

BOARD OF DIRECTOR'S NOMINATION PACKET

Are you interested in the development and growth of the Shelby County Federal Credit Union? Are you willing and able to take a leadership role in charting the direction of your Credit Union in the 21st century? Are you currently a Member over 18 years old and in good standing?

If you can answer "yes" to all of these questions, the Nominating Committee would like to hear from you. Being a Board Member involves not only participation in the monthly Board meetings and work on Board committees, it represents an opportunity to define a vision and provide the direction for the future growth of the Shelby County Federal Credit Union.

Every year, Shelby County Federal Credit Union Members are given the opportunity to vote for the Credit Union's Board of Directors. Each Director is elected to serve a three (3) year term, with their primary responsibility being to oversee the Credit Union's overall management, ensure quality Member service and fiscal safety and soundness.

Current Available Positions

There are **four (4)** Board of Director positions available this year. Each position is for a three (3) year term.

How to Submit Your Application

To be considered for a Board of Director position, please complete the materials in this Nominating Packet. The Deadline for applications is **February 15, 2019**

Election Results: Voting, if necessary and the results of the election will be announced during the Annual Meeting, **March 14, 2019**

*Nominations will not be allowed from the floor at the Annual Meeting. Voting will be conducted by ballot only if more nominations are submitted than open positions.

(Please make sure your name is on any additional sheets.)
Thank you for expressing an interest in serving on the
Shelby County Federal Credit Union Board of Directors

Please review the Nominating Packet before **February 15, 2019** and submit the following items to: Nominating Committee, Shelby County Federal Credit Union, 150 Washington, Suite 302, Memphis, TN 38103 or hand deliver to either Branch Manager the following:

■ Resume' and Biography (for our Annual Meeting, in the event your name is accepted into nomination)

- Board of Directors Applications
- Areas of Expertise/Experience Assessment
- Skill/Capability Assessment
- Signed Disclosure and Agreement
- Signed Code of Ethics Agreement
- Petition of 25 signatures of Credit Union Members

The Nominating Committee will send you a letter informing you of your status prior to the **March 14, 2019** Annual Meeting. This letter will inform you as to whether or not your name will be included on the ballot at the Annual Meeting.

TO SERVE AS A DIRECTOR OF SHELBY COUNTY FEDERAL CREDIT UNION, YOU MUST MEET THE FOLLOWING MINIMUM ELIGIBILITY REQUIREMENTS:

- Be 18 years of age or older
- Be a member of Shelby County Federal Credit Union for more than one year.
- Be a member in good standing of Shelby County Federal Credit Union.
- Qualify for bonding with the Credit Union's fidelity bond carrier.
- Not involved in a lawsuit against Shelby County Federal Credit Union.
- Never had a judgment issued against you in a civil action based upon grounds of fraud, deceit or misrepresentation.
- Never caused the credit union to suffer a financial loss and have no financial obligations to any institution or company extending credit which is or has been delinquent more than two consecutive monthly payments at any time during the past five years.
- Never been removed from office by any regulatory agency while acting as an officer, employee, consultant, or representative of any financial institution.
- Never been personally subject to an operating directive for cause while serving as an officer, director, or senior executive of any financial institution.
- Never caused or participated in an activity that resulted in the suspension or revocation of a financial institution's certificate of incorporation, or authority or license to do business.
- Be free of any real or perceived conflict of interest that might reasonably be expected to prevent you from acting in the best interests of the Credit Union.
- Authorize and give approval to obtain a criminal background check, credit check and employment information.
- Complete an Application, Areas of Expertise/Experience Assessment, Skill/Capability Assessment, and a Disclosure Agreement and submit to the nominating Committee by **February 15, 2019**.

The Board of Directors'

The Volunteers who accept the most responsibility in the credit union are the directors. Only qualified members may serve on the board of directors. Our charter and bylaws define those qualifications.

We have a nine-person board where directors serve three-year terms, with three seats up for election each year. Some credit unions have term limitations for directors, the SCFCU does not have term limits. Members vote for directors and balloting takes place at the annual meeting.

Following the annual meeting (within 14 days), directors meet and select from among themselves the board's officers: Chairman, Vice Chairman, and Secretary.

In general terms, the board's job is to set direction for and control the credit union. Your guidelines in this task are the wishes of the membership, credit union philosophy, and the requirements of all pertinent laws and regulations. Directors are responsible for ensuring that the credit union is operated in a sound and prudent manner. They shoulder the legal responsibility for the decisions they make. Regulators determine if the responsibility and accountability have been satisfactorily managed.

