



COLUMBIA VALLEY
CREDIT UNION

BOARD OF DIRECTORS

NOMINATIONS APPLICATION PACKAGE 2022

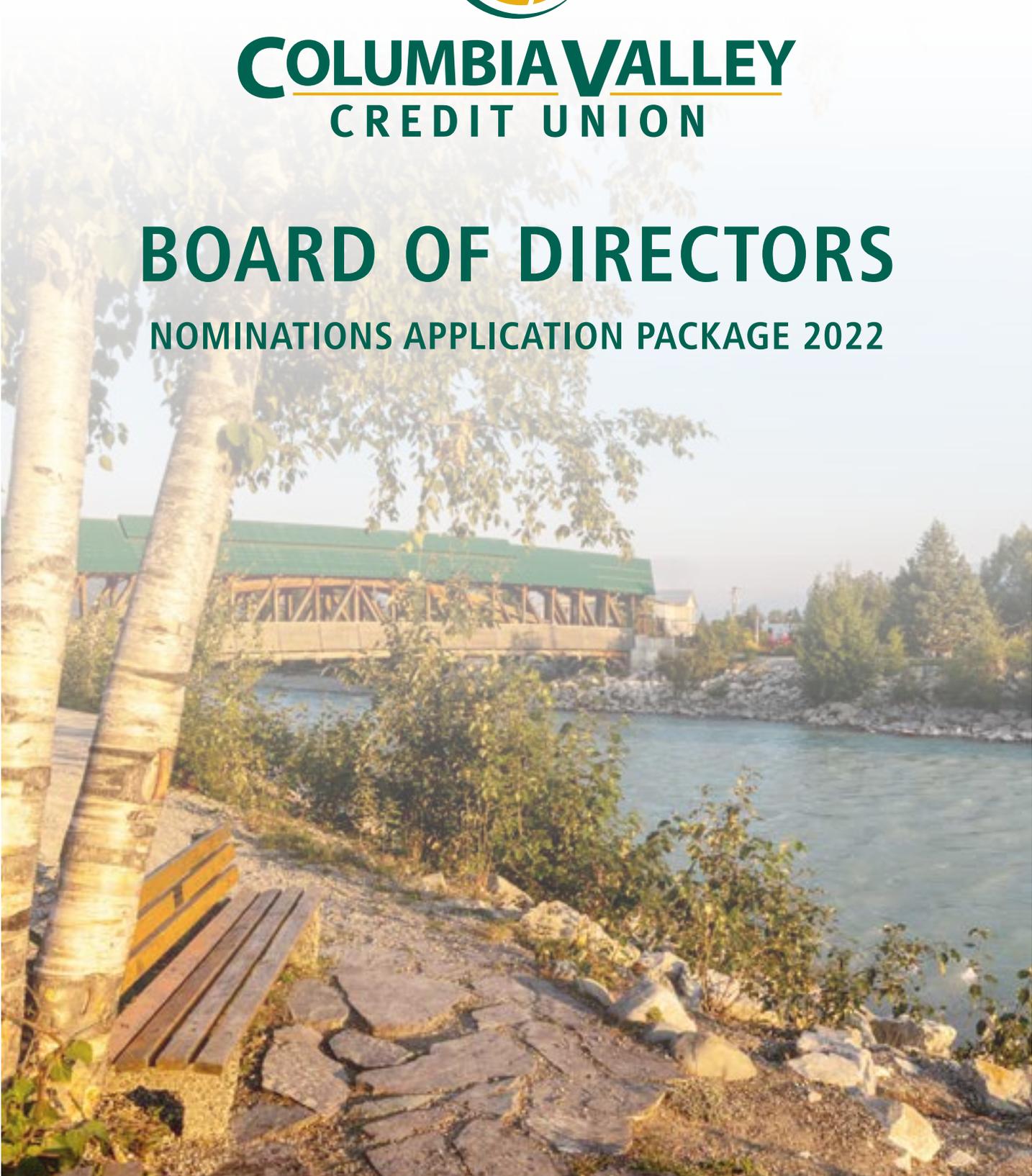


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IMPORTANT INFORMATION

As a part of your application, the following must be submitted to Columbia Valley Credit Union:

- Board of Directors Application / Resume
- Board Applicant Qualifications Checklist (signature required)
- Nominating Members (signatures required)
- Statement of Acceptance (signature required)
- Election Campaigning Policy (signature required)
- Candidate Questionnaire
- Personal Information Return, Bankruptcy and Insolvency Report
- Conflict of Interest - Directors' Disclosure Statement (signature required)
- Confidentiality Agreement (signature required)

Questions?

