure:

- Executive works:
    - 2 days/week at CU A
    - 2 days/week at CU B
    - 1 day/week at CU C

Key characteristics:

- Strategic leadership roles
- Often includes governance participation
- Time tracked or retainer-based

FRACTIONAL EXECUTIVE SHARING AGREEMENT

Multi-Party Credit Union Cooperative Executive Resource Sharing

Agreement Date:	*[Insert Effective Date]*
Agreement No.:	*[Internal Reference Number]*
Initial Term:	*[Start Date] through [End Date]*
Shared Executive Role:	*[e.g., Chief Risk Officer / CFO / Chief Compliance Officer]*
Number of Participating CUs:	*[e.g., 3]*

RECITALS

WHEREAS, the credit unions party to this Agreement (collectively, the "Participating Credit Unions" or "Parties") are each independently chartered, federally insured cooperative financial institutions;

WHEREAS, each Participating Credit Union has a business need for high-level executive expertise in a specialized functional area, but the cost, time commitment, or scale required does not justify a dedicated, full-time hire at any single institution;

WHEREAS, the Participating Credit Unions desire to jointly engage a single, highly qualified executive to serve in a shared fractional capacity across all Participating Credit Unions, thereby achieving access to executive-level talent that would otherwise be cost-prohibitive for any one institution acting alone;

WHEREAS, this arrangement is intended to reflect the cooperative, "People Helping People" principles underlying the credit union movement, while maintaining the governance rigor and regulatory accountability expected of executive-level leadership at each institution;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

SECTION 1 — PARTIES

1.1 Lead Credit Union (Employer of Record)

Legal Name:	*[Lead Credit Union Full Legal Name]*
Charter / NCUA No.:	*[Charter or NCUA Number]*
Principal Address:	*[Street, City, State, ZIP]*
Board Authorization:	*[Reference to board resolution authorizing this arrangement]*
Primary Contact:	*[Name, Title]*

1.2 Participating Credit Unions

The following credit unions participate in this shared executive arrangement as cost-sharing parties (each a "Participating CU"):

Participating CU	Charter / NCUA No.	Authorized Contact	Asset Size (for cost allocation)
[Participating CU #1 Legal Name]	[Number]	[Name, Title]	[$___ million]
[Participating CU #2 Legal Name]	[Number]	[Name, Title]	[$___ million]
[Add additional rows as needed]			

1.3. Lead Employer Structure. The Lead Credit Union identified in Section 1.1 shall serve as the sole employer of record for the shared executive (the "Executive") for purposes of payroll, benefits, and primary HR administration. Each Participating CU listed in Section 1.2 is a party to this Agreement for purposes of governance, cost-sharing, and service rights, but is not a co-employer of the Executive.

1.4. Collective Reference. The Lead Credit Union and all Participating Credit Unions are collectively referred to herein as the "Parties."

SECTION 2 — PURPOSE

2.1. Purpose. This Fractional Executive Sharing Agreement ("Agreement") establishes the terms under which the Parties will jointly engage and share the services of the Executive in the role of [Title, e.g., Chief Risk Officer], allocating the Executive's time, responsibilities, and associated costs proportionately across the Participating Credit Unions.

2.2. Strategic Rationale. The Parties acknowledge that executive-level positions such as [Title] require specialized expertise, industry credentials, and strategic judgment that are difficult and costly to source on a full-time basis at any single institution of the Parties' respective sizes. This arrangement allows each Participating CU to access executive leadership and strategic oversight at a fraction of the cost of an independent full-time hire.

2.3. Non-Commercial, Cooperative Intent. This Agreement is structured as a cost-sharing cooperative arrangement among credit union peers, consistent with the "People Helping People" philosophy, and is not intended to generate profit for any Party. Cost allocations under Section 6 are intended to reflect actual, fully-loaded employment costs distributed proportionately.

SECTION 3 — EMPLOYMENT STATUS

3.1. Sole Employer of Record. The Executive shall be employed exclusively by the Lead Credit Union throughout the term of this Agreement. The Lead Credit Union shall retain sole employer-of-record status, including all associated legal, tax, and benefits administration obligations.

3.2. No Co-Employment. No Participating CU other than the Lead Credit Union shall be considered a co-employer, joint employer, or secondary employer of the Executive. No Participating CU shall independently hire, classify, or create a separate employment relationship with the Executive.

3.3. Payroll, Benefits & Compliance. The Lead Credit Union shall be solely responsible for:

(a) Payment of the Executive's base salary, incentive compensation, and any board-approved bonus structure;

(b) Administration and funding of all employee benefits, including health insurance, retirement contributions, and paid time off;

(c) Payroll tax withholding and all statutory employer contributions (FICA, FUTA, SUTA);

(d) Workers' compensation coverage and unemployment insurance;

(e) Compliance with all applicable federal and state employment laws, including executive compensation disclosure requirements applicable to the Lead Credit Union.

3.4. Executive Compensation Governance. The Executive's total compensation package, including base salary and any incentive structure, shall be approved by the Lead Credit Union's Board of Directors (or its designated committee) and shall be reviewed and ratified annually by the governance committee described in Section 8, with input from all Participating Credit Unions given the shared cost burden.

3.5. Performance Management. The Lead Credit Union shall retain ultimate authority over the Executive's formal performance review, compensation adjustments, disciplinary action, and termination decisions. However, each Participating CU shall have the right to provide structured, documented performance feedback as described in Section 4.5, which shall be a required input into the Executive's annual performance evaluation.

3.6. Executive Acknowledgment. The Executive shall execute a separate "Executive Shared-Services Acknowledgment" (Exhibit A), confirming their understanding of the multi-institution reporting structure, fiduciary obligations to each Participating CU, confidentiality requirements, and conflict of interest provisions.

SECTION 4 — SCOPE OF SERVICES & TIME ALLOCATION

4.1. Role & Responsibilities. The Executive shall serve in the capacity of [Title] and shall perform the following core responsibilities on behalf of each Participating CU, as further detailed in each Participating CU's individual Service Schedule (Exhibit B):

- [Core responsibility #1 — e.g., Enterprise risk management program oversight]
- [Core responsibility #2 — e.g., Board and ALCO/Risk Committee reporting]
- [Core responsibility #3 — e.g., Regulatory examination liaison for the function]
- [Core responsibility #4 — e.g., Policy development and review]

4.2. Time Allocation Schedule. The Executive's working time shall be allocated across the Lead Credit Union and Participating Credit Unions as set forth below. This allocation determines both reporting commitments and the cost-sharing percentages in Section 6.

Institution	Allocated Time (% of FTE)	Typical Days / Week	Primary Engagement Mode
Lead Credit Union	[e.g., 40%]	[e.g., 2 days]	[On-site / Hybrid]
Participating CU #1	[e.g., 35%]	[e.g., 1.5 days]	[Remote / Hybrid]
Participating CU #2	[e.g., 25%]	[e.g., 1 day]	[Remote]
Total	100%	5 days	

4.3. Board & Committee Meeting Attendance. The Executive shall attend regularly scheduled Board and relevant committee meetings (e.g., Risk Committee, Audit Committee, ALCO) at each Participating CU as specified in the applicable Service Schedule. Meeting attendance time shall count toward the institution's allocated percentage under Section 4.2.

4.4. Schedule Flexibility & Emergencies. The Parties acknowledge that executive functions may occasionally require flexibility outside the standard time allocation, particularly in the event of a regulatory examination, audit finding, security incident, or other urgent institutional matter. In such cases, the affected Participating CU may request additional Executive time, subject to availability and a corresponding adjustment to that institution's cost allocation under Section 6.6.

4.5. Performance Feedback. Each Participating CU shall provide the Lead Credit Union with documented performance feedback regarding the Executive on at least an [annual] basis, using a standardized feedback form approved by the governance committee. This feedback shall be incorporated into the Executive's formal performance review conducted by the Lead Credit Union.

4.6. Systems & Workspace Access. Each Participating CU shall provide the Executive with appropriate systems access, credentials, and (where applicable) workspace necessary to perform the Executive's duties for that institution. The Executive shall comply with each Participating CU's applicable acceptable use, security, and workplace policies while performing duties for that institution.

SECTION 5 — AUTHORITY & DECISION-MAKING

5.1. Scope of Authority. The Executive's decision-making authority at each Participating CU shall be governed by that institution's own bylaws, board-approved policies, and delegation of authority framework. This Agreement does not expand or diminish the Executive's formal authority beyond what each Participating CU's own governing board confers.

5.2. Signature & Approval Authority. Any signature authority, approval authority, or other formal decision-making power granted to the Executive at a Participating CU (e.g., loan approval authority, contract signing authority, wire approval authority) must be separately and explicitly authorized by that Participating CU's Board of Directors or its designee, documented in writing, and is independent of any authority the Executive holds at the Lead Credit Union or any other Participating CU.

5.3. Institutional Independence. Each Participating CU retains full and independent authority over its own strategic, operational, and risk decisions. The Executive's role is advisory and operational in nature consistent with the scope defined in each Service Schedule, and does not substitute for each Participating CU's own Board governance and ultimate decision-making responsibility.

5.4. Reporting Lines. The Executive shall report functionally to the Chief Executive Officer (or designated senior officer) of each respective Participating CU for matters specific to that institution, and administratively to the Lead Credit Union's Chief Executive Officer for employment-related matters.

SECTION 6 — COST ALLOCATION & REIMBURSEMENT

6.1. Reimbursable Costs. Each Participating CU agrees to reimburse the Lead Credit Union for its proportionate share of the Executive's total employment costs, calculated in accordance with the time allocation percentages set forth in Section 4.2. Reimbursable costs include:

(a) Proportionate share of base salary and any board-approved incentive compensation;

(b) Proportionate share of employer-paid benefits (health, dental, vision, life, disability, retirement contributions);

(c) Proportionate share of employer payroll taxes (FICA, FUTA, SUTA);

(d) Proportionate share of workers' compensation and applicable executive liability insurance premiums;

(e) Proportionate share of professional development, licensing, and continuing education costs directly related to the shared role;

(f) Reasonable pre-approved travel expenses incurred for that institution's engagements.

6.2. Allocation Methodology. The cost allocation percentage for each Participating CU shall equal that institution's allocated time percentage as set forth in Section 4.2, recalculated annually (or upon material change to the time allocation schedule pursuant to Section 6.6).

6.3. Administrative Fee. In addition to direct proportionate costs, each Participating CU shall pay the Lead Credit Union an administrative/overhead fee of [___%] of its allocated share of reimbursable costs per billing period, to compensate the Lead Credit Union for payroll administration, benefits management, and HR compliance oversight.

6.4. Billing & Payment. The Lead Credit Union shall issue a monthly invoice to each Participating CU by the [10th] calendar day following each billing month, itemizing that institution's proportionate share of all reimbursable cost categories. Payment is due within [30] calendar days of invoice receipt. Late payments on undisputed amounts shall accrue interest at [1.5%] per month.

6.5. Annual True-Up. The Parties shall conduct an annual reconciliation ("True-Up") comparing each Participating CU's actual Executive time utilization against its allocated percentage for the prior year. If actual utilization materially deviates (by more than [10] percentage points) from the allocated percentage, the governance committee shall adjust the cost allocation schedule prospectively and may, by mutual agreement, true-up amounts for the prior period.

6.6. Mid-Term Allocation Adjustments. Any change to the time allocation schedule in Section 4.2 that affects a Participating CU's cost share by more than [5] percentage points requires written consent of all affected Parties and an updated Exhibit B Service Schedule for each affected institution.

6.7. Audit Rights. Each Participating CU shall have the right, upon [10] business days' written notice, to audit relevant payroll, benefits, and time allocation records maintained by the Lead Credit Union to verify the accuracy of its invoiced amounts. Audits shall not occur more than once per calendar year per Participating CU.

6.8. Withdrawal Cost Reallocation. If a Participating CU withdraws from this Agreement pursuant to Section 12, the remaining Parties shall, by mutual written agreement, either reallocate the departing CU's cost share among themselves, reduce the Executive's overall FTE allocation, or pursue another mutually acceptable resolution, as further described in Section 12.6.

SECTION 7 — FIDUCIARY DUTY & DUAL LOYALTY

7.1. Fiduciary Obligation to Each Institution. The Executive owes a fiduciary duty of loyalty, care, and good faith to each Participating CU independently and simultaneously with respect to matters concerning that institution. The Executive shall act in the best interest of each Participating CU when performing duties on that institution's behalf, notwithstanding the Executive's employment relationship with the Lead Credit Union.

7.2. Information Segregation. The Executive shall maintain appropriate segregation of each Participating CU's confidential, competitive, and strategic information, and shall not disclose one Participating CU's confidential strategic plans, pricing, or competitive positioning to another Participating CU, except for information of a general industry or best-practices nature that does not reveal institution-specific competitive details.

