



# INFORMATION PACKAGE

For nominees interested in  
becoming a Board Director

JUNE 2023

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## Introduction

Kawartha Credit Union is seeking well-qualified nominees for the position of Board Director. As a member of our Board of Directors you would play an important role in guiding the growth of the credit union. If you are qualified for this role and interested in applying your skills and experience to governing the credit union, we invite you to apply. This Information Package is designed to provide relevant information about the duties, responsibilities, competency/training requirements and eligibility for Board members. It also describes the nomination and election process, and the required forms to submit your nomination.

Headquartered in Peterborough, Ontario, Kawartha Credit Union's purpose is to support the financial success and well-being of our members and the communities we serve. We provide values-based expert advice, a full range of competitive and easy-to-understand financial solutions, convenient, innovative service channels (including a 22-branch network, and online, mobile and telephone banking), and access to thousands of Exchange ATMs across Canada and the U.S. We serve 57,000 members in Central, Northern and Eastern Ontario and we employ approximately 350 people. With over \$2 billion in assets under administration and 70 years of history, we are proud to make a difference in our members' lives.

We also strive to provide a fulfilling employee experience by fostering an enjoyable and rewarding work environment. We offer training and career development opportunities to help our employees grow and succeed. Kawartha is an equal opportunity employer: we embrace inclusiveness and diversity, and respect that each individual is unique.

## Overview

The Board of Directors of the credit union is to discharge its responsibilities in a manner which results in independent oversight of the credit union's management and permits and encourages Directors to provide effective oversight of the decisions, plans, processes and policies proposed by the credit union's senior management and implemented by its management.

The most significant responsibilities of the Board of Directors are ensuring that Kawartha Credit Union is operated in a safe and prudent manner, including adherence to the standards of sound business and financial practices, strategic planning, and policy formulation. Management is installed by the Board to implement policy and achieve desired results. Standing committees, consisting of Directors, are empowered to handle important specialized tasks such as the monitoring of procedures (vis-à-vis policy) and to make recommendations to the Board.

## Duties and Obligations of Directors

The attached Director Position Description describes the individual and Board duties along with qualifications and education requirements. Overall, Directors are expected to demonstrate appropriate competence to execute their responsibilities and to contribute positively to the affairs of the organization. Directors are appointed to one or more of the Audit Committee, Governance Committee, Nominating Committee, Human Resources Committee and Corporate Secretary position (unless an employee has been appointed to that position). Committees are tasked with assisting the Board by doing in-depth reviews and making recommendations to the Board. Committee members are expected to take an active role. Directors are expected to attend Board/Committee meetings on a regular basis. When a Director fails to attend three consecutive Board meetings without reasonable cause, the Board, while following the credit union By-laws, may declare their post vacant and appoint a qualified person to fill the vacancy until the next annual meeting of the credit union.

## Legal Responsibilities

The legal responsibilities and obligations of Directors have their roots in legal documents that establish and empower the credit union, including, but not limited to:

- *Credit Unions and Caisses Populaires Act, 2020* (the “Act”) and associated regulations
- Articles of Amalgamation and By-Laws of the credit union made pursuant to the Act
- Policies established by the Board of Directors
- Guidance and Rules issued by the Financial Services Regulatory Authority of Ontario (FSRA)
- Common law duties and responsibilities applicable to corporate directors.

As a general premise, there are no conflicts between the empowering documents and common law requirements. This Information Package focuses on the generic responsibilities of Directors, and specific requirements can be verified in the wording of the Act, By-laws, or other specified documents.

## Director Competencies and Training Requirements

Kawartha Credit Union recognizes the need for Directors to understand, meet and maintain appropriate competency requirements, and we support that with effective guidelines and processes. The Board has a policy which defines minimum Director competency requirements, establishes timelines for attaining the minimum levels, and outlines assessment criteria and requirements. All elected or appointed Directors are required to achieve a strong level of competency in each of the following areas within 6 months, one year or two years of joining the Board depending on the Committee:

- Audit & Compliance Oversight
- Board & CEO Performance
- Credit Union Operations
- Financial Literacy
- Governance & Ethics
- Leadership
- Regulatory Environment
- Risk Management Oversight
- Strategic Planning

The Board has set a policy requiring all Directors to complete a credit union specific training program. This involves completing level A within the first 12 months on the Board and levels B and C within the first two years on the Board. Level A includes six online modules and four workshops for a total time commitment of about two days. Levels B and C each have four 1-hour workshops, for a total time commitment of about one day. In addition, Directors are required to complete knowledge-based training, including annual compliance courses within a knowledge platform called Board 360. The Governance-oriented curriculum covers an overview of the credit union system, Board and Director roles and responsibilities, legal basics, understanding financial statements and monitoring performance, risk management, strategic planning, governance, and accountability.