To accomplish the goals of the members and credit union, your board makes plans, sets policies, evaluates progress, and appoints committees. It has final approval on the budget, the programs the credit union will offer, and the type of facilities it will use. The board also has a chief executive officer (CEO) to oversee operations in accordance with approved policies.

The board meets monthly to review the credit union's operation and plan for the future, **normally the fourth Thursday in the month**. It reviews progress in achieving goals and objectives. The board reports to the membership at the annual meeting.

Board of Directors Position Description:

Primary Responsibilities

To set policy, plan the credit union's course, make sure the credit union maintains its sound financial condition, and keep communication open to educate members on services, review the chief executive officer's progress in achieving goals and objectives, and report to the members at the annual meeting. All decisions must be guided by the best interests of the membership.

Knowledge and Skills

- Understanding of credit union philosophy and desire to better the financial lives of members
- Ability to understand basic financial statements
- Ability to think and plan strategically

Specific Responsibilities

- Work with the chief executive officer and the board to develop objectives and goals for the credit union, including strategic plans.
- Make sure the credit union adheres to pertinent laws, regulations, and sound business practices.
- Make sure the credit union maintains sound financial conditions and that the credit union's assets are protected against unauthorized or illegal acts. Designate depositories, authorize borrowing and investing, and provide for bonding and other security factors, including internal control policies and procedures. Approve interest rates, dividends, and refunds, or approve policies to guide management in doing so. Approve loan limits and savings minimums.
- Develop personnel policies, or make sure they are developed, and then approve them for all credit union programs and activities. Review policies and bylaws at least once a year and update as necessary.
- Make sure new products and services are developed as needed.
- Approve the credit union budget.
- Attend board meetings, exercise judgment independently from the chief executive officer, and report to the members at the annual meeting.

**Shelby County Federal Credit Union
Board of Director's & Committee Code of Ethics,
Standards of Performance and Conflict of Interest Policy**

I will always hold the betterment of the membership of the credit union as my priority, including during all participation in discussions and voting matters.

I will listen carefully to my fellow board members and the members I serve.

I will respect the opinion of my fellow board members.

I will respect and support the majority decisions of the board.

I recognize that all authority is vested in the board when it meets in legal session and not with individual board members.

I will be willing to accept and adapt to change and will welcome new ideas that contribute to the overall success of the credit union. I will be imaginative.

I recognize that Directors and Officers must be courageous when difficult decisions face the board. Timid leadership is no leadership at all.

I will never be influenced to support or defeat an issue before considering all of the facts and making a careful decision.

I will accept the job seriously and understand that a Director or Officer is held accountable for the success or failure of the credit union by the members, the movement, the insurers and the law.

I will be committed to keeping a clear and meaningful record of all decisions and to maintain a sound and complete credit union policy manual.

I will ensure that a workable system is in place for involving more members in the elected leadership of the credit union. A Board cannot be effective if it encounters the turmoil of heavy turnover or stagnation as a result of no turnover.

Directors and Officers will not be eligible for employment with the credit union until they have been off the Board for at least one full term (3 years).

In order to eliminate any resemblance of impropriety, all acts of nepotism should be avoided. An immediate blood relative (this should also include legal spouse) shall not be allowed to sit concurrently on the board of directors in any capacity.

I will keep well informed of developments that are relevant to issues that may come before the board.

I will actively participate in board meetings and actions.

I recognize that the board member's job is to ensure that the credit union is well-managed, not to manage the credit union.

I will behave in a manner that will bring credit upon the credit union and maintain trust and confidence in

the integrity of the credit union.

I will refrain from using profane, offensive or disrespectful language during any function or activity when representing the credit union or conducting the credit union's business.

I recognize that I am obligated to act in a manner which will bear the closest public scrutiny.

It is my responsibility to contribute to the board of directors any suggestions of ways to improve the credit union's policies, standards, practices or ethics within my limitation as a director.

I will not abuse my position as a board member by suggesting to any credit union employee that I am entitled to or expect any special treatment beyond what regular members of the credit union receive.

I will ensure that relationships with individual employees shall be limited to social events. I will not be an advocate for, or go to bat for an individual employee. Any concerns I have about employee behavior, personality, productivity, hiring or termination shall be addressed to and through the CEO. I will follow this same procedure wherever there are concerns about existing or proposed services and/or products.

If I fail to attend regular meetings of the board, for 3 consecutive months, or 4 meetings within a rolling 12 month period (Ex: September 2009 – September 2010), or otherwise fail to perform any of the duties as a director or committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.

