

BYLAWS OF THE PENTAGON FEDERAL CREDIT UNION FOUNDATION

ARTICLE I

GENERAL

Section 1. Name. The name of this non-profit, nonstock corporation shall be the "The Pentagon Federal Credit Union Foundation" hereinafter referred to as the "Corporation." (Revised: 09/25/02)

Section 2. Registered Office. The resident and registered office of the Corporation shall continuously be in the Commonwealth of Virginia.

Section 3. Corporate Nature. The Corporation is operated to benefit and serve our military service members, veterans and their supporters. (Revised: 09/25/02)

ARTICLE II

CORPORATE PURPOSES

Section 1. General. The Corporation is organized and shall be administered and operated to receive, administer and expend funds for among such other objectives and illustrative purposes only, and not by way of limitation or order of importance, the following charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code as it may be amended from time to time:

(a) to develop and maintain model programs that teach and instill financial literacy and sound personal financial management skills;

(b) to provide accessible thrift and credit services for those classes of persons related to the military community who otherwise are unable to obtain said services without difficulty or adverse rate structures;

(c) to foster the availability of affordable housing; and

(d) to foster veteran entrepreneurship and employment.

Section 2. Specific.

(a) The Corporation shall have, without any limitation and by way of illustration, all those powers the law authorizes and as may be enumerated within the Virginia Nonstock Corporation Act as it may be revised from time to time.

(b) The Corporation may do all acts necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation. However, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the Corporation's primary purpose.

ARTICLE III

DIRECTORS

Section 1. General Powers; Number; Tenure. The business and affairs of the Corporation shall be governed by its Board of Directors, which may exercise all powers of the Corporation and perform all lawful acts that are not otherwise by law, the Articles of Incorporation or these Bylaws directed or required to be exercised or performed. The number of directors of the Corporation shall be not less than three (3) nor more than eleven (11), the exact number to be determined from time to time by resolution of the Board of Directors. Except as provided herein, the term of office for directors shall be three (3) years. The Chairman of the Pentagon Federal Credit Union Board of Directors shall be an ex-officio member of the Board of Directors, with full voting rights, and may appoint from amongst the Board of the Pentagon Federal Credit Union up to two of its members to the Board. Those directors appointed by the Chairman of the Pentagon Federal Credit Union Board of Directors shall serve for the terms so stated herein or until they no longer hold office as a Pentagon Federal Credit Union director, whichever comes sooner. At the annual meeting those appointed directors shall elect the remaining directors of the Corporation, but shall not select any members of the Pentagon Federal Credit Union Board of Directors for the remaining positions. Beginning with the annual meeting of the Corporation's Board of Directors in 2013, directors shall be divided into three classes as nearly equal in number as possible. The

initial term of the directors constituting the first class shall be one (1) year, ending at the annual meeting of the Board in 2014; the initial term of the directors constituting the second class shall be two (2) years, ending at the annual meeting in 2015; and the initial term of directors constituting the third class, as well as the subsequent terms of directors in all classes, shall be three (3) years. If the number of directors is changed, the increase or decrease shall be apportioned among the classes so as to make all classes as nearly equal in number as possible. Each director shall hold office until the third succeeding annual meeting of the Board of Directors or until his successor shall have been appointed or elected and shall qualify, except as provided herein. Annual meetings of the Corporation's Board of Directors shall be held on the second Thursday of July, if not a legal holiday, or, if a legal holiday, then on the next secular day following, or at such other date and time as shall, from time to time, be designated by the Corporation's Board of Directors and stated in the notice of the meeting. At such annual meeting, the Board of Directors shall transact such business as may properly be brought before the meeting. (Revised: 07/01/13)

RESOLVED, That the Board of Directors is authorized to confer the title of director emeritus on individuals who have selflessly devoted themselves to the interests and service of The Pentagon Federal Credit Union Foundation, such recognition to be bestowed by the board of directors and to be held in such manner and for such duration as the board of directors deems warranted; and,

FURTHER Resolved, That an individual designated Director Emeritus holds no position in the PenFed Foundation and is not a member of the Foundation's board of directors. A Director Emeritus may, upon the invitation of the Chairman of the Board of Directors, attend board meetings and participate in the discussion of matters pending before the board. (June 10, 2014)

Section 2. Vacancies. Any vacancy occurring in the Board of Directors, including a

vacancy resulting from an increase in the number of directors, shall be filled as follows:

(a) The Chairman of the Pentagon Federal Credit Union Board of Directors may appoint Pentagon Federal Credit Union Board members to fill any vacancy up to the limit provided herein.