7.3. Conflicting Institutional Interests. In the event that two or more Participating CUs have directly conflicting interests on a specific matter (e.g., competing for the same merger target, competing in an overlapping market for a material business opportunity), the Executive shall promptly disclose the conflict to the governance committee and shall recuse from providing advisory services to any of the conflicted Parties on that specific matter unless all affected Parties consent in writing to the Executive's continued involvement.

7.4. Equal Standard of Care. The Executive shall apply the same professional standard of care, diligence, and quality of work product across all Participating Credit Unions, regardless of each institution's relative size or cost-allocation percentage.

SECTION 8 — GOVERNANCE & OVERSIGHT

8.1. Designated Liaisons. Each Party shall designate a primary liaison for administration of this Agreement:

Lead CU Liaison:	*[Name, Title, Email, Phone]*
Participating CU #1 Liaison:	*[Name, Title, Email, Phone]*
Participating CU #2 Liaison:	*[Name, Title, Email, Phone]*

8.2. Governance Committee. The Parties shall establish a joint governance committee composed of one designated senior leader (CEO or designee) from each Participating CU, including the Lead Credit Union. The governance committee shall convene no less frequently than [quarterly] and shall be responsible for:

(a) Reviewing the Executive's performance feedback compiled under Section 4.5;

(b) Approving the Executive's annual compensation recommendation prior to Lead CU Board ratification;

(c) Reviewing and approving time allocation adjustments under Section 6.6;

(d) Conducting the annual True-Up review under Section 6.5;

(e) Resolving disputes regarding scope, conflicts of interest, or resource allocation that cannot be resolved at the liaison level;

(f) Evaluating whether additional credit unions may be admitted as new Participating CUs under Section 12.7.

8.3. Each Institution's Independent Board Oversight. Notwithstanding the governance committee structure, each Participating CU's own Board of Directors retains independent oversight responsibility for the adequacy of the function performed by the Executive at that institution, consistent with applicable regulatory expectations for board governance and executive oversight.

8.4. Regulatory Compliance. Each Party remains independently responsible for compliance with applicable laws and regulations governing its own operations, including NCUA regulations and any applicable state-level credit union statutes regarding executive officer responsibilities. The Parties agree to cooperate in good faith to ensure the Executive is not placed in a position that creates regulatory risk for any institution.

8.5. Succession Planning. The governance committee shall maintain a joint succession and contingency plan addressing temporary or permanent unavailability of the Executive (including illness, resignation, or termination), to ensure continuity of the shared function across all Participating Credit Unions.

8.6. Dispute Resolution. In the event of a dispute between the Parties regarding this Agreement, the Parties agree to first attempt resolution through good-faith negotiation among the governance committee. If unresolved within [30] calendar days, the Parties may pursue mediation before initiating any legal proceedings.

SECTION 9 — CONFIDENTIALITY & DATA SECURITY

9.1. Confidential Information. "Confidential Information" means any non-public information belonging to any Party, including member data, financial records, strategic plans, board materials, examination reports, proprietary systems, and personnel information.

9.2. Obligations. The Executive and each Party agree that:

(a) Confidential Information of any Party shall not be disclosed to any other Party or third party without prior written consent, except as permitted under Section 7.2;

(b) The Executive shall not use any Party's Confidential Information for purposes outside the scope of duties assigned by that specific Party;

(c) The Executive shall not transfer, copy, or transmit Confidential Information to personal devices or unauthorized systems;

(d) Confidentiality obligations shall survive termination of this Agreement for a period of [three (3)] years.

9.3. Member Data & Privacy. The Executive shall comply fully with applicable federal and state privacy laws, including the Gramm-Leach-Bliley Act (GLBA), with respect to each Participating CU's member data. Each Participating CU is responsible for ensuring appropriate access controls are in place for its own member data. The Lead Credit Union is responsible for ensuring the Executive has received required privacy and information security training prior to commencement of services.

9.4. Data Security Incident. In the event of a suspected or actual data security breach involving Confidential Information or member data arising from the Executive's activities, the discovering Party shall notify the affected Party's liaison within [24] hours of discovery. All Parties shall cooperate in any required regulatory notification and remediation.

9.5. Return of Information. Upon termination or expiration of this Agreement, or upon cessation of the Executive's engagement with a specific Participating CU, the Executive shall promptly return or certifiably destroy all Confidential Information and materials belonging to that institution.

SECTION 10 — INTELLECTUAL PROPERTY & WORK PRODUCT

10.1. Institution-Specific Work Product. Any policies, frameworks, reports, analyses, or other work product developed by the Executive specifically and exclusively for a single Participating CU shall be owned solely by that Participating CU.

10.2. Shared Methodologies. Any general methodologies, templates, or frameworks developed by the Executive that are applied across multiple Participating Credit Unions (e.g., a standardized risk assessment template) shall be jointly owned by all Participating CUs that contributed to or utilize the methodology, with each holding an undivided right to use without accounting to the others.

10.3. Pre-Existing IP. Each Party retains all right, title, and interest in any intellectual property, proprietary materials, or methodologies that existed prior to the commencement of this Agreement. Nothing in this Agreement transfers ownership of any Party's Pre-Existing IP.

10.4. Assignment by Executive. The Executive hereby assigns to the applicable owning Party all right, title, and interest in any institution-specific work product covered by Section 10.1. This obligation survives termination of this Agreement.

SECTION 11 — LIABILITY & INDEMNIFICATION

11.1. Lead Credit Union Indemnification. The Lead Credit Union agrees to indemnify, defend, and hold harmless each Participating CU and its officers, directors, and employees from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) the Lead Credit Union's employment of the Executive, including any employment law claim; (b) acts or omissions of the Lead Credit Union in performance of its obligations under this Agreement.

11.2. Participating CU Indemnification. Each Participating CU agrees to indemnify, defend, and hold harmless the Lead Credit Union and the other Participating Credit Unions from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) acts or omissions of the Executive while performing duties specifically directed by that Participating CU; (b) that Participating CU's failure to provide a safe and legally compliant work environment during the Executive's engagement with that institution; (c) any decision

made by that Participating CU's own Board or management based on the Executive's advisory work, consistent with Section 5.3.

11.3. Executive Liability (D&O) Insurance. Each Participating CU shall ensure that the Executive is covered as an insured officer (or equivalent) under that institution's Directors & Officers liability insurance policy with respect to actions taken on behalf of that institution, to the same extent as the institution's own executive officers, for the duration of the Executive's engagement with that institution.

11.4. Workers' Compensation. The Lead Credit Union's workers' compensation policy shall provide primary coverage for work-related injuries sustained by the Executive. Each Participating CU agrees to cooperate fully with any workers' compensation investigation and shall promptly report any incidents involving the Executive occurring on that institution's premises or during that institution's engagements.

11.5. Limitation of Liability. No Party shall be liable to another Party for indirect, consequential, punitive, or special damages arising under this Agreement, except in cases of gross negligence, willful misconduct, or breach of confidentiality or fiduciary obligations.

11.6. Insurance. Each Party shall maintain appropriate insurance coverage, including general liability, professional liability (errors & omissions), Directors & Officers liability, and (for the Lead Credit Union) workers' compensation, in amounts consistent with credit union industry standards for institutions of comparable asset size, and shall provide certificates of insurance upon request.

SECTION 12 — TERM & TERMINATION

12.1. Term. This Agreement shall commence on [Start Date] and shall continue through [End Date] (the "Initial Term"), unless earlier terminated as provided herein.

12.2. Renewal. This Agreement shall automatically renew for successive one-year terms unless any Party provides written notice of non-renewal at least [60] calendar days prior to the end of the then-current term, subject to Section 12.7 regarding individual CU withdrawal versus full Agreement termination.

12.3. Termination for Convenience (Full Agreement). The Lead Credit Union and a majority of Participating Credit Unions, acting through the governance committee, may

jointly terminate this Agreement in its entirety upon [90] calendar days' prior written notice to all Parties.

12.4. Termination for Cause. Any Party may seek termination of this Agreement, or its own participation in it, immediately upon written notice in the event of:

(a) A material breach by another Party that remains uncured [30] calendar days after written notice of such breach;

(b) Insolvency, receivership, or regulatory conservatorship of the Lead Credit Union or a Participating CU;

(c) A regulatory directive prohibiting that institution's continued participation in the arrangement;

(d) An act of gross misconduct, breach of fiduciary duty, or criminal conduct by the Executive.

12.5. Executive Departure. If the Executive resigns, is terminated, or otherwise becomes unavailable, the Lead Credit Union shall promptly notify all Participating CUs and the governance committee shall implement the succession plan under Section 8.5. This Agreement shall remain in effect with respect to a replacement executive unless the Parties mutually agree to terminate.

12.6. Individual CU Withdrawal. A Participating CU may withdraw from this Agreement upon [90] calendar days' prior written notice to the Lead Credit Union and all other Participating CUs. Upon withdrawal:

(a) The withdrawing CU remains responsible for all costs accrued through the effective withdrawal date;

(b) The governance committee shall determine, in accordance with Section 6.8, whether to reallocate the withdrawing CU's time and cost share among remaining Parties or reduce the Executive's total FTE allocation;

(c) The withdrawing CU's rights to the Executive's services shall cease as of the withdrawal effective date, subject to any agreed transition assistance.

12.7. Admission of New Participating CUs. Additional credit unions may be admitted as Participating CUs under this Agreement upon (a) unanimous written consent of the existing governance committee, (b) execution of a joinder agreement substantially in the form of Exhibit C, and (c) a corresponding adjustment to the time allocation and cost-sharing schedule under Sections 4.2 and 6.

12.8. Effect of Termination. Upon termination or expiration as to any or all Parties: (a) the Executive shall cease performing duties for the affected institution(s); (b) all outstanding invoices shall become due and payable within [15] business days; (c)

Sections 9 (Confidentiality), 10 (Intellectual Property), 11 (Liability & Indemnification), and 13 (Conflict of Interest — post-engagement provisions) shall survive termination.

SECTION 13 — CONFLICT OF INTEREST

13.1. Disclosure Obligation. The Executive must promptly disclose to the governance committee and all affected Parties any actual or potential conflict of interest that arises during the engagement, including but not limited to: outside employment, board service at other financial institutions, vendor relationships, or personal financial interests in any third party doing business with any Participating CU.

13.2. Inter-Institutional Conflicts. Section 7.3 governs conflicts arising between two or more Participating CUs with directly competing interests. This Section addresses conflicts arising from the Executive's outside interests or relationships.

13.3. Competitive Activity. The Executive shall not use knowledge, relationships, or access acquired through this engagement to compete against, solicit members from, or improperly benefit from any Participating CU. This obligation continues for [12] months following termination of the Executive's engagement with that institution.

13.4. No Solicitation. For a period of [12] months following termination of this Agreement (in whole or as to a specific Participating CU), no Participating CU shall directly solicit or recruit the Executive for independent employment without the prior written consent of the Lead Credit Union and the governance committee.

13.5. Outside Board Service. The Executive shall disclose any existing or proposed service on the board of directors, advisory board, or similar body of any other financial institution or competitor prior to commencing or continuing such service, and the governance committee shall have the right to object if such service creates a material conflict with the Executive's duties under this Agreement.

SECTION 14 — GENERAL PROVISIONS

14.1. Entire Agreement. This Agreement, together with all Exhibits, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written understandings.

14.2. Amendments. This Agreement may only be amended by a written instrument signed by authorized representatives of the Lead Credit Union and all Participating Credit Unions, except as otherwise provided for routine allocation adjustments under Sections 6.5 and 6.6.

14.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State], without regard to conflicts of law principles.

14.4. Severability. If any provision of this Agreement is found to be unenforceable, the remaining provisions shall continue in full force and effect.

14.5. Waiver. No waiver of any provision shall be effective unless in writing, and no waiver shall be deemed a continuing waiver or a waiver of any other provision.

14.6. Counterparts. This Agreement may be executed in counterparts, including electronic signatures, each of which shall be deemed an original.

14.7. Notices. All formal notices under this Agreement shall be in writing and delivered via email with confirmation of receipt, overnight courier, or certified mail to the designated liaisons identified in Section 8.1.

14.8. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties. Nothing herein shall create any rights in any third party, including any member of any Participating CU.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Fractional Executive Sharing Agreement as of the date first written above. Additional signature blocks may be added as needed for additional Participating Credit Unions.

LEAD CREDIT UNION (EMPLOYER OF RECORD)	PARTICIPATING CU #1	PARTICIPATING CU #2
Signature: _____	Signature: _____	Signature: _____
Name: _____	Name: _____	Name: _____
Title: _____	Title: _____	Title: _____
Date: _____	Date: _____	Date: _____

EXHIBIT A

Executive Shared-Services Acknowledgment Form

I, [Executive Full Name], acknowledge that I have read and understand the terms of the Fractional Executive Sharing Agreement among [Lead Credit Union] and the Participating Credit Unions listed therein, dated [Date].