Directors shall annually complete a standard self-assessment in order to confirm their level of knowledge, skill, and experience in each of the required competencies. The objectives of this self-assessment are to:

- identify training or development needs for each Director to ensure that the appropriate competency level is attained in accordance with the credit union’s requirements; and
- determine the degree to which the Board, on an overall basis, satisfies the competency requirements.

## Qualification Requirements under By-Laws

The By-laws of the credit union set out the qualification requirements for a Director as follows:

A person is eligible to be a director of the credit union if the person is a natural person who:

- (a) is a member of the credit union in full compliance with the minimum membership share requirements;
- (b) is at least 18 years of age;
- (c) is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and ordinarily resident in Canada;
- (d) has then served as a director of the credit union for not more than four consecutive terms, to a maximum of 12 consecutive years;
- (e) is not a related person of an employee, officer, or director of the Credit Union;
- (f) is not disqualified under the Act;
- (g) has disclosed to the Board, in a timely fashion before the election in which the person is a candidate is held, everything the person is required by the Act to disclose as a candidate for director of a credit union;
- (h) has complied with the Election Guidelines in any election in which the person is seeking election or has been elected;
- (i) is not a former employee of the credit union who was employed by the credit union in the two years immediately preceding the date of the election at which the former employee was to be a candidate for election as a director;
- (j) is not a spouse, parent, or child of a former employee of the credit union if the former employee was employed by the credit union in the two years immediately preceding the date of the election at which the spouse, parent or child seeks to be a candidate for election as a director;
- (k) is not a director, officer, committee member or employee of an entity (other than any entity for which an exception has been made by the Board from time to time) that is engaged in, or has the reasonable potential to be engaged in, business activity materially and directly competitive with the existing or proposed business activities of the credit union.
- (l) is not the spouse of a person described in paragraph (k) above.
- (m) has not been removed from a board of a body corporate for failure to attend meetings, failure to perform the duties allotted to the person as a director or for breach of the person's fiduciary duty;
- (n) and has not refused to complete a training program within the required time, as determined by the Board.

## Disqualified Individuals

In addition, Section 29 of the General Regulation under the Act provides as follows:

“29 (1) For the purposes of section 84 of the Act, the following individuals are disqualified from being directors of a credit union:

1. One whose membership in any credit union has been terminated, other than voluntarily.
2. One who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which the individual may be elected as director.
4. One who is unable to obtain proof of bonding insurance that is satisfactory to the Chief Executive Officer of FSRA.
5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union unless the credit union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act* (Canada).
7. One who has been convicted, in the five years preceding the date on which the individual may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
8. One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct.
9. An employee of the credit union or a central in which the credit union is a member or the employee's spouse, parent, or child.
10. A professional advisor who provides services to the credit union in the individual's professional capacity or who has provided such services in the three years preceding the date on which the individual may be elected as a director.
11. An employee, director, or officer of the Authority.
12. A public servant employed under Part III of the Public Service of Ontario Act, 2006 whose employment duties include regulating credit unions.
13. One who has not met the training requirements or qualifications for directors established by the credit union.
14. One who has not met any reasonable condition or qualification set out in the by-laws of the credit union.

(2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because the individual provides, without remuneration, services to the credit union or central that are ordinarily provided by an employee.

(3) An offence referred to in paragraph 7 of subsection (1) is an offence that,

- (a) is related to the qualifications, functions, or duties of a director of a body corporate;
- (b) involves theft or fraud;
- (c) involves a contravention of or failure to comply with the Act, a predecessor of the Act or an Act governing a subsidiary of the credit union; or
- (d) involves a contravention of or failure to comply with the Securities Act.”