(b) Other vacancies remaining after application of subsection (a) above, if any, may be filled by a majority of the directors then in office, but the directors shall not select any members of the Pentagon Federal Credit Union Board of Directors for the remaining positions.

Each director so chosen shall hold office until the next annual meeting of the Board of Directors or until his successor shall have been elected and shall qualify. (Revised: 09/25/02)

Section 3. Removal; Resignation.

(a) Except as otherwise provided by law or the Articles of Incorporation, at a meeting of the Board of Directors called expressly for the purpose of removing one or more directors, any director may be removed, with or without cause, by a majority vote of the members of the Board of Directors.

(b) Any director may resign at any time by giving written notice to the Board of Directors or the Chairman of the Board. Unless otherwise specified in such written notice, a resignation shall take effect upon delivery thereof to the Board of Directors or the designated officer. It shall not be necessary for a resignation to be accepted before it becomes effective.

Section 4. Place of Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the Commonwealth of Virginia.

Section 5. Annual Meeting. An organizational meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of the Board of Directors, and no notice of such meeting to the newly elected directors shall be necessary in order to legally constitute the meeting provided a quorum shall be present.

Section 6. Regular Meetings. Additional regular meetings of the Board of Directors may be held without notice, at such time and place as may from time to time be determined by the

Board of Directors or may be called by the Chairman of the Board, or by the Vice-Chairman of the Board in the absence of the Chairman of the Board, on twenty-four hours notice to each director. (Revised: 08/19/02)

Section 7. Special Meetings. Special meetings of the Corporation's Board of Directors may be called by the Chairman of the Board, or by the Vice-Chairman of the Board in the absence of the Chairman of the Board, on twenty-four hours notice to each director, if such notice is delivered personally or by such form of communication as otherwise may be provided by these Bylaws. Special meetings shall be called by the Chairman of the Board, or Secretary of the Board in like manner and on like notice on the written request of one-half or more of the number of directors then in office. Any such notice need not state the purpose or purposes of such meeting except as provided in these Bylaws.

Section 8. Quorum; Adjournments. At all meetings of the Board of Directors a majority of the number of directors selected under these Bylaws shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or the Articles of Incorporation. If a quorum is not present at any meeting of the Board of Directors the directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. (Revised: 09/25/02)

Section 9. Compensation. Directors shall not be entitled to such compensation for their services as directors but may be reimbursed for any reasonable expenses incurred in attending directors' meetings as may from time to time be fixed by the Board of Directors.

Section 10. Action by Consent. Unless otherwise restricted by the Articles of Incorporation or these Bylaws any action required or permitted to be taken at any meeting of the Board of

Directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 11. Telephonic/Video Meetings. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or any committee by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute presence in person at the meeting. When such a meeting is conducted, a written record shall be made of any action taken.

Section 12. Appointment National Advisory Council The Board of Directors may create a national advisory council and appoint such individuals as it deems appropriate, pursuant to such standards as it may establish from time to time, as advisors to serve on it in support of the Board of Directors' responsibilities and to contribute to the best interests of the Foundation. Such persons selected as advisors will be elected by two-thirds of the Board of Directors from those individuals who have displayed, among other characteristics as the Board may establish: distinguished community service; focused interest in the well-being of the military community; and a demonstrated capacity for community service. (Adopted: 03/26/09; Revised: 01/30/14)

ARTICLE IV

COMMITTEES

Section 1. Executive Committee. The Board of Directors may, by resolution adopted by a majority of the number of directors fixed by these Bylaws, designate three or more directors to constitute an Executive Committee, one of who shall be designated as Chairman of the Executive Committee. Each member of the Executive Committee shall continue as a member until the expiration of his term as a director, or his earlier resignation, unless sooner removed as a member or as a director. (Revised: 09/25/02)

RESOLVED, That the Board of Directors designates the following members of the board of directors to constitute an executive committee of the board: the chairman, the vice chairman and the secretary/treasurer; and

FURTHER RESOLVED, That the Chairman of the Board of Directors is designated as the chairman of the executive committee.

(December 15, 2011)

Section 2. Powers. The Executive Committee shall have and may exercise all of the rights, powers and authority that the Board of Directors shall specifically determine and authorize from time to time.

The Executive Committee may act concerning any power or authority of the board of directors, provided however that no such initiative will involve an action expending or impacting the Foundation in an amount greater than \$25,000 nor may such action otherwise be taken outside of an established Foundation policy. (January 19, 2012)

Section 3. Procedure; Meetings. The Executive Committee shall fix its own rules of procedure and shall meet at such times and at such place or places as may be provided by such rules or as the members of the Executive Committee shall provide. The Executive Committee shall keep regular minutes of its meetings and deliver such minutes to the Board of Directors.