I confirm my understanding of the following:

- I am employed solely by the Lead Credit Union, and my employment relationship is not altered by this multi-institution arrangement;
- I owe an independent fiduciary duty of loyalty and care to each Participating Credit Union with respect to matters concerning that institution, as described in Section 7;
- I am bound by the confidentiality obligations in Section 9 and the information segregation requirements in Section 7.2 with respect to each institution's confidential and competitive information;
- I will promptly disclose any actual or potential conflicts of interest, including outside board service, to the governance committee;

- I understand the time allocation schedule in Section 4.2 and will accurately report my time and activities to support accurate cost allocation;
- I understand that any formal signature or approval authority I hold at a given institution derives solely from that institution's own Board authorization and not from this Agreement.

Executive Signature: _____ Date: _____

Printed Name: _____ Title: _____

EXHIBIT B

Participating CU Service Schedule Template

This Service Schedule applies to: [Participating CU Name], under the Fractional Executive Sharing Agreement dated [Date].

Institution Name:	*[Participating CU Legal Name]*
Allocated FTE %:	*[e.g., 25%]*
Typical Weekly Commitment:	*[e.g., 1 day / 10 hours]*
Reporting Officer at this CU:	*[Name, Title — e.g., CEO]*
Standing Meeting Attendance:	*[e.g., Monthly Board Meeting, Quarterly ALCO]*

Institution-Specific Duties

[List the specific responsibilities, projects, recurring deliverables, and committee involvement applicable to this Participating CU, distinct from the general scope described in Section 4.1.]

Cost Allocation for This Schedule

Base Allocation % (per Section 4.2):	*[e.g., 25%]*
Estimated Monthly Cost:	*[$___ , based on current total compensation package]*
Administrative Fee:	*[___% per Section 6.3]*
Billing Contact:	*[Name, Email]*

Special Conditions

[List any institution-specific terms, exclusions, or conditions that supplement or modify the Master Agreement for this Participating CU.]

Lead CU Authorized Signature: _____ Date: _____

Participating CU Authorized Signature: _____ Date: _____

Independent Contractor Agreement Template

This document is an Independent Contractor Management Services Agreement outlining terms for engaging a fractional or part-time executive or senior management consultant, detailing roles, responsibilities, scope of work, compensation, confidentiality, intellectual property, insurance, indemnification, termination, conflict of interest, and general provisions, accompanied by exhibits specifying the statement of work and access authority, all intended to govern the professional relationship between a client organization and an independent contractor.

Use Case: Organization engages a highly experienced executive or senior consultant on a part-time or fractional basis to provide strategic leadership, advisory services, or operational oversight without the cost of a full-time hire

Example: A credit union retains a fractional CFO to oversee financial reporting, budgeting, and board-level presentations for 10–15 hours per month under a defined Statement of Work

Key Characteristics

- Contractor operates independently and is not treated as an employee
- Services are delivered on a scheduled or retainer basis
- Contractor may support multiple client organizations concurrently
- Level of engagement is strategic, advisory, and/or oversight-focused rather than transactional

INDEPENDENT CONTRACTOR MANAGEMENT SERVICES AGREEMENT

Fractional / Part-Time Executive and Senior Management Engagement

Agreement Date:	*[Insert Effective Date]*
Agreement No.:	*[Internal Reference Number]*
Initial Term:	*[Start Date] through [End Date]*
Contractor Role / Title:	*[e.g., Chief Risk Officer / CFO / Chief Compliance Officer]*
Client Organization:	*[e.g., 3]*

RECITALS

WHEREAS, Client has a business need for high-level management, executive, operational, financial, compliance, risk, technology, or other specialized leadership services, but may not require or desire a full-time employee for such role;

WHEREAS, Contractor has represented that Contractor possesses the experience, qualifications, judgment, and professional capacity to provide such services on a fractional, part-time, interim, or project-based basis;

WHEREAS, Client desires to engage Contractor as an independent contractor to provide the services described in this Agreement and the applicable Statement of Work, and Contractor desires to provide such services under the terms set forth herein;

WHEREAS, the Parties intend for this Agreement to establish clear expectations regarding scope, authority, confidentiality, data security, work product, compensation, termination, and other terms appropriate for a high-level management engagement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

SECTION 1 — PARTIES

1.1 Client

Legal Name:	*[Client Full Legal Name]*
Charter / Registration No.:	*[Charter, NCUA, State Registration, or Other Identifier, if applicable]*

Principal Address:	*[Street, City, State, ZIP]*
Board / Management Authorization:	*[Reference to resolution, approval, or authority authorizing this engagement]*
Primary Contact:	*[Name, Title]*

1.2 Contractor

Legal Name:	*[Individual or Entity Full Legal Name]*
Business / Tax ID:	*[SSN / EIN / Other Tax Identifier]*
Principal Address:	*[Street, City, State, ZIP]*
Primary Contact:	*[Name, Title, Email, Phone]*
Insurance Contact:	*[If applicable]*

1.3. Collective Reference. Client and Contractor may be referred to individually as a "Party" and collectively as the "Parties."

SECTION 2 — PURPOSE

2.1. Purpose. This Independent Contractor Management Services Agreement ("Agreement") establishes the terms under which Contractor will provide fractional, part-time, interim, advisory, or project-based management services to Client in the role of [Title / Function], as further described in the applicable Statement of Work attached as Exhibit A.

2.2. Strategic Rationale. Client acknowledges that high-level management roles may require specialized expertise, industry credentials, independent judgment, and leadership experience that may not justify a dedicated full-time hire. This Agreement is intended to provide Client with access to such expertise while maintaining appropriate governance, oversight, and accountability.

2.3. No Guarantee of Outcome. Contractor will use commercially reasonable efforts and professional judgment in performing the Services. Unless expressly stated in the Statement of Work, Contractor does not guarantee any specific financial, operational, regulatory, or business outcome.

SECTION 3 — INDEPENDENT CONTRACTOR STATUS

3.1. Independent Contractor. Contractor is engaged as an independent contractor and not as an employee, officer, director, partner, joint venturer, agent, or legal representative of Client, except to the limited extent expressly authorized in writing by Client.

3.2. No Employment Relationship. Nothing in this Agreement shall be construed to create an employment relationship between Client and Contractor or between Client and any of Contractor's employees, subcontractors, owners, members, or representatives.

3.3. Taxes and Benefits. Contractor is solely responsible for all taxes, withholdings, insurance, licenses, permits, benefits, retirement contributions, and other obligations arising from compensation paid to Contractor under this Agreement. Contractor is not eligible for Client employee benefits, paid time off, unemployment insurance, workers' compensation benefits, or other employee programs unless required by applicable law.

3.4. Control of Means and Methods. Contractor shall determine the manner, means, and methods by which the Services are performed, subject to Client's lawful policies, security requirements, regulatory obligations, deliverable expectations, and oversight rights described in this Agreement.

3.5. Contractor Personnel. If Contractor is an entity, Contractor shall be responsible for the acts and omissions of its personnel, employees, owners, members, agents, and approved subcontractors. Client may require removal or replacement of any personnel who fail to comply with Client policies, security requirements, or professional standards.

SECTION 4 — SCOPE OF SERVICES & TIME COMMITMENT

4.1. Role & Responsibilities. Contractor shall provide the services described in Exhibit A, which may include high-level management, executive advisory, process improvement, policy development, reporting, project leadership, staff coaching, or other responsibilities mutually agreed by the Parties.

4.2. Time Commitment. Contractor's expected time commitment shall be as follows:

Expected Weekly Hours:	*[e.g., 10–20 hours per week]*
Typical Schedule:	*[e.g., Two days per week / flexible as needed]*
Primary Engagement Mode:	*[On-site / Remote / Hybrid]*

Standing Meetings:	*[Board, committee, executive team, or other meetings]*
Primary Stakeholder / Manager:	*[Name, Title]*

4.3. Scope Boundaries. Contractor shall not be responsible for duties expressly identified as out of scope in Exhibit A unless the Parties agree in writing to amend the Statement of Work or execute a new Statement of Work.

4.4. Schedule Flexibility & Urgent Matters. The Parties acknowledge that management-level services may occasionally require flexibility outside the expected schedule. Any material increase in Contractor's time commitment shall be subject to Contractor availability and any applicable fee adjustment under Section 6.

4.5. Tools & Workspace Access. Client shall provide Contractor with reasonable systems access, credentials, documentation, and workspace necessary to perform the Services. Contractor shall comply with Client's applicable acceptable use, security, privacy, and workplace policies while performing Services for Client.

SECTION 5 — AUTHORITY & DECISION-MAKING

5.1. Scope of Authority. Contractor's authority shall be limited to the authority expressly granted in writing by Client. This Agreement does not confer any general authority to bind Client, approve expenditures, sign contracts, move funds, approve transactions, make personnel decisions, or represent Client before third parties unless specifically authorized.

5.2. Signature & Approval Authority. Any signature authority, approval authority, banking authority, payment authority, contract authority, or other formal decision-making power must be separately and explicitly authorized by Client's Board of Directors, executive management, or other authorized designee, documented in writing, and may be revoked at any time.

5.3. Client Retains Final Decision-Making. Client retains full and independent authority over its strategic, operational, financial, regulatory, risk, staffing, and governance decisions. Contractor may provide analysis, recommendations, implementation support, and management services, but Client remains responsible for final decisions unless authority has been expressly delegated in writing.

5.4. Reporting Line. Contractor shall report to [Client Officer / Board Committee / Designated Stakeholder] for purposes of scope, priorities, deliverables, and performance feedback.

SECTION 6 — COMPENSATION, BILLING & EXPENSES

6.1. Fees. Client shall compensate Contractor according to the fee structure set forth below or in Exhibit A:

Hourly Rate / Monthly Retainer:	*[$___ per hour / $___ per month]*
Minimum Commitment:	*[e.g., ___ hours per week / month, if applicable]*
Billing Frequency:	*[Monthly / Twice Monthly / Other]*
Invoice Due Date:	*[e.g., Within 30 calendar days of invoice receipt]*
Late Payment Terms:	*[e.g., ___% per month on undisputed overdue amounts]*

6.2. Expenses. Client shall reimburse Contractor for reasonable, necessary, and pre-approved out-of-pocket expenses incurred in connection with the Services, including travel, lodging, mileage, meals, professional materials, or other expenses approved by Client in advance.

6.3. Invoices. Contractor shall submit invoices that reasonably describe the Services performed, time worked if applicable, deliverables completed, and reimbursable expenses. Client may dispute an invoice in good faith by providing written notice within [15] calendar days of receipt.

6.4. No Withholding. Client shall not withhold taxes from payments to Contractor unless required by law. Contractor shall provide a completed IRS Form W-9 or applicable tax documentation prior to payment.

6.5. Fee Adjustments. Any change to fees, retainer amounts, expected hours, or material scope must be documented in writing, whether by amendment, updated Statement of Work, or written change order.

SECTION 7 — PROFESSIONAL STANDARDS & COMPLIANCE

7.1. Standard of Performance. Contractor shall perform the Services in a professional, competent, diligent, and workmanlike manner consistent with the standard of care generally exercised by experienced professionals performing similar services.

7.2. Compliance with Laws and Policies. Contractor shall comply with applicable federal, state, and local laws and regulations, and with Client policies provided to Contractor that are relevant to the Services, including privacy, information security, ethics, records retention, workplace conduct, and regulatory compliance policies.

7.3. Licenses and Qualifications. Contractor represents that Contractor holds and will maintain any licenses, certifications, registrations, or qualifications required to perform the Services, if any. Contractor shall promptly notify Client of any suspension, restriction, or loss of such qualifications.

7.4. Background Review. Client may require Contractor, and any approved Contractor personnel, to complete a background check, conflict review, bondability review, or other screening reasonably required by Client policy or applicable regulation before granting access to sensitive systems or information.

SECTION 8 — OVERSIGHT, COMMUNICATION & PERFORMANCE FEEDBACK

8.1. Designated Liaisons. Each Party shall designate a primary liaison for administration of this Agreement:

Client Liaison:	*[Name, Title, Email, Phone]*
Contractor Liaison:	*[Name, Title, Email, Phone]*
Billing Contact:	*[Name, Email, Phone]*
Security / Access Contact:	*[Name, Email, Phone]*

8.2. Communication Rhythm. The Parties shall maintain the communication rhythm described in Exhibit A, which may include recurring check-ins, status updates, dashboard reporting, board or committee attendance, and escalation procedures.

8.3. Performance Feedback. Client may provide Contractor with periodic performance feedback addressing service quality, responsiveness, deliverable completion, stakeholder

satisfaction, communication, and adherence to agreed scope. Contractor shall reasonably cooperate with Client in addressing performance concerns.

8.4. Escalation. Disputes or concerns regarding scope, prioritization, deliverables, performance, access, or authority shall first be escalated to the designated liaisons for good-faith resolution.

SECTION 9 — CONFIDENTIALITY & DATA SECURITY

9.1. Confidential Information. "Confidential Information" means any non-public information belonging to Client, including member, customer, consumer, employee, vendor, financial, operational, strategic, board, audit, examination, security, technology, pricing, contract, and personnel information, whether in written, oral, electronic, or other form.