# The Financial Services Regulatory Authority of Ontario, Rule 2021-001 Sound Business and Financial Practices

FSRA has issued a Rule on *Sound Business and Financial Practices*, which, among other things, sets out the expectations of the regulator with respect to the composition of the Board. Section 4 of the Rule states that directors of a credit union must have the “appropriate skills, education, experience and commitment to enable them to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations and risk profile of the credit union”.

Further, Section 4 provides that an individual who is not independent from the senior management of the credit union (other than the CEO) may not serve as a member of the board, and an employee or related person of an employee of the credit union are disqualified from serving as a member of the board.

## Specific Knowledge/Experience Needs for 2023 Recruitment

Each year the Governance Committee executes a Director Assessment to ensure the Board as a whole has the knowledge and skills to provide proper governance. Once complete, the Governance Committee determines the knowledge and/or skills required for the upcoming election and provides direction to the Nominating Committee. This year the following skills and experience are needed:

- Audit and Compliance/Financial Literacy: preferably with a formal accounting designation, experience in audit, compliance, and risk management.
- Regulatory: preferably with regulatory or risk management experience in financial services
- Risk Management: preferably with a formal risk management/operational risk background
- Strategic Planning: executive leadership experience leading a business unit in a mid- sized or larger organization with strategic planning responsibilities. In addition, an individual seeking election to the Board shall be required to submit to the processes detailed in the Director Nomination Policy (a copy of which is attached as an Appendix to this Information Package), including, but not limited to, the nomination and selection process outlined in the policy.

## Evaluation and Assessment

The nomination and election process to become a Director of the credit union is **highly competitive**. All applications will be evaluated; however, only those candidates who are qualified to become a Director of the credit union as determined in accordance with the Director Nomination Policy will be considered beyond the application part of the process. In particular, the candidate must possess a strong foundation for the nine competencies required for Board Directors plus one or more of the skills and experience which are needed for this year’s election (as stated above).

A candidate who is not a qualified candidate will be informed by the Nominating Committee that the candidate will not be considered in the nominations process.

## Miscellaneous Information

- Directors are expected to become a member of the credit union prior to taking office and attend all Board meetings (normally held six times annually), quarterly Committee meetings, and any special Board meetings. Meeting attendance may be via electronic means and/or in person.
- Elected terms are for three years unless otherwise specified. The current term will be March 2024 to March 2027.
- Directors are paid a monthly honorarium commensurate with the position, as determined by the Board. Directors shall be reimbursed for expenses incurred when on credit union business. When personal vehicles are used for business travel, including travel to Board and Committee meetings, Directors will be reimbursed on a per kilometre basis. A Director traveling on credit union business may be permitted reimbursement for accommodation, subject to the Board's prior approval. For guidance, in order to be eligible for reimbursement the round-trip should be over 300 kilometres and meeting times and weather conditions will be taken into consideration.
- The Board of Directors is comprised of nine Directors. The positions of Chair, Vice-Chair and Committee Chairs are approved by the Board.
- While representing Kawartha Credit Union, Directors will be expected to dress professionally.

## Nomination Process

Prior to the election:

- Once all nomination papers have been received, a screening process will be conducted by the Nominating Committee. This process is undertaken to ensure candidates are qualified for the role and appropriate focus is given to attaining the specific knowledge and experience needs detailed on page 7.
- Nominees are asked to be available for interviews in December 2023 and January 2024.
- Selected nominees will be interviewed by the Nominating Committee to confirm that:
  - They are eligible for election, and have the experience, expertise, and qualifications to serve on the Board, and
  - They understand and are committed to performing the duties and obligations of a Director of the credit union.
- All nominees are asked to consent to the credit union recording a two-minute speech for online voting purposes, a credit bureau, criminal record, and background check at the credit union's expense.
- Nominees will be asked to electronically submit a one-page biography, in the approved form, for publication to the membership for online voting purposes which must be received with the Nomination papers by November 30, 2023.

The Nominating Committee will identify candidates who are qualified to stand as nominees and inform those candidates who have been determined not to be qualified candidates that they will not be considered in the nomination process.

The Nominating Committee will report to the membership by recommending the nominees they believe are best qualified for election to the Board.

Online voting will be available to the membership from January 26, 2024 to February 9, 2024, and the results will be communicated to the membership at the Annual General Meeting on March 27, 2024, and on the credit union's website. All nominees will be notified of the results prior to the Annual General Meeting.

