Velocity Credit Union Board of Directors
Application Information and Procedures

I. The following material includes:

A. Information concerning obligations, opportunities, and qualifications for Board of Directors.

B. Information concerning loans granted to Credit Union officials.

C. Election Procedures adopted by the Board of Directors.

II. Applications and resumes must be submitted by 5 p.m. on Friday, November 6, 2026 through the following.

- Mail applications to:

  Velocity Credit Union
  Attention: Kate Perez, Sr. Admin Assistant
  P.O. Box 1089
  Austin, Texas 78767

- Or, submit applications in person to any of our branch locations with attention to: Kate Perez, Sr. Admin Assistant
- Or, email to Kate.Perez@velocitycu.com.

III. Interviews will be scheduled after applications are submitted and reviewed.

IV. There are four positions available on the Board of Directors for a three-year term.

V. Please contact Kate Perez in the Administration department at (512) 469-7000 if you have questions regarding the application process.

LOANS TO CREDIT UNION OFFICIALS

The Board of Directors delegated to the Executive Committee the authority to approve loans to officials when the total loan balance (less share secured or certificate secured) exceeds $25,000.00 or one-quarter of 1% (0.25%) of the Credit Union's net-worth. If a member of the Executive Committee is requesting a loan, action by the full Board of Directors will be required.

(Cross reference: 301.00 Consumer Lending Policy-Loans to Officials)

THE BOARD OF DIRECTORS

OBLIGATIONS OF DIRECTORS

As custodians of the members' interest, directors exercise authority derived from the members. The directors are trustees of the funds that the members place in their care. They have an obligation to manage the affairs of the credit union in such a way that the purposes for which the credit union was organized are attained. They must direct its business and make certain that the credit union does not engage in activities that exceed its powers. They must discharge the duties of their offices in good faith and with the diligent care and skill that prudent men and women would exercise under similar circumstances in like positions.

To fulfill their trust to the members, directors need to become thoroughly familiar with the purposes of a credit union. Failure to know what is required of directors under the credit union's charter, its bylaws, the Federal Credit Union Act, and the rules and regulations, will not relieve them of their responsibilities.

If a director fulfills his/her responsibilities, he/she will not incur any personal liability for corporate actions. However, if they make decisions primarily on the basis of their own self-interest, if they fail to act in good faith, or if they exceed their authority, they may become personally liable to the members in the same way that a director of any other corporation or financial institution would become liable.

Because the board of directors is given the responsibility and authority to direct the affairs of the credit union, those elected to these positions of trust should fully understand their opportunities and obligations as directors of a corporation.

OPPORTUNITIES OF DIRECTORS

The members of a credit union that are elected to the board of directors are individuals whose honesty, ability, and judgment to manage competently the affairs of the credit union are respected. To be selected by one's fellow members is more than an honor; it is a real opportunity to make a worthwhile contribution toward a better living for the members of the credit union. An effective director gains great personal satisfaction when they see the results of faithful performance of their trust.

The experience gained as a director of a successful and well-managed credit union has enabled many men and women to achieve managerial success beyond the credit union. Their leadership abilities, executive skills, and human relation talents have frequently been revealed when they have had the opportunity to serve as directors and executive officers of a credit union.

QUALIFICATIONS FOR DIRECTORS

Directors must be members of the credit union. They should possess the personal qualities that are needed to enable them to serve the credit union effectively, and should be honest at all times. A good director is unselfish and acts for the benefit of the credit union's members rather than for his or her own interest. No director should attempt, either directly or indirectly, to influence a credit union's decision that affects his or her family's financial interest. (Other officials and employees must also refrain from acting on matters which affect them or their family's financial interests.) Since directors cannot be paid for their services, they must be sufficiently interested in the credit union and sufficiently generous to give their own time and skills to its affairs. Good directors insist that the operating officials give them facts. Directors must have the ability to understand the given facts, and to make sound decisions based upon them. Above all, good directors must be able to think for themselves. If directors merely act as "rubber stamps" for the treasurer, manager, or president, they lack the qualifications needed for their office.

Persons who accept the position of director do not warrant that they are an experienced bank, accountant, or financier. They may have been elected to the board of directors primarily because of their integrity or personal popularity, and may lack intimate knowledge of credit union operations. With sufficient desire, however, they can acquire the necessary skills and ability to become excellent directors by learning as much as possible about the credit union, its objectives, the rules under which it operates, and the duties of directors.

VELOCITY CREDIT UNION'S ELECTION PROCEDURES

WHEREAS, Velocity Credit Union's By-laws do not cover in detail the procedures for nomination by petition for elective offices; and

WHEREAS, it has been necessary for the Executive Committee to spend an inordinate amount of time and effort in attempting to verify petition signatures because of illegible signatures and missing account numbers; and

WHEREAS, Velocity Credit Union has been subjected to large expense in the defense of a law suit filed by a petitioner for nomination for elective office; and

WHEREAS, Velocity Credit Union desires to conform to its By-laws, but also to provide and publish its detailed election procedures to cover the matters not addressed in its By-laws so that all members will know the requirements for obtaining a position on the ballot;

NOW, THEREFORE, Velocity Credit Union Board of Directors hereby adopts the following Election Procedures as Board Policy.