9.2. Confidentiality Obligations. Contractor shall:

(a) Use Confidential Information only as necessary to perform the Services;

(b) Not disclose Confidential Information to any third party without Client's prior written consent;

(c) Protect Confidential Information using reasonable administrative, technical, and physical safeguards;

(d) Not copy, download, transmit, or store Confidential Information on personal devices, personal cloud systems, or unauthorized systems;

(e) Limit access to Confidential Information to approved personnel with a need to know and who are bound by confidentiality obligations at least as protective as this Agreement.

9.3. Privacy and Member / Consumer Data. If Contractor has access to member, customer, consumer, or other protected personal information, Contractor shall comply with applicable privacy and data protection laws and Client's privacy and information security policies.

9.4. Security Incident. Contractor shall notify Client within [24] hours of discovering any suspected or actual unauthorized access, disclosure, loss, misuse, or compromise of Confidential Information or Client systems. Contractor shall cooperate with Client in investigation, containment, remediation, and required notifications.

9.5. Return or Destruction. Upon termination, expiration, or Client request, Contractor shall promptly return or securely destroy all Confidential Information and Client materials, except to the extent retention is required by law or approved in writing by Client.

9.6. Survival. Confidentiality and data security obligations shall survive termination of this Agreement for [three (3)] years, or longer where required by law or where the information remains a trade secret or legally protected confidential information.

SECTION 10 — INTELLECTUAL PROPERTY & WORK PRODUCT

10.1. Client Work Product. All reports, analyses, templates, policies, procedures, worksheets, presentations, documentation, workpapers, models, recommendations, deliverables, and other materials created specifically for Client under this Agreement ("Work Product") shall be owned by Client upon payment of all undisputed amounts due for such Work Product.

10.2. Assignment. Contractor assigns to Client all right, title, and interest in Client-specific Work Product, except for Contractor's Pre-Existing IP as described in Section 10.3.

10.3. Pre-Existing IP. Contractor retains ownership of methodologies, know-how, templates, tools, processes, frameworks, and materials developed or owned by Contractor prior to this Agreement or independently of the Services ("Pre-Existing IP"). To the extent Contractor incorporates Pre-Existing IP into Work Product, Contractor grants Client a perpetual, non-exclusive, royalty-free license to use such Pre-Existing IP solely as incorporated in the Work Product for Client's internal business purposes.

10.4. Third-Party Materials. Contractor shall not incorporate third-party copyrighted, licensed, or restricted materials into Work Product unless Contractor has secured appropriate rights or Client has approved such use in writing.

SECTION 11 — INSURANCE, LIABILITY & INDEMNIFICATION

11.1. Insurance. Contractor shall maintain insurance coverage appropriate for the nature of the Services, which may include commercial general liability, professional liability/errors and omissions, cyber liability, workers' compensation, and automobile liability, in amounts reasonably acceptable to Client. Contractor shall provide certificates of insurance upon request.

11.2. Indemnification by Contractor. Contractor shall indemnify, defend, and hold harmless Client and its officers, directors, employees, volunteers, and agents from and against claims, losses, damages, liabilities, costs, and expenses, including reasonable attorneys' fees, arising out of or related to Contractor's negligence, willful misconduct, breach of confidentiality, data security incident caused by Contractor, violation of law, infringement of third-party rights, or breach of this Agreement.

11.3. Indemnification by Client. Client shall indemnify, defend, and hold harmless Contractor from and against claims, losses, damages, liabilities, costs, and expenses, including reasonable attorneys' fees, arising out of Client's gross negligence, willful misconduct, violation of law, or Client decisions made outside the scope of Contractor's authority and not caused by Contractor's breach of this Agreement.

11.4. Limitation of Liability. Except for breaches of confidentiality, data security obligations, indemnification obligations, gross negligence, willful misconduct, fraud, or violation of law, neither Party shall be liable to the other for indirect, consequential, punitive, incidental, or special damages arising under this Agreement.

11.5. No Fiduciary Role Unless Expressly Authorized. Contractor shall not be deemed a fiduciary, officer, director, or control person of Client solely by virtue of this Agreement unless such role is expressly authorized in writing by Client's governing body and accepted in writing by Contractor.

SECTION 12 — TERM & TERMINATION

12.1. Term. This Agreement shall commence on [Start Date] and continue through [End Date] (the "Initial Term"), unless earlier terminated as provided herein.

12.2. Renewal. This Agreement may renew for successive terms upon written agreement of the Parties or as otherwise stated in Exhibit A.

12.3. Termination for Convenience. Either Party may terminate this Agreement for convenience upon [30 / 60 / 90] calendar days' prior written notice to the other Party.

12.4. Termination for Cause. Either Party may terminate this Agreement immediately upon written notice if the other Party materially breaches this Agreement and fails to cure such breach within [15 / 30] calendar days after written notice, or immediately in the event of fraud, gross misconduct, criminal conduct, unauthorized disclosure of Confidential Information, loss of required license, or regulatory directive requiring termination.

12.5. Effect of Termination. Upon termination or expiration:

(a) Contractor shall cease performing Services unless transition assistance is requested and agreed in writing;

(b) Client shall pay Contractor for undisputed Services performed and approved expenses incurred through the effective termination date;

(c) Contractor shall return or destroy Client materials and Confidential Information as required by Section 9.5;

(d) Sections 3, 6, 9, 10, 11, 12.5, 13, and 14 shall survive to the extent necessary to give effect to their terms.

12.6. Transition Assistance. Upon Client request, Contractor shall provide reasonable transition assistance for up to [___] days following notice of termination, subject to Contractor availability and compensation at the rates stated in this Agreement unless otherwise agreed.

SECTION 13 — CONFLICT OF INTEREST & NON-SOLICITATION

13.1. Disclosure Obligation. Contractor shall promptly disclose any actual or potential conflict of interest that may affect Contractor's ability to perform the Services objectively, including outside engagements, board service, vendor relationships, ownership interests, related-party relationships, or competing obligations.

13.2. No Improper Benefit. Contractor shall not use Client's Confidential Information, business opportunities, relationships, or access for Contractor's personal benefit or for the benefit of any third party, except as authorized in writing by Client.

13.3. Outside Engagements. Contractor may provide services to other clients, provided such services do not create a conflict of interest, impair Contractor's ability to perform the Services, violate confidentiality obligations, or otherwise breach this Agreement.

13.4. Non-Solicitation. During the term of this Agreement and for [12] months thereafter, Contractor shall not knowingly solicit Client's employees, officers, directors, members/customers, vendors, or business opportunities for purposes inconsistent with this Agreement, except as permitted by applicable law and ordinary-course professional networking not targeted at Client personnel.

SECTION 14 — GENERAL PROVISIONS

14.1. Entire Agreement. This Agreement, together with all Exhibits and Statements of Work, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written understandings.

14.2. Amendments. This Agreement may only be amended by a written instrument signed by authorized representatives of both Parties.

14.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State], without regard to conflicts of law principles.

14.4. Severability. If any provision of this Agreement is found to be unenforceable, the remaining provisions shall continue in full force and effect.

14.5. Waiver. No waiver of any provision shall be effective unless in writing, and no waiver shall be deemed a continuing waiver or a waiver of any other provision.

14.6. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts, including electronic signatures, each of which shall be deemed an original.

14.7. Notices. All formal notices under this Agreement shall be in writing and delivered via email with confirmation of receipt, overnight courier, or certified mail to the contacts identified in Section 8.1 or such other address provided in writing.

14.8. Assignment. Contractor may not assign this Agreement or delegate Services without Client's prior written consent. Client may assign this Agreement to a successor by merger, consolidation, or sale of substantially all assets, provided the successor assumes Client's obligations.

14.9. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and does not create rights in any third party.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Independent Contractor Management Services Agreement as of the date first written above.

CLIENT	CONTRACTOR
Signature: _____ Name: _____ Title: _____ Date: _____	Signature: _____ Name: _____ Title: _____ Date: _____

EXHIBIT A

Statement of Work / Engagement Charter

Role Title:	*[e.g., Fractional Executive / Interim Department Leader / Senior Management Consultant]*
Start Date:	*[Insert Start Date]*
End Date:	*[Insert End Date]*
Expected Weekly Hours:	*[Insert Hours]*
Primary Stakeholder / Manager:	*[Name, Title]*

Objectives

- [Define 2–4 clear business objectives tied to organizational priorities]
- [Objective #1]
- [Objective #2]
- [Objective #3]

Scope of Work

- [Key responsibilities]
- [Core projects or initiatives]
- [Areas explicitly included]
- [Recurring duties, reports, meetings, or advisory responsibilities]

Out of Scope (What Contractor Is NOT Responsible For)

- [Prevent scope creep by listing excluded duties]
- [Items requiring separate written authorization]
- [Areas reserved for Client management, board, or staff]

Deliverables & Milestones

Deliverable	Description	Due Date	Owner
[Deliverable #1]	[Description]	[MM/DD]	[Contractor / Client]
[Status Report]	[Weekly / Monthly updates]	[Frequency]	[Contractor]

Success Metrics (How Success Is Measured)

- [KPI or outcome measure #1]
- [KPI or outcome measure #2]
- [Stakeholder satisfaction / adoption / completion metric]

Roles & Responsibilities

- Contractor: [Strategic guidance, execution of defined deliverables, reporting, recommendations]
- Client: [Provide access, context, documents, approvals, staff support, timely feedback]
- Decision Authority: [Specify what Contractor may approve vs. recommend only]

Communication & Rhythm

- Check-ins: [e.g., Weekly 30-minute meeting]
- Reporting: [Status updates, dashboards, written reports]
- Channels: [Teams, email, project management tool]
- Response Expectations: [Define expected turnaround times]

Tools & Access

- Systems required: [List systems]
- Access level: [View-only / preparer / approver / administrator]
- Documentation repositories: [SharePoint, network drive, etc.]
- Access removal process at end of engagement

Knowledge Transfer Requirement

- Required documentation
- SOPs / process maps
- Final recommendations
- Open items log
- Handoff expectations at end of engagement

Risks & Dependencies

- Key dependencies: [Internal staff, data access, third parties]
- Known risks to timeline or success
- Escalation process for unresolved dependencies

Integration Plan

- Meetings Contractor will attend
- Stakeholders Contractor will interact with
- Departments impacted
- Internal communication plan

Approval

Client Authorized Representative:	*[Name, Title]*
Contractor:	*[Name, Title]*
Date:	*[Insert Date]*

EXHIBIT B

Access & Authority Matrix

System / Function	Access Level	May Prepare?	May Approve?	Restrictions / Notes
[System / Function #1]	[View / Edit / Admin]	[Yes / No]	[Yes / No]	[Notes]
[Payments / Banking / Contracts]	[Specify]	[Yes / No]	[Yes / No]	[Board or officer approval required]
[Reporting / Board Materials]	[Specify]	[Yes / No]	[Yes / No]	[Notes]

Cost-Sharing (Secondment) Agreement Template

This Employee Secondment Agreement outlines the terms under which an employee remains on the payroll of their Home Credit Union while temporarily providing services to a Host Credit Union, including details on employment status, scope of services, time allocation, cost reimbursement, confidentiality, liability, term and termination, conflict of interest, intellectual property rights, regulatory cooperation, force majeure, background checks, and administrative provisions to ensure compliance, operational clarity, and mutual cooperation between the two credit unions.

Use case: One company employs the individual; others "borrow" them.

Example:

- Credit Union A employs a BSA Officer
- Credit Unions B & C use that same officer for periodic reviews, training, and SAR oversight
- Costs split based on allocation (hours, assets, or flat fee)

Key characteristics:

- Employee remains on Company A's payroll
- Other entities reimburse proportionally
- Clear allocation of time (e.g., 40% / 30% / 30%)

EMPLOYEE SECONDMENT AGREEMENT

Credit Union Shared Services Arrangement

Agreement Date:	*[Insert Effective Date]*
Agreement No.:	*[Internal Reference Number]*
Secondment Period:	*[Start Date] through [End Date]*
Employee Name:	*[Full Legal Name of Seconded Employee]*
Employee ID:	*[Home CU Employee ID]*

SECTION 1 — PARTIES

1.1 Home Credit Union (Employer of Record)

Legal Name:	*[Home Credit Union Full Legal Name]*
Charter Number:	*[NCUA Charter No.]*
Principal Address:	*[Street, City, State, ZIP]*
Primary Contact:	*[Name, Title]*
Phone / Email:	*[Phone]	[Email]*

1.2 Host Credit Union (Receiving Institution)

Legal Name:	*[Host Credit Union Full Legal Name]*
Charter Number:	*[NCUA Charter No.]*
Principal Address:	*[Street, City, State, ZIP]*
Primary Contact:	*[Name, Title]*
Phone / Email:	*[Phone]	[Email]*

Collectively, the Home Credit Union and Host Credit Union are referred to herein as the "Parties." The seconded individual is referred to as the "Employee."