If you believe you meet the required qualifications set out in this Information Package and would like to apply for nomination to the Kawartha Credit Union Board of Directors, please submit the following completed documents via email, to a branch or to the address listed below.

- Acknowledgement and Consent
- Certificate and Undertaking
- Enclose and submit electronically a one-page biography using the template attached as an Appendix to this Information Package, which is also available on our website [www.kawarthacu.com](http://www.kawarthacu.com) to [humanresources@kawarthacu.com](mailto:humanresources@kawarthacu.com)
- 2023 Nomination Form
- Enclose a copy of your résumé with a confidential email address and phone number included for correspondence.

*Failure to provide the information above by 4:00 p.m. on the last business day in November 2023 will result in the nomination not being accepted by the Committee.*

Board Recruitment  
Executive Vice President, Human Resources Kawartha Credit Union  
14 Hunter Street East, P.O. Box 116 Peterborough, Ontario  
K9J 6Y5  
Fax: (705) 743-9889  
E-mail: [humanresources@kawarthacu.com](mailto:humanresources@kawarthacu.com)

For more information, contact:  
Jennifer Gauthier, Executive Vice President, Human Resources Kawartha Credit Union  
705-743-9966 ext. 7253  
Toll Free 1-888-743-9966 ext. 7253  
[jgauthier@kawarthacu.com](mailto:jgauthier@kawarthacu.com)

**Or**

Jeff Carter, Director and Chair of Nominating Committee	<a href="mailto:director.jeff.carter@kawarthacu.com">director.jeff.carter@kawarthacu.com</a>
Allison Chenier, Director	<a href="mailto:director.allison.chenier@kawarthacu.com">director.allison.chenier@kawarthacu.com</a>
Colin McKeen, Director	<a href="mailto:director.colin.mckeen@kawarthacu.com">director.colin.mckeen@kawarthacu.com</a>
Mary McGee, Director	<a href="mailto:director.mary.mcgee@kawarthacu.com">director.mary.mcgee@kawarthacu.com</a>

# APPLICATION FORMS



ACKNOWLEDGEMENT AND CONSENT  
RE CONSUMER REPORT AND OTHER INVESTIGATIONS

Applicant's Surname: _____	First Name: _____
Street Address: _____	City/Town: _____
Postal Code: _____	

I acknowledge that it is reasonable and necessary for **KAWARTHA CREDIT UNION** to make inquiries (both initially and on an ongoing basis) into and request reports concerning my educational, employment, credit, driving and/or criminal history in order to assess my initial and continuing suitability for the position of Director, and ensure that information I have provided is accurate. **I understand and acknowledge that these investigations will be conducted by KAWARTHA CREDIT UNION or any agent or representative of the Credit Union, and information may be obtained from financial institutions, police forces, current and former employers, consumer reporting agencies, insurance companies and/or business associates and all applicable government agencies.**

Therefore, at this time and until I specifically inform you to the contrary in writing, in compliance with all applicable human rights, consumer reporting and privacy legislation, I hereby authorize and direct you to release to **KAWARTHA CREDIT UNION or any agent or representative of the Credit Union**, information that you have access to concerning my past or current employment, my education record, my credit history, my record of Criminal Code convictions for which a pardon has not been granted, including whether there are any Criminal Code charges pending, and/or any other information contained in your files relevant to my position of Director.

I hereby declare that, to the best of my knowledge, the information I provided both orally and, on my resume,/application form is complete and accurate in every respect. I understand that a false statement may disqualify me from being a Director or result in my subsequent discharge if I am elected to the Board of **KAWARTHA CREDIT UNION**. I understand that this consent will be valid for the duration of position of Director.

I understand and agree that if elected to the Board of **KAWARTHA CREDIT UNION** I will be bound by the terms and conditions contained in the policies and procedures, and the Code of Conduct.