I. NOMINATING COMMITTEE

A. The Board of Directors shall instruct the Nominating Committee to nominate one candidate for each board vacancy, including any unexpired term, for which elections are to be held.

B. The Nominating Committee shall set and publish by mail to the membership the cut-off date for submission of applications and resumes for any vacancy or unexpired term.

C. The Nominating Committee shall set schedules, notify applicants, and conduct personal interviews with all applicants.

D. The Nominating Committee shall determine if each applicant is a Qualified Applicants. "Qualified Applicant" shall be a Velocity Credit Union member in good standing, over 18 years of age, who has no conflict of interest with the Credit Union and who has not caused the Credit Union any financial loss.

E. The Nominating Committee shall make its nominations only from Qualified Applicants after personal interviews. In the event there are not sufficient Qualified Applicants for all vacancies or regularly expiring terms, the cut-off date for applications shall be extended and the membership notified thereof by posting such notice on a bulletin board at the main office of the Credit Union. The Nominating Committee shall report its nominations to the Board of Directors and the applicants.

II. PETITIONS

A. Prerequisite. Members desiring to Petition for a place on the ballot shall first have submitted an application and resume to the Nominating Committee before the prescribed cut-off date, must have appeared before the Nominating Committee for personal interviews, and have been designated by the Nominating Committee as a Qualified Applicant. Then, each member must file with the secretary of the board at

least forty (40) days prior to the annual meeting. Each nominee by petition must submit a brief statement of qualifications and biographical date in a form approved by the board of directors.

B. Petition.

1. Petition Forms shall be made available to members meeting the prerequisites no later than five business days after the report of the Nominating Committee is received by the Board of Directors.
2. The Petition Form, before delivered to a qualified member, shall contain the member's name, and each page thereof shall have a non-reproducible code identifying the member.
3. Petitioners may use only the **original** Petition Form provided by the Credit Union, including all blank pages. Use of non-original pages will subject the petition to invalidation.

C. Petition Rules

The following rules shall apply to the signing and completion of all petitions:

1. Only signatures of **primary** members over the age of 16 years as of January 31 of the election year will be accepted.
2. In addition to the signature, the signer's name and account number must be legibly printed.
3. The petition must contain the signatures of one percent (1%) of the credit union membership with a minimum of twenty (20) and a maximum of five hundred (500). The required number of signatures shall be stated on each Petition Form.
4. All lines on each page, except the last page, must be used.
5. Signatures shall not be solicited or obtained on any property owned or leased by the Credit Union.
6. Petitions must be filed with the administration supervisor of the Credit Union by 5:00 p.m. on the cut-off date established by the Board of Directors and stated on the Petition Form.
7. Once a petition is filed with the Credit Union, no further signatures or changes shall be allowed.
8. The foregoing Petition Rules shall be included with each Petition Form, and each petitioner shall sign a receipt therefore.
9. Non-compliance with Petition Rules shall result in invalidation of the petition.

III. VALIDATION

A. After the established cut-off date for filing petitions, the Executive Committee shall verify the signatures which conform to the Petition Rules, and report to the Board of directors the number of valid signatures on each petition.

B. The Board of Directors shall validate as candidates, and place on the election ballot, each qualified petitioner whose petition conforms to these Election Procedures.

IV. UNEXPIRED TERM VACANCIES

A. Because of the time constraints of the election procedures required by the By-laws, any vacancy on the Board of Directors occurring after the report of nominees by the Nominating Committee shall not be filled by election in the current election process, but shall be filled in the election in the next year.

B. In the event there are vacancies for unexpired terms for elective offices to be filled at the current election ("Vacancies"), the election for those unexpired term shall be separate and apart from the election for regularly expiring terms.

C. In the event there are Vacancies for unexpired terms for elective offices, the candidates to be placed on the ballot for those Vacancies shall be the candidates nominated by the Nominating Committee, and all petitioners shall be candidates for the regularly expiring office terms except as provided in the following paragraph.

D. Notwithstanding the preceding paragraph, a petitioner may petition expressly for an unexpired term Vacancy, in which even such petitioner shall be placed on the ballot for such unexpired term along with those nominated by the Nominating Committee for that unexpired term. No one may petition for both an unexpired term and a regular term.

V. BALLOT RE-COUNT

A. Any nominee or petitioner of Velocity Credit Union may request a ballot re-count after any election by the members on the following conditions:

1. Such request must be made at the time of the election at the annual meeting
2. Petitioner will reimburse the credit union of any expenses involved in ballot re-count.