SECTION 2 — PURPOSE

This Employee Secondment Agreement ("Agreement") is entered into to facilitate a temporary, structured sharing of personnel between two credit union institutions in furtherance of mutual operational objectives and the broader credit union philosophy of "People Helping People."

The specific purposes of this secondment include, but are not limited to:

- Providing the Host Credit Union with specialized expertise and support in [describe functional area, e.g., lending operations, member services, compliance, IT, etc.];
- Supporting knowledge transfer and cross-institutional collaboration between credit union peers;
- Enabling professional development opportunities for the Employee;
- Strengthening cooperative capacity within the credit union movement.

This Agreement does not constitute a transfer of employment, assignment of ownership of work product outside the scope defined herein, or any obligation to extend the secondment beyond its stated term without written amendment.

SECTION 3 — EMPLOYMENT STATUS

3.1. Employer of Record. Throughout the entire secondment period, the Employee shall remain exclusively employed by the Home Credit Union. The Home Credit Union retains sole employer-of-record status and all associated legal obligations.

3.2. No Dual Employment. The Host Credit Union shall not be considered a co-employer, joint employer, or secondary employer of the Employee at any time during the secondment. The Host Credit Union shall not independently hire, classify, or create a separate employment relationship with the Employee under this Agreement.

3.3. Payroll & Benefits. The Home Credit Union shall remain solely responsible for:

(a) Payment of the Employee's base salary, overtime (if applicable), and any agreed-upon incentive compensation;

(b) Administration and funding of all employee benefits including health insurance, retirement contributions, paid time off, and ancillary benefits;

(c) Payroll tax withholding, employer tax filings, and all statutory employer contributions (FICA, FUTA, SUTA, etc.);

(d) Workers' compensation coverage and unemployment insurance;

(e) Compliance with all applicable federal and state employment laws.

3.4. Performance Management. The Home Credit Union shall retain ultimate authority over the Employee's performance reviews, disciplinary actions, promotion decisions, and termination. The Host Credit Union may provide documented performance feedback to the Home Credit Union, which may be considered in periodic evaluations.

3.5. Employee Acknowledgment. The Employee shall execute a separate "Employee Secondment Acknowledgment" form (Exhibit A), confirming their understanding of the arrangement, including reporting lines, confidentiality obligations, and conflict of interest provisions.

SECTION 4 — SCOPE OF SERVICES

4.1. Assigned Duties. During the secondment period, the Employee will perform the following functions on behalf of the Host Credit Union:

- [Describe primary duty or function #1]
- [Describe primary duty or function #2]
- [Describe primary duty or function #3]
- [List any restrictions on duties — e.g., no signature authority, no independent vendor contracting, etc.]

4.2. Day-to-Day Direction. The Host Credit Union's designated supervisor ([Name, Title]) shall provide daily work direction and task assignments to the Employee during seconded hours. However, this operational direction does not alter the employment relationship outlined in Section 3.

4.3. Physical Location. The Employee will perform seconded duties at [Host CU Address / Remote / Hybrid]. Travel expectations, if any, shall be addressed in Section 5 (Cost Allocation).

4.4. Systems & Equipment. The Host Credit Union shall provide all necessary systems access, equipment, and workspace required for the Employee to perform seconded duties. The Employee shall comply with all Host Credit Union policies regarding use of its systems and equipment.

SECTION 5 — TIME ALLOCATION

A clear, documented allocation of the Employee's working time between the Home Credit Union and Host Credit Union is essential to this Agreement. The following schedule governs the secondment:

5.1 Weekly Time Allocation Schedule

Day / Period	Host CU Hours	Home CU Hours	Notes
Monday	[e.g., 4 hrs]	[e.g., 4 hrs]	
Tuesday	[e.g., 8 hrs]	[e.g., 0 hrs]	*Full day at Host CU*
Wednesday	[e.g., 8 hrs]	[e.g., 0 hrs]	*Full day at Host CU*
Thursday	[e.g., 4 hrs]	[e.g., 4 hrs]	
Friday	[e.g., 0 hrs]	[e.g., 8 hrs]	*Full day at Home CU*
Weekly Total	**[e.g., 24 hrs / 60%]**	**[e.g., 16 hrs / 40%]**	

All hours are based on the Employee's standard [40-hour / part-time] workweek. This schedule may be amended by mutual written agreement of the Parties with at least [10] business days' notice.

5.2. Overtime. Any overtime worked by the Employee must be pre-approved by the Home Credit Union. If overtime is worked during Host CU hours, the Host Credit Union shall reimburse the Home Credit Union for the overtime premium in accordance with Section 6.

5.3. Paid Time Off. PTO usage shall be tracked by the Home Credit Union. When the Employee takes approved PTO, the cost allocation under Section 6 shall not apply for those days unless otherwise agreed in writing.

5.4. Holidays. Official credit union holidays observed by the Home Credit Union will govern the Employee's schedule. The Host Credit Union will be notified of any scheduled closures that affect seconded days.

SECTION 6 — COST ALLOCATION & REIMBURSEMENT

6.1. Reimbursable Costs. The Host Credit Union agrees to reimburse the Home Credit Union for all direct and allocated employment costs attributable to the seconded hours. Reimbursable costs include:

(a) Proportionate share of base salary and wages;

(b) Proportionate share of employer-paid benefits (health, dental, vision, life, disability);

(c) Proportionate share of employer-paid retirement contributions;

(d) Proportionate share of employer payroll taxes (FICA, FUTA, SUTA);

(e) Proportionate share of workers' compensation premiums;

(f) Any overtime premium approved by the Home Credit Union for seconded hours (see Section 5.2);

(g) Reasonable pre-approved travel and business expenses incurred in performance of Host CU duties.

6.2. Allocation Method. The reimbursement percentage shall be calculated based on the ratio of seconded hours to the Employee's total scheduled hours, as set forth in Section 5. Example: If the Employee works 60% of their time for the Host CU, the Host CU reimburses 60% of all costs listed in 6.1(a)–(f).

6.3. Administrative Fee. In addition to direct costs, the Host Credit Union shall pay the Home Credit Union an administrative/overhead fee of [___%] of total reimbursable costs per billing period, to compensate for HR administration, payroll processing, and compliance management.

6.4. Billing & Payment. The Home Credit Union shall provide a monthly invoice to the Host Credit Union by the [10th] calendar day following each billing month. Invoices shall itemize all reimbursable cost categories. Payment is due within [30] calendar days of invoice receipt.

6.5. Late Payment. Undisputed amounts not paid by the due date shall accrue interest at a rate of [1.5%] per month (or the maximum rate permitted by applicable law, whichever is less).

6.6. Audit Rights. The Host Credit Union shall have the right, upon [10] business days' written notice, to audit relevant payroll and benefits records to verify invoiced amounts. Audits shall not occur more than once per calendar year.

SECTION 7 — GOVERNANCE & OVERSIGHT

7.1. Designated Liaisons. Each Party shall designate a primary liaison for administration of this Agreement:

Home CU Liaison:	*[Name, Title, Email, Phone]*
Host CU Liaison:	*[Name, Title, Email, Phone]*

7.2. Check-In Cadence. The designated liaisons shall conduct a formal check-in no less frequently than [monthly] to review performance, time allocation accuracy, billing reconciliation, and any operational concerns.

7.3. Regulatory Compliance. Each Party remains independently responsible for compliance with applicable laws and regulations governing its own operations. This includes, but is not limited to, NCUA regulations, Bank Secrecy Act / AML requirements, and state-level credit union statutes. The Parties agree to cooperate in good faith to ensure the Employee is not placed in a position that creates regulatory risk for either institution.

7.4. Policy Applicability. During seconded hours, the Employee shall comply with the Host Credit Union's applicable workplace policies, including code of conduct, safety policies, and acceptable use of technology. Matters of employment policy (discipline, leaves of absence, accommodations) shall remain governed by Home Credit Union policy.

7.5. Dispute Resolution. In the event of a dispute between the Parties regarding this Agreement, the Parties agree to first attempt resolution through good-faith negotiation between their respective leadership. If unresolved within [30] calendar days, the Parties may pursue mediation before initiating any legal proceedings.

SECTION 8 — CONFIDENTIALITY & DATA SECURITY

8.1. Definition of Confidential Information. "Confidential Information" means any non-public information belonging to either Party, including member data, financial records, strategic plans, proprietary systems, vendor contracts, pricing, personnel information, and regulatory correspondence.

8.2. Obligations. The Employee and the Parties agree that:

(a) Confidential Information of either Party shall not be disclosed to any third party without prior written consent;

(b) The Employee shall not use either Party's Confidential Information for purposes outside the scope of their assigned duties;

(c) The Employee shall not transfer, copy, or transmit Confidential Information to personal devices or unauthorized systems;

(d) Obligations of confidentiality shall survive the termination of this Agreement for a period of [three (3)] years.

8.3. Member Data & Privacy. The Employee shall comply fully with applicable federal and state privacy laws, including the Gramm-Leach-Bliley Act (GLBA), during all seconded activities. The Host Credit Union is responsible for ensuring appropriate access controls are in place for its member data. The Home Credit Union is responsible for ensuring the Employee has received required privacy training prior to the secondment commencement.

8.4. Data Security Incident. In the event of a suspected or actual data security breach involving Confidential Information or member data arising from the Employee's seconded activities, the discovering Party shall notify the other Party's liaison within [24] hours of discovery. Both Parties shall cooperate in any required regulatory notification and remediation.

8.5. Return of Information. Upon termination or expiration of this Agreement, the Employee shall promptly return or certifiably destroy all Confidential Information and materials belonging to the Host Credit Union.

SECTION 9 — LIABILITY & INDEMNIFICATION

9.1. Home Credit Union Indemnification. The Home Credit Union agrees to indemnify, defend, and hold harmless the Host Credit Union and its officers, directors, and employees from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) the Home Credit Union's employment of the Employee, including any employment law claim; (b) acts or omissions of the Home Credit Union in performance of its obligations under this Agreement.

9.2. Host Credit Union Indemnification. The Host Credit Union agrees to indemnify, defend, and hold harmless the Home Credit Union and its officers, directors, and

employees from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) acts or omissions of the Employee while performing duties under the direction of the Host Credit Union; (b) the Host Credit Union's failure to provide a safe and legally compliant work environment during seconded hours.

9.3. Workers' Compensation. The Home Credit Union's workers' compensation policy shall provide primary coverage for work-related injuries sustained by the Employee during seconded hours. The Host Credit Union agrees to cooperate fully with any workers' compensation investigation and shall promptly report any workplace incidents involving the Employee.

9.4. Limitation of Liability. Neither Party shall be liable to the other for any indirect, consequential, punitive, or special damages arising under this Agreement, except in cases of gross negligence, willful misconduct, or breach of confidentiality obligations.

9.5. Insurance. Each Party shall maintain appropriate insurance coverage, including general liability, professional liability (errors & omissions), and workers' compensation, in amounts consistent with credit union industry standards, and shall provide certificates of insurance upon request.

SECTION 10 — TERM & TERMINATION

10.1. Term. This Agreement shall commence on [Start Date] and shall continue through [End Date], unless earlier terminated as provided herein (the "Secondment Period").

10.2. Renewal. The Parties may renew this Agreement for successive terms by mutual written amendment executed no later than [30] days prior to the expiration of the then-current term.

10.3. Termination for Convenience. Either Party may terminate this Agreement without cause upon [30] calendar days' prior written notice to the other Party.

10.4. Termination for Cause. Either Party may terminate this Agreement immediately upon written notice in the event of:

(a) A material breach of this Agreement that remains uncured [15] business days after written notice of such breach;

(b) Insolvency, receivership, or regulatory conservatorship of either Party;

(c) A regulatory directive prohibiting continuation of the arrangement;

(d) An act of gross misconduct or criminal conduct by the Employee during seconded hours.

10.5. Effect of Termination. Upon termination or expiration: (a) the Employee shall immediately cease performing duties for the Host Credit Union; (b) all outstanding invoices shall become due and payable within [15] business days; (c) Sections 8 (Confidentiality), 9 (Liability & Indemnification), and 11 (Conflict of Interest — post-secondment provisions) shall survive termination.

SECTION 11 — CONFLICT OF INTEREST

11.1. Disclosure Obligation. The Employee must promptly disclose to both Parties' designated liaisons any actual or potential conflict of interest that arises during the secondment, including but not limited to: outside employment, vendor relationships, or personal financial interests in any third party doing business with either credit union.

11.2. Competitive Activity. The Employee shall not use knowledge, relationships, or access acquired during the secondment to compete against, solicit members from, or improperly benefit from either Party. This obligation continues for [12] months following termination of the secondment.

11.3. No Solicitation. For a period of [12] months following termination of this Agreement, the Host Credit Union shall not directly solicit or recruit the Employee for employment without the prior written consent of the Home Credit Union.