**I understand I am providing this information for identification purposes to ensure the accuracy of any reports obtained pursuant to this Acknowledgement and Consent.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

SIN \_\_\_\_\_

DOB \_\_\_\_\_

## CERTIFICATE AND UNDERTAKING

Pursuant to the *Credit Unions and Caisses Populaires Act, 2020* (the “Act”) and related regulations, the following individuals are disqualified from being directors of a credit union:

(1) For the purposes of section 84 of the Act, the following individuals are disqualified from being directors of a credit union:

1. One whose membership in any credit union has been terminated, other than voluntarily.
  2. One who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
  3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which the individual may be elected as director.
  4. One who is unable to obtain proof of bonding insurance that is satisfactory to the Chief Executive Officer.
  5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union, unless the credit union has agreed to extend the time for repayment.
  6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act* (Canada).
  7. One who has been convicted, in the five years preceding the date on which the individual may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
  8. One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct.
  9. An employee of the credit union or a central in which the credit union is a member or the employee’s spouse, parent, or child.
  10. A professional advisor who provides services to the credit union in the individual’s professional capacity or who has provided such services in the three years preceding the date on which the individual may be elected as a director.
  11. An employee, director, or officer of the Authority.
  12. A public servant employed under Part III of the *Public Service of Ontario Act, 2006* whose employment duties include regulating credit unions.
  13. One who has not met the training requirements or qualifications for directors established by the credit union.
  14. One who has not met any reasonable condition or qualification set out in the by-laws of the credit union.
- (2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because the individual provides, without remuneration, services to the credit union or central that are ordinarily provided by an employee.
- (3) An offence referred to in paragraph 7 of subsection (1) is an offence that,
- (a) is related to the qualifications, functions, or duties of a director of a body corporate;
  - (b) involves theft or fraud;
  - (c) involves a contravention of or failure to comply with the Act, a predecessor of the Act or an Act governing a subsidiary of the credit union; or
  - (d) involves a contravention of or failure to comply with the *Securities Act*.

The undersigned hereby certifies that the undersigned has reviewed the above and is not disqualified from serving as a director of Kawartha Credit Union Limited by reason of any of the above grounds and undertakes to immediately notify the Chair should the undersigned become disqualified while serving as a director. The undersigned hereby certifies that the undersigned is not: a party to; a director or officer of an entity that is a party to; a spouse parent or child of an individual who is a party to; and does not have a material interest in a person who is a party to a material contract or proposed material contract with Kawartha Credit Union Limited.

Dated at \_\_\_\_\_, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Nominee \_\_\_\_\_

Witness \_\_\_\_\_

# Board of Directors Biography Template

## Candidate Information

Full Name:

Address:

Telephone:

Email:

## Reason for interest in running for Board of Directors

## Work Experience

## Education/Certifications

## Community Involvement/Volunteer Work

## Personal Interests

**Note to candidates: Please complete your application within this electronic PDF.  
Once complete, please save and email to [humanresources@kawarthacu.com](mailto:humanresources@kawarthacu.com).**



## 2023 NOMINATION FORM

Date: \_\_\_\_\_

TO : Nominating Committee  
Kawartha Credit Union  
14 Hunter Street East, P.O. Box 116, Peterborough ON K9J 6Y5 Or email:  
humanresources@kawarthacu.com

I agree to accept the nomination for the position of Director of Kawartha Credit Union Limited.

I understand that elections will be held online from January 26 to February 9, 2024.

I certify that I have read and understand the responsibilities associated with being a Director of Kawartha Credit Union as outlined in the Information Package for Nominees to Board of Directors dated June 2023 and the Director Nomination Policy and I undertake to take such further training as may be required by the Board.

Name of Nominee (Please print): \_\_\_\_\_

Signature: \_\_\_\_\_

NOTE: All nominations must be received no later than 4:00 pm on the last business day of November 2023.



## POSITION DESCRIPTION

TITLE: DIRECTOR

REPORTS TO: MEMBERS

MANAGES: CHIEF EXECUTIVE OFFICER

GRADE: N/A

### Primary functions:

The Board of Directors is ultimately responsible for ensuring that the credit union is operated in a safe and prudent manner and for ensuring adherence to the standards of sound business and financial practices. In fulfilling its responsibilities, the Board of Directors should be guided by co-operative principles and ensure that the credit union operates on a co-operative basis. Management is responsible to ensure that the member institution applies the processes, procedures and controls necessary to prudently manage the risk and to provide the Board of Directors with timely, relevant, accurate and complete information to enable it to assess that delegated responsibilities are being discharged effectively.