The Chairman of the Executive Committee, or, in his absence, a member of the Executive Committee chosen by a majority of the members present, shall preside at meetings of the Executive Committee, and another member thereof chosen by the Executive Committee shall act as Secretary of the Executive Committee.

Section 4. Quorum. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the members thereof shall be required for any action of the Executive Committee.

Section 5. Other Committees. The Board of Directors, by resolutions adopted by a majority of the directors at a meeting at which a quorum is present, may appoint such other

committee or committees as it shall deem advisable and with such limited authority as the Board of Directors shall prescribe.

Section 6. Vacancies; Changes; Discharge. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, and to discharge any committee.

Section 7. Compensation. Members of any committee shall not be entitled to compensation for their services as members of any such committee but may be reimbursed for any reasonable expenses incurred in attending committee meetings as may from time to time be fixed by the Board of Directors.

Section 8. Action by Consent. Any action required or permitted to be taken at any meeting of any committee of the Board of Directors may be taken without a meeting if a written consent setting forth the action so to be taken shall be signed before such action by all members of such committee. Such written consent shall be filed with the minutes of its proceedings.

ARTICLE V

NOTICES

Section 1. Form; Delivery. Whenever, under the provisions of law, the Articles of Incorporation or these Bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice unless otherwise specifically provided, but such notice may be given in writing by mail addressed to such director at his address as it appears on the records of the Corporation with postage thereon prepaid. Such notices shall be deemed to be given at the time they are deposited in the United States mail or such notices may be given by private commercial overnight package service in which case notice will be deemed to be given when such notice is accepted for delivery by said package service. Notice to a director may also be given personally or sent to his e-mail address as it appears on the records of the Corporation.

Section 2. Waiver; Effect of Attendance. Whenever any notice is required to be given under the provisions of law, the Articles of Incorporation or these Bylaws, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated

therein, shall be equivalent to the giving of such notice. In addition, any director who attends a meeting of the Board of Directors shall be deemed to have had timely and proper notice of the meeting, unless such director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI

OFFICERS

Section 1. Designations. The Board of Directors may choose a Chairman of the Board and a Vice-Chairman of the Board and such other officers and agents of the Board, as it shall deem necessary or appropriate.

The officers of the Corporation shall be chosen by the Board of Directors and shall consist of a Chief Executive Officer (“CEO”), a President, a Secretary of the Corporation and a Treasurer of the Corporation. The CEO shall provide the Board with nominations for President and the Board shall appoint the President by majority vote. The CEO, assisted by the President, shall appoint a Vice President or Vice Presidents of the Corporation, one or more Assistant Secretaries and/or Assistant Treasurers of the Corporation and other officers and/or agents of the Corporation as he shall deem necessary or appropriate. The Board of Directors may not delegate the authority to appoint the Corporation's CEO, President, the Secretary of the Corporation or the Treasurer of the Corporation. The election or appointment of any officer of the Corporation shall not of itself create contract rights for any such officer. All officers of the Corporation shall exercise such powers and perform such duties as shall from time to time be determined by the Board of Directors. Any number of offices may be held by the same person unless the Articles of Incorporation or these Bylaws shall otherwise provide.

Section 2. Term of Office; Removal. The Board of Directors after its annual meeting may choose the Corporation’s CEO, President, Secretary and Treasurer, if such action has not been otherwise taken during the course of the preceding year. The Board of Directors may also similarly choose a Chairman of the Board and a Vice-Chairman and such other officers and agents as it shall

deem necessary or appropriate. Each officer of the Corporation shall hold office until his successor is chosen and shall qualify. Any officer or agent elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative vote of a majority of the directors then in office. Any officer or agent appointed by the CEO pursuant to authority delegated by the Board of Directors may be removed with or without cause at any time whenever the CEO in his absolute discretion shall consider that the best interests of the Corporation shall be served thereby. Such removal shall not prejudice the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Corporation may be filled for the unexpired portion of the term by the Board of Directors or by the CEO in the case of a vacancy occurring in an office as to which the CEO has the authority to make appointments.

Section 3. Compensation. The salaries of all officers of the Corporation shall be fixed from time to time by the Board of Directors. (Revised: 09/25/02)

Section 4. The Chairman of the Board. The Chairman of the Board (if the Board of Directors so deems advisable and selects one) shall be an officer of the Corporation and, subject to the direction of the Board of Directors, shall perform such executive, supervisory and management functions and duties as may be assigned to him from time to time by the Board. He shall, if present, preside at all meetings of the Board of Directors.