If the board decides at any time during a meeting that I have a conflict, I will accept their request that I refrain from participating in the discussion and I will leave the meeting at the board's request. I understand that the board's decision will be recorded in the minutes.

I understand that the following activities are considered by the credit union to be conflicts of interest, and that conflicts of interest include but are not limited to the following situations.

- Where a director makes a decision or performs an act motivated by something other than "the best interest of the organization".
- Where a director learns of an opportunity for profit which may be valuable to him/her personally, valuable to another person known to the director or valuable to another organization of which the director is a member.
- When a director, in any circumstance as related to the credit union, puts his/her personal interest ahead of the best interests of the organization.
- Serving on more than one credit union board at one time or sharing any proprietary and/or confidential information with others outside SCFCU.
- Withholding information that could adversely affect the credit union, its members or staff.
- Where a director fails to abstain from discussing or voting on issues pertaining to them personally.
- Where director votes on issues that is or appears to be a conflict between their personal life and their position on the board.

I will not knowingly take advantage of, or benefit from, information that is obtained in the course of my official duties and responsibilities as a board member, and that is not generally available to the membership.

I will not use the credit union or any part of the organization for my personal advantage or that of my friends or relatives.

I will be alert to information which the credit union can use to develop improved policies and strategies.

I will protect the credit union's information which the credit union can use to develop improved policies and strategies.

I will always work to learn more about the credit union, its products and services, the board member's job and how to do it better.

I will consider myself a "trustee" of the credit union and do my best to ensure that the credit union is well maintained, financially sound and always operating in the best interest of the members.

I will refrain from using personal or work e-mail and use only the Credit Union's email system for conducting Credit Union business.

I will not discuss the confidential proceedings of the board outside of the board meeting.

I will protect the credit union's information closely and will not release or share confidential information without permission in writing. And I will shred all board related items in a reasonable timeframe in order to insure that member information is kept confidential.

I will maintain the confidentiality of all information which the board deems ought to be kept confidential.

I will be mindful of resources which are in my trust on behalf of the credit union and will help establish policies which ensure the maximization of secure and protected resources.

I may be reimbursed for expenses which are reasonable and justifiable and will discuss expenses which may be in question with the credit union's CEO/President.

I will never solicit or accept for personal gain (or for the benefit of any third party except the credit union) any gift, gratuity, benefit or unusual hospitality that might be construed by reasonable persons as tending in any way to influence one in the performance of duties; nor accept anything of value in connection with the credit union's business after any transaction is discussed or completed.

The Chairman of the credit union shall ensure that the practice of this policy will be fair, just and equitable in all situations of interpretation and application.

Direct and indirect retaliation of any kind by the Credit Union, its board members or employees against any individual that submits a complaint under this policy is strictly prohibited.

The policy will be strictly enforced. Violation of the policy by any Board member may result in a reprimand, suspension or removal from office in accordance with the Credit Union Bylaws, applicable statutes and/or regulations.

Each Board member must review and sign agreeing to compliance with this policy.

Potential Board members also must review and agree to compliance with this policy before being considered for office.

I have read and understand this policy and agree to abide the contents.

Signature Date

■ It is important that potential candidates understand that there is a risk of liability associated with acting as a credit union officer or director. The risk involves a potential personal liability that could include recovery from the directors themselves (personally) rather than or in addition to, the liability of the Credit Union.

■ The application information is confidential and will stay at Shelby County Federal Union. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you.

■ If you are selected as a candidate, you *may* be required to attend a formal interview with the Nominating Committee. The names and address of the Board of Directors are furnished to regulators and may be a matter of public record.

■ Each director is expected to prepare for and attend regular monthly board meetings and the annual membership meeting. In addition, planning sessions or other board events may require attendance.

■ Non-adherence to the Board and Nominating Committee Information may result in a candidate's disqualification.

■ Non-adherence to the Policies and Procedures of Shelby County Federal Credit Union may result in a director's removal.

■ It is the intent of Shelby County Federal Credit Union to do a background check on all potential candidates. By signing the disclosure below, you give your consent to a criminal background check, as well as approval to obtain employment information and credit reports in connection with this application and review.

Please Review the following:

I affirm that I have read and reviewed the Shelby County Federal Credit Union Nominating Committee Information and Board of Directors Application Packet. I do meet the qualifications required. I have completed the Application, Areas of Expertise/Experience Assessment, Skill/Capability Assessment, and understand the above disclosures and Agreement. I do consent and give my authorization for you to obtain employment information, a criminal background check and credit reports for your review and consideration in determining my qualifications for candidacy on the Board of Directors at the Shelby County Federal Credit Union.