### Individual duties:

1. Carry out your job honestly, in good faith, and in the best interests of the credit union;
2. Exercise care, diligence, and the skill of a reasonably prudent person in doing your job;
3. Exercise sound business judgment, bringing an independence of mind and disclosing information that would be important for the Board to know in making its decisions;
4. Work to build trust and co-operation among members and between the Board and stakeholders;
5. Comply with all the relevant sections of the *Credit Unions and Caisses Populaires Act, 2020* and the Regulations, Guidance and Rules of the Financial Services Regulatory Authority of Ontario (FSRA), and other applicable laws and statutes, and be familiar with the serious offenses and penalties set out in the Act;
6. Maintaining the confidentiality of information obtained as a Director, except where required by law;
7. Know where there is, or may be, a conflict between your personal interest and the interests of the credit union, disclosing the conflict to the Board and, in most cases, being absent from the discussion and the vote on material contracts in which you have a personal interest;
8. Comply with Kawartha's policies and By-laws;
9. Complete a training program within the time required by Board Corporate Governance Policy; and
10. Complete other duties agreed to by the Board as a whole.

### Board duties: (per policy 2-1-1)

1. Oversee development of Kawartha Credit Union's mission, values, and strategy, monitor the implementation of strategy and measure company performance against objectives;
2. Hire and delegate authority to the Chief Executive Officer to manage and supervise the business of the credit union, including the making of all decisions regarding the credit union's operations that are not specifically reserved to the Board;
3. Avoid becoming involved in the day-to-day activities of the credit union;
4. Communicate effectively with members and stakeholders;
5. Provide management with oversight and guidance that will be outlined in policies approved from time to time;
6. Adopt an Enterprise Risk Management approach to:
  - a. Understand the significant risks to which the credit union is exposed;
  - b. Approve appropriate risk management policies; and
  - c. Obtain reasonable assurance that the credit union has an ongoing, appropriate, and effective risk management process and that risk management policies are being adhered to.
7. Ensure implementation of an effective Internal Capital Adequacy Assessment Process.
8. Ensure the credit union's approach to risk management and control is based on best practices and proven principles used in the marketplace, applied consistently, and monitors compliance with statutory requirements, FSRA Guidance and Rules, corporate By-laws, and policies; and
9. Monitor and ensure effective governance.

## QUALIFICATIONS

### EDUCATION

Completion of CUDA level A within first year as a Director.

Completion of CUDA levels B & C within the first two years on the Board.

Completion of Board 360 courses as required.

**PREFERENCE WILL BE GIVEN TO INDIVIDUALS WITH EDUCATION AND EXPERIENCE  
IN THE AREAS MENTIONED ON PAGE 4 OF THE INFORMATION PACKAGE.**

# **DIRECTOR NOMINATION POLICY**



## Policy Objectives

As per the By-laws of Kawartha Credit Union Limited (the “Credit Union”), a Nominating Committee will be formed each year to govern the nomination of individuals qualified to become Directors of the Credit Union. The Committee is composed of at least three Directors, with a maximum of five, appointed annually by the Chair of the Board. No director who is eligible for re-election of the Credit Union for which nominations are being sought (whether or not that director stands for re-election), shall be eligible to serve on the Nominating Committee.

The Nominating Committee will assist the Board in fulfilling its responsibility to the members to provide a sufficient supply of qualified candidates for the position of Director including the oversight of the nomination, selection, and election process. An individual seeking election to the Board shall be required to comply with the processes detailed in this Director Nomination Policy, including, but not limited to, the nomination and selection process outlined in this Policy.

On behalf of the Board of Directors, the Nominating Committee will:

- Conduct elections of Directors in accordance with the By-laws.
- Plan and execute a recruitment process designed to attract at least one qualified nominee for each vacancy in the Board, taking into consideration gaps in experience, skills, and knowledge as identified by the Governance Committee, within a Board approved budget.
- Conduct interviews of those nominees it considers have the experience, expertise, and qualifications to serve on the Board or who fill identified skills requirements, based on a Board-approved preliminary screening process, who are not regarded as incumbent Directors of the Credit Union for the purposes of this process.
- Assess the qualifications of nominees who are incumbent Directors.
- Present a list of recommended nominees to the Board for information and to the membership as part of the election process. The candidates who are determined to be best qualified, taking into consideration gaps identified by the Governance Committee and at a minimum the competencies identified in this Policy, will be recommended.
- Oversee the preparation of the delivery to members of the notice of elections if an election is being conducted.
- Establish the Election Guidelines, which are to set out the method and manner in which nominees are permitted to campaign for election and appropriately address any non-compliance with the Election Guidelines.
- Present recommendations to the Board in support of the Committee’s purpose.