11.4. Dual Loyalty Acknowledgment. Both Parties acknowledge that the Employee may, at times, receive direction from both organizations. The Parties commit to maintaining clear communication to prevent the Employee from being placed in a position of irreconcilable conflict.

SECTION 12 — GENERAL PROVISIONS

12.1. Entire Agreement. This Agreement, together with all Exhibits, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written understandings.

12.2. Amendments. This Agreement may only be amended by a written instrument signed by authorized representatives of both Parties.

12.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State], without regard to conflicts of law principles.

12.4. Severability. If any provision of this Agreement is found to be unenforceable, the remaining provisions shall continue in full force and effect.

12.5. Waiver. No waiver of any provision shall be effective unless in writing, and no waiver shall be deemed a continuing waiver or a waiver of any other provision.

12.6. Counterparts. This Agreement may be executed in counterparts, including electronic signatures, each of which shall be deemed an original.

12.7. Notices. All formal notices under this Agreement shall be in writing and delivered via email with confirmation of receipt, overnight courier, or certified mail to the designated liaisons identified in Section 7.1.

SECTION 13 — INTELLECTUAL PROPERTY & WORK PRODUCT

13.1 Ownership of Pre-Existing IP. Each Party retains all right, title, and interest in and to any intellectual property, proprietary materials, systems, processes, or methodologies that were created or developed prior to the commencement of this Agreement ("Pre-Existing IP"). The Employee's participation in this secondment shall not transfer, assign, or otherwise affect either Party's ownership of its respective Pre-Existing IP.

13.2 Work Product Created During Secondment. Any work product, inventions, reports, analyses, training materials, programs, processes, or other deliverables created by the Employee in the course of performing duties assigned by the Host Credit Union during seconded hours ("Secondment Work Product") shall be governed as follows:

- **(a)** Secondment Work Product created solely in furtherance of the Host Credit Union's operations and within the defined scope of the seconded duties shall be owned by the Host Credit Union;
- **(b)** Secondment Work Product that incorporates or is derived from the Home Credit Union's Pre-Existing IP, proprietary systems, or internal methodologies shall

remain the property of the Home Credit Union, with a limited, non-exclusive, royalty-free license granted to the Host Credit Union for internal operational use during the secondment term only;

(c) Work product of a dual-benefit nature (i.e., applicable to both institutions' operations) shall be jointly owned, with each Party holding an undivided interest and a right to use without accounting to the other, unless otherwise agreed in writing.

13.3 Assignment by Employee. The Employee hereby assigns to the applicable owning Party all right, title, and interest in any Secondment Work Product covered by this Section. The Employee agrees to execute any additional documents reasonably requested to perfect such assignment. This obligation survives termination of the Agreement.

13.4 No License Implied. Nothing in this Agreement shall be construed as granting either Party any license, right, or interest in the other Party's Pre-Existing IP beyond what is expressly stated herein. Upon termination of this Agreement, any licenses granted hereunder shall immediately terminate, and the Employee shall cease use of and return or destroy any materials embodying the other Party's intellectual property.

SECTION 14 — REGULATORY EXAMINATION COOPERATION

14.1 Notification of Examination. Each Party shall promptly notify the other Party's designated liaison, to the extent permitted by applicable law and regulatory guidance, when it becomes aware that a regulatory examination (including but not limited to an NCUA examination, state supervisory examination, or BSA/AML review) may encompass activities, records, or personnel associated with this secondment arrangement.

14.2 Cooperation Obligation. Both Parties agree to fully cooperate with any federal or state regulatory examiner, auditor, or supervisory authority conducting an examination that involves the secondment arrangement. Cooperation includes, but is not limited to:

(a) Providing examiners with access to this Agreement and all related exhibits, amendments, and correspondence upon request;

(b) Producing payroll records, billing invoices, time allocation records, and performance documentation relevant to the seconded Employee;

(c) Making the Employee available for examiner interviews to the extent required, coordinated through both Parties' liaisons;

(d) Disclosing the existence and material terms of this secondment arrangement when required by applicable regulatory guidance, examination protocols, or third-party service provider oversight frameworks.

14.3 Record Retention. Both Parties shall retain all records relating to this secondment arrangement in accordance with their respective record retention policies and applicable regulatory requirements, but in no event for a period less than [seven (7)] years following the termination or expiration of this Agreement. Each Party is independently responsible for compliance with its own regulatory record retention obligations.

14.4 Regulatory Directive to Terminate. In the event that any federal or state regulatory authority issues a directive, order, or supervisory guidance requiring either Party to discontinue this secondment arrangement, the affected Party shall promptly notify the other Party in writing, and this Agreement shall terminate in accordance with the terms of Section 10.4(c) without penalty to either Party.

SECTION 15 — FORCE MAJEURE

15.1 Definition. A "Force Majeure Event" means any event or circumstance beyond the reasonable control of a Party that prevents or delays that Party's performance of its obligations under this Agreement, including but not limited to: acts of God; natural disasters (flood, fire, earthquake, hurricane, or tornado); epidemic or pandemic declared by a government or public health authority; acts of war, terrorism, or civil unrest; government-mandated shutdowns or emergency orders; widespread utility or critical infrastructure failure; or major cybersecurity incidents resulting in operational shutdown beyond the affected Party's reasonable control.

15.2 Suspension of Obligations. In the event that either Party is prevented from or delayed in performing its obligations under this Agreement as a direct result of a Force Majeure Event, that Party's performance obligations shall be suspended for the duration of such event, without liability to the other Party, provided that:

(a) The affected Party provides written notice to the other Party's designated liaison within [48] hours of becoming aware of the Force Majeure Event, describing the nature and anticipated duration of the event;

(b) The affected Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resume performance as promptly as practicable;

(c) Financial obligations already accrued and due prior to the Force Majeure Event shall not be suspended and shall remain payable in accordance with this Agreement.

15.3 Cost Allocation During Suspension. During any Force Majeure suspension period in which the Employee is unable to perform seconded duties, the Host Credit Union's reimbursement obligation under Section 6 shall be proportionately reduced for each day of non-performance attributable to the Force Majeure Event. The Home Credit Union shall remain responsible for maintaining the Employee's compensation and benefits during any suspension period in accordance with its employment obligations.

15.4 Right to Terminate for Extended Force Majeure. If a Force Majeure Event prevents performance for a continuous period exceeding [60] calendar days, either Party may terminate this Agreement upon [10] business days' written notice without further liability, other than for obligations accrued prior to the Force Majeure Event. Such termination shall not be deemed a breach of this Agreement.

SECTION 16 — BACKGROUND CHECK & BONDING CONFIRMATION

16.1 Pre-Secondment Background Screening. Prior to the commencement of the secondment, the Home Credit Union represents and warrants that the Employee has undergone a comprehensive background screening consistent with applicable law, NCUA guidance, and the Home Credit Union's standard hiring practices. Such screening shall include, at minimum:

(a) Criminal history check (federal and applicable state jurisdictions);

(b) Section 19 of the Federal Deposit Insurance Act eligibility confirmation, to the extent applicable;

(c) Credit history review (where permitted by law and applicable to the role);

(d) Identity verification and employment eligibility (Form I-9 / E-Verify compliance);

(e) OFAC / sanctions list screening.

16.2 Written Confirmation. Prior to the Employee's first day of service at the Host Credit Union, the Home Credit Union shall provide the Host Credit Union with a written certification (Exhibit B) confirming that all required background checks have been completed with results satisfactory to the Home Credit Union, and that no disqualifying findings exist that would prevent the Employee from working in a federally insured financial institution. The Home Credit Union is not required to disclose the specific findings of the background check, only to certify that no disqualifying results were identified.

16.3 Fidelity Bond / Dishonesty Coverage. The Home Credit Union represents and warrants that the Employee is covered under its fidelity bond or employee dishonesty insurance policy (or equivalent blanket bond) throughout the secondment period. The Home Credit Union shall provide a certificate or written confirmation of such coverage to the Host Credit Union upon request. In the event the Employee's coverage under such bond is discontinued or materially altered during the secondment period, the Home Credit Union shall notify the Host Credit Union within [5] business days.

16.4 Post-Hire Disqualifying Events. If, during the secondment period, the Home Credit Union becomes aware of any event or circumstance that would have been disqualifying under Section 16.1 had it occurred prior to hiring (including a criminal charge or conviction, regulatory sanction, or material adverse credit event), the Home Credit Union shall promptly notify the Host Credit Union's designated liaison. The Parties shall consult in good faith to determine the appropriate course of action, which may include modification of duties, suspension of seconded activities, or termination of this Agreement pursuant to Section 10.4.

16.5 Indemnification for Screening Failures. The Home Credit Union agrees to indemnify and hold harmless the Host Credit Union from any loss, claim, or liability arising from the Home Credit Union's failure to conduct adequate pre-secondment background screening, or from any failure to timely disclose a post-hire disqualifying event as required under Section 16.4.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Employee Secondment Agreement as of the date first written above.

HOME CREDIT UNION	HOST CREDIT UNION
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

Employee Secondment Acknowledgment Form

I, [Employee Full Name], acknowledge that I have read and understand the terms of the Employee Secondment Agreement between [Home Credit Union] and [Host Credit Union] dated [Date].

I confirm my understanding of the following:

- I remain an employee of the Home Credit Union throughout the secondment period and my employment relationship with the Home Credit Union is not altered by this arrangement;
- I will receive day-to-day work direction from the Host Credit Union during seconded hours, but this does not create an employment relationship with the Host Credit Union;
- I am bound by the confidentiality obligations set forth in Section 8 of the Agreement and will not disclose either organization's Confidential Information to unauthorized parties;
- I will promptly disclose any actual or potential conflicts of interest to both designated liaisons;
- I understand the time allocation schedule in Section 5 and will accurately report my hours to the Home Credit Union;
- My conduct during seconded hours reflects on both institutions, and I agree to uphold both institutions' codes of conduct.

Employee Signature: _____ Date: _____

Printed Name: _____ Employee ID: _____

Intercompany Services Agreement Template

This document outlines an Intercompany Services Agreement between peer credit unions for cooperative, cost-based service sharing with defined service categories, performance standards, confidentiality, liability provisions, governance, fee structures, and termination terms, emphasizing mutual benefit and regulatory compliance within a cooperative framework.

Use case: One entity provides services like a vendor, but still peer-to-peer.

Example:

- Credit Union A has a robust IT/security team
- Provides:
    - SOC monitoring
    - Vendor risk reviews
    - Cybersecurity audits
- Credit Unions B & C pay a contractual fee

Key characteristics:

- Structured like a vendor contract
- Defined deliverables + SLAs
- No time-based allocation required

INTERCOMPANY SERVICES AGREEMENT

Peer-to-Peer Credit Union Service Sharing Arrangement

Agreement Date:	*[Insert Effective Date]*
Agreement No.:	*[Internal Reference Number]*
Initial Term:	*[Start Date] through [End Date]*
Service Provider:	*[Provider Credit Union Full Legal Name]*
Receiving Party:	*[Receiving Credit Union Full Legal Name]*

RECITALS

WHEREAS, the Service Provider Credit Union and the Receiving Credit Union (collectively, the "Parties") are both federally or state-chartered credit unions operating under the cooperative principle of "People Helping People";

WHEREAS, the Service Provider Credit Union possesses specialized capabilities, infrastructure, or expertise that the Receiving Credit Union wishes to access on a contractual, fee-for-service basis;

WHEREAS, the Parties intend to enter into this peer-to-peer arrangement as cooperative institutions rather than as a traditional commercial vendor relationship, while maintaining appropriate arm's-length terms that satisfy applicable regulatory standards;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1 — PARTIES & COOPERATIVE CONTEXT

1.1 Service Provider Credit Union

Legal Name:	*[Service Provider Credit Union Full Legal Name]*
Charter Type:	*[Federal / State-Chartered]*

Charter / NCUA No.:	*[Charter or NCUA Number]*
Principal Address:	*[Street, City, State, ZIP]*
Primary Contact:	*[Name, Title]*
Phone / Email:	*[Phone] | [Email]*

1.2 Receiving Credit Union

Legal Name:	*[Receiving Credit Union Full Legal Name]*
Charter Type:	*[Federal / State-Chartered]*
Charter / NCUA No.:	*[Charter or NCUA Number]*
Principal Address:	*[Street, City, State, ZIP]*
Primary Contact:	*[Name, Title]*
Phone / Email:	*[Phone] | [Email]*

1.3. Cooperative Relationship. The Parties acknowledge that this Agreement is entered into in the spirit of credit union cooperation and is intended to be a mutually beneficial arrangement. Nothing in this Agreement shall be construed to create a franchisor-franchisee, parent-subsidiary, or master-servant relationship. Each Party remains an independent, separately chartered credit union with its own governance, membership, and regulatory obligations.

1.4. Independent Contractors. The Service Provider Credit Union is acting as an independent contractor in its provision of services hereunder. Nothing in this Agreement creates an employment, agency, partnership, or joint venture relationship between the Parties.