Section 5. The CEO and President.

(a) The CEO, assisted by the President, shall have general charge of the business affairs and property of the Corporation and general supervision over its other officers and agents. In general, the CEO, assisted by the President, shall perform all duties incident to the office of the CEO and shall ensure that all orders and resolutions of the Board of Directors are carried into effect.

(b) Unless otherwise prescribed by the Board of Directors, the CEO, with the power to delegate to the President, shall have full power and authority on behalf of the Corporation to attend, act and vote at any meeting of security holders of other organizations in which the

Corporation may hold securities. At such meeting the CEO or President shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The Board of Directors may from time to time confer like powers upon any other person or persons.

Section 6. The Vice Presidents of the Corporation. The Vice President, if any (or in the event there be more than one, the Vice Presidents in the order designated, or in the absence of any designation, in the order of their election), shall, in the absence of the President or in the event of his disability, perform the duties and exercise the powers of the President and shall generally assist the President and perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

Section 7. The Secretary of the Corporation. The Secretary shall attend all meetings of the Board of Directors and record all votes and the proceedings of the meetings in a book to be kept for that purpose and shall perform like duties for the Executive Committee or other committees, if required. He shall give, or cause to be given, notice of all regular and special meetings of the Board of Directors, and shall perform such other duties as may from time to time be prescribed by the Board of Directors and the Chairman of the Board. He shall have custody of the seal of the Corporation, and he, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and, when so affixed, the seal may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his signature.

Section 8. The Assistant Secretary of the Corporation. The Assistant Secretary, if any (or in the event there is more than one, the Assistant Secretaries in the order designated, or in the absence of any designation, in the order of their election), shall, in the absence of the Secretary or in the event of his disability, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

Section 9. The Treasurer of the Corporation. The Treasurer shall have the custody of the corporate funds and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board, if any, the President and the Board of Directors, at regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 10. The Assistant Treasurer of the Corporation. The Assistant Treasurer, if any (or in the event there is more than one, the Assistant Treasurers in the order designated, or in the absence of any designation, in the order of their election), shall, in the absence of the Treasurer or in the event of his disability, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors, the CEO or President.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the Virginia Nonstock Corporation Act.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year of a given year or as determined from time to time by the Board of Directors.

Section 2. Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its incorporation and identify the state of incorporation as Virginia.

Section 3. Gender. The use herein of any term indicating gender shall be deemed to

be or include the corresponding term indicating the other gender wherever appropriate.

Section 4. Headings. The headings and captions in this document are for convenience of reference only and shall not be used in interpreting, construing or enforcing any of its provisions.

Section 5. References. Sections of the Internal Revenue Code referred to in these Bylaws are to provisions of the Internal Revenue Code, as amended, as those provisions as are now enacted or to corresponding provisions of any future United States internal revenue law.

ARTICLE IX AMENDMENTS

The Board of Directors shall have the power to make, amend, alter and repeal these Bylaws, and to adopt new bylaws, by an affirmative vote of a majority of the whole Board, provided that notice of the proposal to make, amend, alter or repeal these Bylaws, or to adopt new bylaws, must be included in the notice of the meeting of the Board of Directors at which such action takes place.

ARTICLE X LIMITATION ON ACTIVITIES

Section 1. General. The Corporation is organized and operated exclusively for charitable and educational purposes within the meaning of the Internal Revenue Code. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision herein, the Corporation shall not carry on any activities not permitted to be carried on.

Section 2. Funds. The Corporation shall use its funds only to accomplish the objectives and purposes as permitted in these Bylaws, and no part of the net earnings of the Corporation shall inure to the benefit of nor be distributable to its directors, officers, or other private individuals, or other organizations organized and operating for profit, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered.

ARTICLE XI

DISSOLUTION

The Corporation may be dissolved by majority vote of the Board of Directors. Additionally, the Corporation must be dissolved if the Pentagon Federal Credit Union terminates the license agreement with the Corporation that allows the Corporation to use the name, The Pentagon Federal Credit Union Foundation, and the Corporation's doing business as name, PenFed Foundation.

On dissolution or final liquidation, the Board of Directors shall, after paying or making provision for the payment of all the lawful debts and liabilities of the Corporation, distribute all the assets of the Corporation to nonprofit organizations having similar aims or objectives as the Corporation and in an amount determined by the Board of Directors, as long as such organizations shall then qualify as an organization exempt from federal income taxation under the Internal Revenue Code or the corresponding provision of any future tax law.