## Nomination Process

The Nominating Committee plan and execute a recruitment process to attract qualified nominees to be a part of the Board of Directors. It will work to ensure that nominees are qualified and capable of meeting the duties and obligations of a Director and able to meet the necessary time commitments. The Credit Union is governed by the Financial Services Regulatory Authority of Ontario (“FSRA”) and the Sound Business and Financial Practices Rule in matters related to the composition of the Board as follows:

- A credit union shall have a board with an appropriate size and structure, composed of directors who have appropriate skills, education, experience, and commitment to enable them to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations, and risk profile of the credit union.
- If the board or senior management of the credit union proposes or nominates an individual or individuals to be elected by the members as a director or directors of the board, then the board or senior management shall only propose or nominate an individual or individuals who have appropriate skills, education, experience and commitment to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations and risk profile of the credit union.
- If the board of the credit union fills a vacancy or vacancies on the board, then the board shall only appoint an individual or individuals as a director or directors of the board who have appropriate skills, education, experience, and commitment to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations, and risk profile of the credit union.
- No individual other than the chief executive officer of the credit union, may serve as a member of the board of the credit union unless such an individual is independent of senior management of the credit union.
- Except for the chief executive officer of the credit union, no individual who is an employee of the credit union, or a related person of an employee of the credit union, may serve as a member of the board of the credit union.

Interested candidates do not need to be a member of the credit union at the time of submitting their nomination papers, however, they must be willing to open a membership upon their election to the credit union Board of Directors.

## Information Package

The Information Package is updated annually by the Nominating Committee and is an important document prepared for nominees to assist them in understanding the following:

- The competencies and qualifications necessary to be an effective Director at Kawartha Credit Union
- Eligibility requirements and what would render a nominee ineligible to become a Director
- The legal responsibilities
- The time commitment
- Additional learning that will be required
- The duties and obligations of the Director role, if elected
- The nomination process and forms to be completed.

## Nomination Papers

To determine a candidate's interest and ensure that they understand the process, qualifications, responsibilities, and eligibility requirements for a Director, nomination papers are submitted as follows:

- The Certificate and Undertaking form ensures the nominee has reviewed the grounds that would render a potential Director ineligible. The nominee signs that they understand the ineligibility criteria, that they are not disqualified, and they will inform the Board Chair should their eligibility change.
- The Acknowledgement and Consent form authorizes the Credit Union to do background and other checks relevant to the Director role. It further acknowledges that all the forms filled out are accurate and that if elected the potential Director will be bound by all the terms and conditions of the Director role.
- The Nomination Form certifies the nominee has read the Director responsibilities outlined in the Information Package and that they will take further training as required by the Board.
- A one-page biography provides additional information about the nominee for the purposes of the evaluation of the suitability of the nominee.

## Selection Process

Once nomination papers are received, the Nominating Committee will work to determine the best qualified nominees to move through the process by undergoing a three-stage assessment/screening process.

## Background Check

At this stage the nomination papers are reviewed to determine thorough completion. Background checks are also initiated by a third-party provider to determine if the nominee will be eligible for Bonding Insurance. The results of these checks will indicate a "clear" or "review" status. The Credit Union will take appropriate action with the results to further determine eligibility of the potential Director.

## Screening Process

Once all nomination papers have been received and reviewed, a screening process will be conducted by the Nominating Committee. This process is undertaken to ensure the nominees chosen to progress are the most qualified with respect to their experience, expertise, and qualifications to serve on the Board or who fill identified skill requirements.

The skill requirements are outlined in the Information Package and include competencies required by our regulator as well as specific knowledge needs identified annually by the Governance Committee, based on Board composition. The match to these skill requirements is assessed for each nominee based on documents provided to the Nominating Committee and a Board-approved preliminary screening process.