My signature below verifies my understanding and acceptance of these statements.

I, the undersigned, acknowledge that as an elected volunteer of the Shelby County Federal Credit Union, I do hereby agree to serve in said office or position for the regular or remaining period of the office or position, effective from the **2019** Shelby County Federal Credit Union Annual Meeting.

I further pledge to carry out the duties and responsibilities commensurate with said office or position as promulgated by applicable law and regulation, including the Tennessee Credit Union Law and the Bylaws and Policies of Shelby County Federal Credit Union, including without limitation the Code of Ethics set forth in the Nomination Packet, which I acknowledge that I have received, reviewed and understand.

PRINT FULL NAME: _____

SIGNATURE: _____

DATE: _____

SKILL/CAPABILITY ASSESSMENT

Nominee Name: _____

Shelby County Federal Credit Union expects that each Director will bring to the Board a certain level of knowledge and experience, demonstrate certain attributes, and adhere to certain principles. The following questions will help you to assess the extent to which you meet these expectations. Please indicate **yes** or **no** in the space provided.

- _____ 1. Do you meet the Board Candidate’s Minimum Eligibility Requirements?
- _____ 2. To the best of your knowledge, are you free of any conflict of interest?
- _____ 3. Do you have sufficient time and energy to devote to the performance of duties as a member of the Board of Directors?
- _____ 4. Do you have good oral and written communication skills?
- _____ 5. In your personal and professional dealings, do you demonstrate integrity, high ethical standards and respect of privacy and confidentiality?
- _____ 6. Are you willing to assume the responsibilities associated with the role of Director?
- _____ 7. Are you financially literate (i.e. able to read and understand financial statements and financial reports, and assess the implications of these documents?)
- _____ 8. Do you have experience serving on boards or committees of organizations that have large budgets and make complex decisions?
- _____ 9. Can you distinguish between the Board’s role and Management’s role?
- _____ 10. Do you have experience as a Chair of a Board or a Committee that follows a formal “Rules of Order” format?
- _____ 11. Can you recognize and assess business risks and strategic opportunities?
- _____ 12. Do you demonstrate the ability to think, act and speak independently and with conviction and confidence?
- _____ 13. Do you have experience demonstrating that you can conceptualize and think strategically and that you possess good problem solving and interpersonal skills?
- _____ 14. Do you have access to a computer, printer and the internet?

AREAS OF EXPERTISE/EXPERIENCE ASSESSMENT

Nominee Name: _____

Please indicate your area(s) of expertise/experience by indicating E(expert), V (very competent), K (knowledgeable) and N/A (Not Applicable) next to the applicable items within the following list.

See below the definitions of E, V, K, and N/A.

- _____ 1. Credit Union Management, Officer, or Director
- _____ 2. Other Executive experience in a Business Environment
- _____ 3. Other Board Experience
- _____ 4. Self-Employment
- _____ 5. Financial Management & Control (budgeting, accounting)
- _____ 6. Strategic Planning Experience
- _____ 7. Regulatory Environment Expertise
- _____ 8. Information Technology Planning and Implementation Experience
- _____ 9. Legal Expertise
- _____ 10. Communication & Public Speaking
- _____ 11. Writing & Journalism
- _____ 12. Finance/Accounting
- _____ 13. Human Resources
- _____ 14. Insurance Agency
- _____ 15. Other areas of expertise/experience. Please Specify:

Definitions:

Expert: You possess a degree/diploma/certificate in a skill area and/or have work experience in that same area.

Very Competent: You have direct, successful experience in an area as part of your work or volunteer activities.

Knowledgeable: You possess knowledge of the basic fundamentals and concepts that are encountered in this skill area.

Not Applicable: The area of expertise/experience does not apply to you.

Please explain and provide details for your ratings. Attach a separate sheet if necessary (please make sure name is on additional sheet).

VOLUNTEER APPLICATION

I wish to have my name placed in nomination for election to Board of Directors:

Name: _____

Street/PO Box: _____

City, ST, Zip: _____

Work phone: _____ **Home phone:** _____

Cellular Phone: _____

Email: _____

How long have you been a member of SCFCU? _____

Employed by: _____

Briefly describe your previous work-related or volunteer experience which would qualify you as a volunteer for the SCFCU:

Why would you like to serve as a SCFCU Volunteer?

References:

1. Name: _____ **Phone:**

Address:

**City, ST,
Zip**

2. Name: _____ **Phone:**

Address:

City, ST,

Zip

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