SECTION 2 — PURPOSE & GUIDING PRINCIPLES

2.1. Purpose. This Intercompany Services Agreement ("Agreement") establishes the terms and conditions under which the Service Provider Credit Union will provide certain services to the Receiving Credit Union on a cost-based, peer-to-peer basis. The arrangement is designed to enable the Receiving Credit Union to access capabilities it may not be able to develop internally at scale, while allowing the Service Provider Credit Union to extend the value of its existing infrastructure to a fellow cooperative institution.

2.2. Non-Commercial Intent. The Parties acknowledge that this Agreement is structured as a cost-sharing and cooperative service arrangement, not as a profit-driven commercial vendor relationship. Fees charged under this Agreement are intended to reflect the Service Provider's actual and fully-loaded costs of delivering the services, plus a reasonable administrative margin, consistent with applicable NCUA guidance on interorganizational arrangements.

2.3. Member Benefit. Both Parties affirm that the primary beneficiaries of this arrangement are the members of each credit union, and that all services provided hereunder shall be delivered in a manner consistent with safe and sound credit union operations.

SECTION 3 — SCOPE OF SERVICES

3.1. Covered Services. The Service Provider Credit Union agrees to provide the following categories of services (the "Services") to the Receiving Credit Union during the term of this Agreement:

- [Service Category 1 — e.g., Information Technology Support & Infrastructure Management]
- [Service Category 2 — e.g., Compliance Program Advisory & BSA/AML Support]
- [Service Category 3 — e.g., Mortgage or Consumer Loan Processing & Underwriting Support]
- [Service Category 4 — e.g., Human Resources Consulting & Training Delivery]
- [Service Category 5 — e.g., Marketing, Branding, and Digital Communications Support]

The specific scope, deliverables, timelines, and performance standards for each Service category are set forth in the applicable Service Schedule(s) attached hereto as Exhibit A.

3.2. Service Schedules. The Parties may add, modify, or remove individual Service Schedules by mutual written agreement without requiring a full amendment to this Agreement, provided that (a) any new Service Schedule is signed by authorized representatives of both Parties, (b) the new or modified Schedule is incorporated by reference into this Agreement, and (c) the financial terms in any modified Schedule are consistent with the cost-based fee structure described in Section 6.

3.3. Excluded Services. Except as expressly set forth in an applicable Service Schedule, the Service Provider is not obligated to provide: (a) services outside normal

business hours without prior written agreement and applicable after-hours fees; (b) services requiring the Service Provider to act as a fiduciary on behalf of the Receiving Credit Union's members; (c) regulatory examination management or legal representation; or (d) any service that would cause the Service Provider to assume regulatory responsibility for the Receiving Credit Union's operations.

3.4. Standard of Performance. The Service Provider shall perform all Services in a professional and workmanlike manner, consistent with applicable credit union industry standards, regulatory requirements, and the service level standards set forth in Section 7 of this Agreement.

3.5. Personnel. The Service Provider shall designate qualified personnel to deliver the Services and shall retain the right to assign, reassign, or replace such personnel in its reasonable discretion. The Service Provider shall promptly notify the Receiving Credit Union of any material changes in key personnel assigned to delivery of the Services.

SECTION 4 — RESPONSIBILITIES OF EACH PARTY

4.1 Service Provider Responsibilities

- Deliver Services in accordance with the standards, timelines, and deliverables specified in each applicable Service Schedule;
- Assign and maintain qualified personnel for each Service area;
- Maintain all necessary licenses, certifications, regulatory approvals, and operational capabilities required to deliver the Services;
- Provide the Receiving Credit Union with reasonable advance notice of any planned service outages, changes to delivery processes, or personnel transitions affecting service continuity;
- Maintain records sufficient to support invoicing, audit, and regulatory examination;
- Promptly escalate to the Receiving Credit Union's designated liaison any issues, errors, incidents, or anomalies that may materially impact the Receiving Credit Union's operations or member experience.

4.2 Receiving Credit Union Responsibilities

- Designate a qualified primary liaison to coordinate with the Service Provider and ensure timely communication;
- Provide the Service Provider with timely access to data, systems, personnel, and documentation necessary for performance of the Services;

- Review and respond to deliverables, reports, or requests from the Service Provider within the timeframes specified in the applicable Service Schedule;
- Pay all invoices in accordance with Section 6;
- Maintain its own independent oversight of the Services and retain accountability for compliance with all regulatory requirements applicable to its own operations;
- Promptly notify the Service Provider of any changes in the Receiving Credit Union's operational environment, systems, or requirements that may affect Service delivery.

4.3. Retained Regulatory Responsibility. Notwithstanding any Services provided hereunder, the Receiving Credit Union retains sole responsibility for (a) compliance with all laws and regulations applicable to its operations, (b) the adequacy and completeness of its own BSA/AML, OFAC, and consumer compliance programs, and (c) the accuracy and integrity of its own financial records and regulatory filings. The Service Provider's provision of compliance-related services does not transfer or share regulatory liability with respect to the Receiving Credit Union's obligations.

SECTION 5 — GOVERNANCE & OVERSIGHT

5.1. Designated Liaisons. Each Party shall designate a primary liaison and a backup liaison for administration and communication under this Agreement:

Provider Primary Liaison:	*[Name, Title, Email, Phone]*
Provider Backup Liaison:	*[Name, Title, Email, Phone]*
Receiving Primary Liaison:	*[Name, Title, Email, Phone]*
Receiving Backup Liaison:	*[Name, Title, Email, Phone]*

5.2. Governance Committee. The Parties agree to establish a joint governance committee (the "Committee") consisting of [two (2)] representatives from each Party. The Committee shall convene at least [quarterly] and shall be responsible for:

(a) Reviewing service performance against the standards in Section 7;

(b) Reviewing and approving amendments to Service Schedules;

(c) Addressing disputes or service issues that cannot be resolved at the liaison level;

(d) Reviewing annual cost studies and recommending fee adjustments;

(e) Discussing strategic developments at either institution that may affect the arrangement.

5.3. Vendor Management Oversight. The Receiving Credit Union acknowledges its obligation under applicable regulatory guidance (including NCUA Letter to Credit Unions 01-CU-20 and related guidance) to maintain oversight of third-party service providers, including cooperative peer arrangements of this nature. The Receiving Credit Union shall maintain a current vendor management file for this Agreement and conduct a periodic risk assessment of the arrangement no less than annually.

5.4. Annual Review. The Parties shall conduct a formal annual review of this Agreement no later than [90] days prior to the end of each contract year to assess performance, cost alignment, and whether any modifications to the Services or fees are warranted.

5.5. Policy Compliance. When accessing either Party's systems, facilities, or data in performance of this Agreement, each Party's personnel shall comply with the other Party's applicable security, confidentiality, and acceptable use policies.

SECTION 6 — FEES, BILLING & COST METHODOLOGY

6.1. Cost-Based Fee Structure. All fees charged under this Agreement shall be based on the Service Provider's actual, fully-loaded cost of delivering the Services, inclusive of direct costs (personnel, technology, licenses) and a proportionate allocation of applicable indirect/overhead costs, plus an administrative margin not to exceed [___%]. This structure reflects the cooperative, peer-to-peer nature of the arrangement and is not intended to generate profit for the Service Provider.

6.2. Fee Schedule. The following table sets forth the initial fee structure for each Service category. All amounts are subject to annual adjustment pursuant to Section 6.5.

Service / Function	Fee Basis	Rate / Amount	Billing Cycle
[e.g., Core IT Support]	[Fixed / Per-Hour / Per-Unit]	[$___]	[Monthly]
[e.g., Compliance Consulting]	[Hourly]	[$___ / hr]	[Monthly]
[e.g., Loan Processing]	[Per-Transaction]	[$___ / loan]	[Monthly]
[e.g., HR Advisory]	[Fixed Retainer]	[$___]	[Quarterly]
[e.g., Training / Dev]	[Per-Event / Per-Seat]	[$___]	[As incurred]

6.3. Invoicing. The Service Provider shall issue invoices to the Receiving Credit Union by the [10th] calendar day of each month (or billing cycle, as applicable), covering services rendered in the preceding period. Invoices shall itemize charges by Service category and include sufficient detail for the Receiving Credit Union to verify accuracy.

6.4. Payment. Undisputed invoice amounts are due and payable within [30] calendar days of invoice receipt. Payment shall be made via [ACH transfer / wire transfer / check] to the Service Provider's designated account. Late payments on undisputed amounts shall accrue interest at [1.5%] per month from the due date.

6.5. Annual Fee Adjustment. No more than once per contract year, the Service Provider may adjust the fee schedule based on documented changes in its underlying cost structure (including labor, technology, or regulatory compliance costs). Proposed adjustments must be: (a) supported by a written cost study or summary provided to the Receiving Credit Union's liaison at least [60] days prior to the adjustment effective date; and (b) approved by the governance committee under Section 5.2. Fee increases shall not exceed [___% or CPI + ___%, whichever is greater] per year without written consent of both Parties.

6.6. Disputed Invoices. If the Receiving Credit Union disputes any portion of an invoice, it shall provide written notice of the dispute to the Service Provider within [15] business days of receipt, specifying the amount in dispute and the basis for the dispute. The Parties shall work in good faith to resolve disputed amounts within [30] days. Undisputed portions of invoices shall be paid on time notwithstanding any open dispute.

6.7. Audit Rights. The Receiving Credit Union shall have the right, upon [15] business days' prior written notice, to audit the Service Provider's relevant cost records, time

records, and billing documentation to verify the accuracy of invoiced amounts. Such audits shall be conducted at the Receiving Credit Union's expense, shall not occur more than once per calendar year, and shall not unreasonably disrupt the Service Provider's operations. If an audit reveals an overcharge of [5%] or more, the Service Provider shall reimburse the Receiving Credit Union for reasonable audit costs.

6.8. Taxes. Each Party shall be responsible for its own tax obligations arising from this Agreement. Neither Party shall withhold taxes on payments made to the other Party unless required by applicable law.

SECTION 7 — SERVICE LEVEL STANDARDS

7.1. Service Level Commitments. The Service Provider shall meet the performance standards ("Service Level Standards" or "SLS") set forth in the table below and in each applicable Service Schedule:

Service	Performance Metric	Target Standard	Remedy (if missed)
[IT Support]	Response Time	[e.g., ≤ 4 business hours]	[Service credit / fee reduction]
[IT Support]	Resolution Time	[e.g., ≤ 2 business days]	[Escalation protocol]
[Loan Processing]	Turnaround Time	[e.g., ≤ 3 business days]	[Fee credit per day delayed]
[Compliance Reports]	Delivery Timeliness	[e.g., By 5th of each month]	[Written notice + cure period]
[Training Sessions]	Completion Rate	[e.g., 95% scheduled sessions delivered]	[Rescheduling at no charge]

7.2. Measurement & Reporting. The Service Provider shall provide the Receiving Credit Union with a monthly service performance report by the [10th] calendar day of each month, documenting actual performance against each SLS metric for the preceding month. Reports shall be reviewed at governance committee meetings.

7.3. Service Credits. In the event the Service Provider fails to meet a SLS metric in any given month, the Receiving Credit Union shall be entitled to a service credit as specified

in the applicable Service Schedule or the table above. Service credits shall be applied against the next monthly invoice. Service credits are the Receiving Credit Union's sole remedy for SLS misses, except in cases of gross negligence or willful misconduct.

7.4. Repeated Failures. If the Service Provider fails to meet the same SLS metric for [three (3)] consecutive months, the Receiving Credit Union may, upon [30] days' written notice, (a) reduce the scope of Services for the affected category with a proportionate fee reduction, or (b) terminate the applicable Service Schedule, subject to Section 12.

7.5. Exclusions. SLS obligations shall not apply to service disruptions caused by: (a) actions or omissions of the Receiving Credit Union; (b) Force Majeure Events (as defined in Section 13); (c) scheduled maintenance windows communicated at least [48] hours in advance; or (d) third-party vendor outages outside the Service Provider's reasonable control.

SECTION 8 — CONFIDENTIALITY & DATA SECURITY

8.1. Confidential Information. "Confidential Information" means any non-public information of either Party, including member data, financial records, operational systems, pricing, strategic plans, vendor contracts, proprietary methodologies, and regulatory correspondence, whether disclosed in writing, verbally, or by access to systems.

8.2. Mutual Confidentiality Obligations. Each Party agrees to:

(a) Hold the other Party's Confidential Information in strict confidence;

(b) Use Confidential Information solely for purposes of performing or receiving Services under this Agreement;

(c) Restrict disclosure of Confidential Information to personnel with a legitimate need to know and who are bound by confidentiality obligations no less protective than those set forth herein;

(d) Not disclose Confidential Information to any third party without the other Party's prior written consent, except as required by law or regulatory order.

8.3. Member Data & Privacy. The Service Provider shall treat all member data of the Receiving Credit Union accessed in connection with this Agreement as Confidential Information. The Service Provider shall comply with all applicable federal and state privacy laws, including the Gramm-Leach-Bliley Act (GLBA), in connection with any member data it accesses, processes, or stores. The Service Provider shall not use

Receiving Credit Union member data for any purpose other than the delivery of Services under this Agreement.