The above two processes include incumbent Directors.

## Identification of Qualified Candidates

The Nominating Committee will identify nominees who are Qualified Candidates and inform those candidates who have been determined not to be Qualified Candidates that they will not be considered in the nominations process. “Qualified Candidates” are those candidates who:

meet the Director qualification requirements as outlined in the By-laws;  
are not disqualified from acting as a director of a credit union under the *Credit Unions and Caisses Populaires Act, 2020* (the “Act”) or the regulations pursuant to the Act;  
meet the requirements of a Director as stated in the Information Package; and would best complement the current Board based on the skills and expertise gap analysis approved by the Board and outlined in the Information Package for the current election year.

## Interview/Incumbent Director Process

The Committee will undergo a formal interview process to get to know the Qualified Candidates and will utilize an identical set of questions for these interviews. The interviews will also allow for probing questions based on their individual experience. The Nominating Committee will make reasonable efforts to ensure a fair and transparent process by posing similar questions to each nominee.

An incumbent Director will not undergo an interview but shall have their qualifications assessed. An incumbent Director is a person that has been previously elected a Director of the Credit Union and was subject to an interview prior to that election. Interviews are arranged with external nominees to inform them of the roles, responsibilities, and expectations of Directors of the Credit Union in addition to assessing their qualifications and fit for the role of Director.

## Recommendation of Nominees to the Membership

The Committee, based on the outcome of an assessment process, will select the best of the Qualified Candidates to recommend to the Board. Once this is determined, all nominees will be informed of their status as recommended or not.

## Election Process

An election will occur in the absence of an acclamation. An acclamation occurs:

- If the number of qualified persons nominated for the election is equal to the number of positions to be filled, those persons will be declared elected by acclamation.
- If the number of qualified persons nominated for the election to be held is less than the number of positions to be filled, the persons so nominated will be declared elected by acclamation. The Board may appoint qualified person(s) to the remaining position(s) and advise the members at the annual meeting of such appointment(s).

## Election Preparation

The Nominating Committee will finalize the list of recommended (or unrecommended) nominees for the election. These nominees are asked to have documents and video speeches prepared for the election. The Credit Union will assist the nominee with recording a two-minute speech and will formalize for publication, the one-page biography produced by the nominee.

Where an election is to be held, the Nominating Committee will provide at least 10 days before the commencement of voting, to all members of the Credit Union entitled to vote:

- a list of the candidates for election and such information regarding the candidates as may be determined by the Nominating Committee in its sole discretion.
- notice of the dates and times during which voting in the election will take place; and
- a ballot by electronic means and instructions for obtaining a ballot by non-electronic means to the extent such non-electronic means are made available.

## Voting Eligibility

Only a member (other than a member under the age of 16 years) as of the record date determined in accordance with section 8.07 of the By-laws is eligible to cast a ballot in an election of a director or directors. Subject to the Act, in the case of a corporation, partnership or unincorporated association, its vote may be cast on its behalf through a proxy produced at any branch or head office, signed by the president or other senior executive with signing authority of the member, appointing one or more persons to vote on its behalf. Any person so appointed need not be a member of the Credit Union. Any such proxy shall cease to be valid on the day following the next Annual General Meeting of the Credit Union.

## In Branch and Online Voting

Voting in an election of Directors will be available to the membership in advance of the Annual General Meeting and will be open for a two-week period. Members will be permitted to cast their ballots by either:

- Voting at any branch of the Credit Union; or
- Voting by electronic means in the manner prescribed by the Board.

The Board may, in its discretion, also permit voting in an election by mail ballot in accordance with the provisions of the By-laws.

## Returning Officer

The Board may appoint a returning officer to oversee the election process, and if so appointed, shall be appointed at least 60 days prior to the date on which voting in an election is to commence.

## Announcement of Election Results

All nominees and current Directors will be notified of the results prior to the Annual General Meeting. The Nominating Committee may publicize the results of the election at any date after which the results have been conclusively determined and shall announce the results of the election at the Annual General Meeting following the completion of voting. If the election results with respect to the election are not determined by the end of the Annual General Meeting, then as soon thereafter as the results are determined.

### Revision History

Previous Review Date

n/a

Approval / Effective Date

September 15, 2023

Next Review Date

June 2024