8.4. Data Security. The Service Provider shall maintain a written information security program that includes administrative, technical, and physical safeguards appropriate to the sensitivity of the data it accesses in connection with this Agreement, and consistent with applicable regulatory guidance (including NCUA's cybersecurity expectations). The Service Provider shall provide the Receiving Credit Union with a summary of its information security program upon request and shall permit reasonable security assessments as part of the Receiving Credit Union's vendor oversight obligations.

8.5. Incident Notification. In the event of a security breach, unauthorized access, or potential exposure of Confidential Information or member data arising from the Service Provider's systems or personnel, the Service Provider shall notify the Receiving Credit Union's primary liaison within [24] hours of discovery. Notification shall include the nature of the incident, the data potentially affected, and the steps being taken to contain and remediate. Both Parties shall cooperate in any required regulatory notification process.

8.6. Subcontractors. The Service Provider shall not subcontract delivery of any Services to a third party without the prior written consent of the Receiving Credit Union. Any approved subcontractor shall be bound by confidentiality and data security obligations no less stringent than those set forth herein.

8.7. Survival. Confidentiality obligations under this Section shall survive termination or expiration of this Agreement for a period of [three (3)] years.

SECTION 9 — INTELLECTUAL PROPERTY

9.1. Service Provider IP. All methodologies, tools, software, templates, frameworks, and other intellectual property owned or licensed by the Service Provider prior to or independently of this Agreement ("Provider IP") shall remain the sole property of the Service Provider. This Agreement does not grant the Receiving Credit Union any license or right to Provider IP except as strictly necessary to receive and use the deliverables produced under this Agreement.

9.2. Receiving Credit Union IP. All data, records, member information, and materials provided by the Receiving Credit Union to the Service Provider for purposes of this

Agreement ("Receiving CU IP") shall remain the sole property of the Receiving Credit Union. The Service Provider is granted a limited, non-exclusive, revocable license to use Receiving CU IP solely for the purpose of delivering Services hereunder.

9.3. Work Product. Unless otherwise specified in an applicable Service Schedule:

(a) Custom deliverables created by the Service Provider specifically and exclusively for the Receiving Credit Union under a Service Schedule shall be owned by the Receiving Credit Union upon full payment of applicable fees;

(b) Deliverables that incorporate or are substantially derived from Provider IP shall be owned by the Service Provider, with a perpetual, royalty-free license granted to the Receiving Credit Union for its internal operational use;

(c) Deliverables of mutual benefit that are not clearly assignable to a single Party shall be jointly owned, with each Party holding an undivided right to use without accounting to the other.

9.4. Return of Materials. Upon termination of this Agreement, each Party shall promptly return or certifiably destroy all materials and data belonging to the other Party, and shall provide written certification of such return or destruction upon request.

SECTION 10 — LIABILITY & INDEMNIFICATION

10.1. Service Provider Indemnification. The Service Provider agrees to indemnify, defend, and hold harmless the Receiving Credit Union and its officers, directors, employees, and agents from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) the Service Provider's negligence, willful misconduct, or material breach of this Agreement in the delivery of Services; (b) any breach by the Service Provider of its confidentiality or data security obligations; (c) infringement of a third party's intellectual property rights by the Service Provider's materials or methodologies.

10.2. Receiving Credit Union Indemnification. The Receiving Credit Union agrees to indemnify, defend, and hold harmless the Service Provider and its officers, directors, employees, and agents from and against any claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) the Receiving Credit Union's negligence, willful misconduct, or material breach of this Agreement; (b) the Receiving Credit Union's failure to comply with applicable laws and regulations governing its own operations; (c) any misuse by the Receiving Credit Union of deliverables or services provided hereunder.

10.3. Limitation of Liability. Except in cases of gross negligence, willful misconduct, or breach of confidentiality obligations, neither Party's aggregate liability to the other under this Agreement shall exceed the total fees paid by the Receiving Credit Union to the Service Provider in the [twelve (12)] months immediately preceding the event giving rise to the claim. Neither Party shall be liable to the other for indirect, consequential, incidental, special, or punitive damages.

10.4. Insurance. Each Party shall maintain, at its own expense, insurance coverage consistent with the nature of the services performed and credit union industry standards, including: (a) commercial general liability insurance; (b) professional liability / errors and omissions insurance; (c) cyber liability / data breach insurance; and (d) fidelity bond / employee dishonesty coverage. Each Party shall provide certificates of insurance to the other Party upon request.

SECTION 11 — REGULATORY EXAMINATION COOPERATION

11.1. Notification. To the extent permitted by applicable law and regulatory guidance, each Party shall notify the other Party's primary liaison promptly upon becoming aware that a regulatory examination (including an NCUA examination, state supervisory examination, or BSA/AML review) may encompass activities, records, or systems associated with this Agreement.

11.2. Cooperation. Both Parties agree to fully cooperate with any regulatory examiner or supervisory authority in connection with any examination related to this arrangement. Such cooperation includes providing examiners with access to this Agreement, applicable Service Schedules, billing records, performance reports, and any other documentation related to the services performed hereunder. The Service Provider specifically acknowledges that the Receiving Credit Union's examiners may seek access to the Service Provider's relevant records, and the Service Provider agrees to cooperate with such requests to the extent required by law.

11.3. Record Retention. Both Parties shall retain all records relating to this Agreement, including invoices, performance reports, communications, and service documentation, for a minimum of [seven (7)] years following the termination or expiration of this Agreement, or longer if required by applicable regulatory guidance.

11.4. Regulatory Directive. If any regulatory authority issues a directive requiring either Party to modify or discontinue this arrangement, the Parties shall work in good faith to comply with such directive. If compliance requires termination of this Agreement, such

termination shall be effected in accordance with Section 12 without penalty to either Party.

SECTION 12 — TERM & TERMINATION

12.1. Initial Term. This Agreement shall be effective as of [Start Date] and shall continue through [End Date] (the "Initial Term").

12.2. Renewal. Unless either Party provides written notice of non-renewal at least [60] calendar days prior to the end of the then-current term, this Agreement shall automatically renew for successive one-year terms on the same terms and conditions, subject to any fee adjustments under Section 6.5.

12.3. Termination for Convenience. Either Party may terminate this Agreement, or any individual Service Schedule, for convenience upon [60] calendar days' prior written notice to the other Party.

12.4. Termination for Cause. Either Party may terminate this Agreement immediately upon written notice if:

(a) The other Party materially breaches this Agreement and fails to cure such breach within [30] calendar days after written notice specifying the nature of the breach;

(b) The other Party becomes insolvent, is placed in receivership or conservatorship, or ceases to operate as a federally insured credit union;

(c) A regulatory authority issues a directive prohibiting continuation of the arrangement;

(d) The other Party is convicted of, or pleads guilty or no contest to, a crime involving moral turpitude or financial fraud.

12.5. Transition Assistance. Upon notice of termination for any reason, the Service Provider shall cooperate in good faith to provide the Receiving Credit Union with reasonable transition assistance for a period of up to [90] calendar days following the termination effective date, to facilitate the orderly transfer or wind-down of Services. Transition assistance shall be provided at the Service Provider's then-current fee rates for actual time incurred.

12.6. Effect of Termination. Upon termination or expiration: (a) all outstanding undisputed invoices shall become due and payable within [30] days; (b) each Party

shall return or destroy the other Party's Confidential Information pursuant to Section 8; (c) Sections 8, 9, 10, 11, and 14 shall survive termination.

SECTION 13 — FORCE MAJEURE

13.1. Definition. A "Force Majeure Event" means any event beyond a Party's reasonable control that prevents or materially delays performance, including: acts of God; natural disasters; epidemic or pandemic declared by a government or public health authority; acts of war, terrorism, or civil unrest; government-mandated shutdowns; widespread utility or infrastructure failure; or major cybersecurity incidents resulting in operational shutdown that are not attributable to the affected Party's negligence.

13.2. Suspension. A Party affected by a Force Majeure Event shall notify the other Party's liaison within [48] hours, describing the nature and anticipated duration of the event. The affected Party's performance obligations shall be suspended for the duration of such event, provided the Party uses commercially reasonable efforts to mitigate impact and resume performance as promptly as practicable. Financial obligations already accrued and due prior to the Force Majeure Event shall remain payable.

13.3. Fee Adjustment. During a Force Majeure suspension period in which the Service Provider is unable to deliver the Services, fees shall be proportionately reduced for each day of non-performance attributable to the Force Majeure Event.

13.4. Extended Force Majeure. If a Force Majeure Event prevents performance for more than [60] consecutive calendar days, either Party may terminate this Agreement upon [10] business days' written notice without further liability, other than for amounts already accrued.

SECTION 14 — CONFLICT OF INTEREST

14.1. Disclosure. Each Party shall promptly disclose to the other Party any actual or reasonably anticipated conflict of interest that arises in connection with this Agreement, including but not limited to: competitive service offerings, common vendor relationships, or shared board or management personnel.

14.2. Competitive Services. The Service Provider shall not use knowledge, member data, or proprietary information gained through this Agreement to compete with the

Receiving Credit Union for members, products, or geographic markets without prior written disclosure and consent.

14.3. Common Board Members or Officials. If any individual serves in a governance or leadership capacity at both Parties simultaneously, both Parties shall ensure such individual recuses themselves from any decisions relating to this Agreement where a conflict of interest exists.

14.4. Non-Solicitation. For a period of [12] months following termination of this Agreement, neither Party shall directly solicit for hire any key personnel of the other Party who were materially involved in delivery or administration of the Services, without the prior written consent of the other Party.

SECTION 15 — GENERAL PROVISIONS

15.1. Entire Agreement. This Agreement, together with all Exhibits and Service Schedules, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior oral or written understandings.

15.2. Amendments. This Agreement may only be modified by a written instrument executed by authorized representatives of both Parties.

15.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State], without regard to conflicts of law principles.

15.4. Dispute Resolution. In the event of a dispute arising under or relating to this Agreement, the Parties shall first attempt to resolve the dispute through good-faith negotiation between their respective senior management. If unresolved within [30] calendar days, the Parties may pursue non-binding mediation before initiating litigation.

15.5. Severability. If any provision of this Agreement is held to be unenforceable, the remaining provisions shall remain in full force and effect.

15.6. Waiver. No waiver of any provision shall be effective unless in writing, and no waiver shall constitute a continuing waiver of the same or any other provision.

15.7. Notices. All formal notices under this Agreement shall be in writing and delivered by email with confirmation, overnight courier, or certified mail to the designated liaisons identified in Section 5.1.

15.8. Counterparts & Electronic Signatures. This Agreement may be executed in counterparts, including electronic signatures, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15.9. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors. Nothing herein shall create any rights in any third party, including any member of either credit union.

15.10. Assignment. Neither Party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Intercompany Services Agreement as of the date first written above.

SERVICE PROVIDER CREDIT UNION	RECEIVING CREDIT UNION
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

Service Schedule Template

This Service Schedule is entered into under the Intercompany Services Agreement dated [Agreement Date] between [Service Provider Credit Union] and [Receiving Credit Union].

Schedule No.:	*[e.g., Schedule A-1]*
Service Category:	*[e.g., IT Support & Infrastructure]*
Schedule Effective Date:	*[Date]*
Schedule Expiration:	*[Date or "Same as Master Agreement"]*

Service Description

[Provide a detailed description of the specific services to be delivered under this Schedule, including: tasks, deliverables, methodologies, and any tools or systems involved.]

Deliverables & Timelines

Deliverable:	*[Description of specific deliverable]*
Frequency:	*[Daily / Weekly / Monthly / As-requested]*
Due Date:	*[Specific date or relative timeline, e.g., 5th of each month]*
Format:	*[Written report / System dashboard / Verbal briefing / Other]*

Fees for This Schedule

Fee Basis:	*[Fixed / Hourly / Per-Transaction / Per-Unit]*
Rate / Amount:	*[$___ per ___]*
Billing Cycle:	*[Monthly / Quarterly / Upon delivery]*
Not-to-Exceed Cap (if any):	*[$___ per [month/quarter/year]] or [None]*

Service Level Standards for This Schedule

Performance Metric:	*[e.g., System uptime / Turnaround time / Report accuracy]*
Target Standard:	*[e.g., 99.5% uptime / ≤ 2 business days / ≤ 1% error rate]*
Measurement Method:	*[e.g., System log / Provider report / Joint review]*
Remedy if Missed:	*[e.g., Service credit equal to ___% of monthly fee]*

Key Personnel

Provider Lead:	*[Name, Title]*
Receiving CU Lead:	*[Name, Title]*

Special Conditions

[List any Schedule-specific terms, exclusions, dependencies, or conditions that supplement or modify the Master Agreement for this particular service.]

Provider Authorized Signature: _____ Date: _____

Receiving CU Authorized Signature: _____ Date: _____