If you have questions about this Board nomination package and/or its contents, please contact us at 250-344-2282 or via email to reception@cvcu.bc.ca.

WELCOME MESSAGE

Dear Member:

At Columbia Valley Credit Union, we value the dedication and commitment of members who want to participate on the credit union's Board of Directors.

Thank you for your interest in seeking nomination for our Board of Directors. Inside this nomination package, you will find information that will clarify the role Board members play in governing our credit union.

If you decide to proceed with submitting your name as a Board candidate, please complete and submit the required elements, as outlined on page 2.

Please email or give us a call if you have any questions as you work through your application.

Sincerely,



Board Chair
Paul Ricard



NOMINATION PROCESS

General Nomination Information

1. A candidate must be nominated, in writing, by at least three members in good standing of the Columbia Valley Credit Union, who are 19 years of age or older.
2. Candidates and CVCU Directors must be 19 years of age or older.
3. No member (except a member of the Nominating Committee) may nominate more than one candidate.
4. Candidates must be eligible as defined in:
 - the *Financial Institutions Act* (section 99)
 - the *Business Corporations Act* (section 124)
 - the *Credit Union Incorporations Act* (section 84.12)
 - Columbia Valley Credit Union Rules (Rule 4.6)

Please see Appendix B for a complete summary of these sections/rules.

5. Each candidate will be asked to prepare a Candidate Statement of no more than 250 words, complete with a high-quality head and shoulders jpeg photo. The photo must show the candidate only and no other individuals, animals, landmarks or other features. The candidate statement will be available to all members, as submitted.
6. There will be no nominations from the floor at the Annual General Meeting.
7. There will only be an election if there are more nominations than positions available.
8. The Board Nominating Committee will conduct Board applicant interviews at the Committee's discretion. It may not be necessary to interview each applicant.
9. In the event of a tie, the Committee shall determine the successful candidate or length of term, as the case may be, by lot.

DUTIES & RESPONSIBILITIES OF THE BOARD AND INDIVIDUAL DIRECTORS

The Board has a fiduciary responsibility to act honestly and in good faith in the best interests of the credit union. It must exercise due care, diligence, and skill and represent the members of the credit union and to be responsible for good governance of the credit union.

General Board Responsibilities

- Develop mission, vision, and long-range plans for the organization.
- Set policies and formulate strategies with management.
- Select the CEO, ensure management succession planning and monitor the organization's performance.
- Ensure good member relations and effective communication systems are in place.
- Review and approve capital and operating budgets.
- Act as trustees and to safeguard the corporate assets.
- Ensure the integrity of the credit union's internal control and management information system(s).
- Identify and mitigate risks facing the organization.
- Fulfill and comply with all legislation affecting the organization.
- Report to the membership and to recommend rule changes deemed necessary for the welfare of the organization.
- Establish objectives, formulate, approve and adopt policies.
- Delegate operational authority to the CEO.
- Approve goals, programs and plans in conjunction with the CEO.
- Carry out those duties which cannot, by legislation, be delegated to the CEO.

- Establish, implement, and monitor policies and procedures regulating the duties, powers, and functions of Board Committees.
- Authorize the issuance of investment shares, payment of dividends or patronage rebates.
- Ensure written procedures on prudent lending standards are in place and applied.
- Always enhance the image of the credit union by participating in and supporting worthwhile social and economic endeavors.

Position Description: Board Chair

Introduction

The Chairperson (the "Chair") of the Board of Directors (the 'Board') is responsible to members and other stakeholders for the effective leadership of the Board in its oversight of Columbia Valley Credit Union (the "Credit Union").

Board Operations

- Chair all Board meetings.
- Ensure proper minutes are kept and retained.
- Be fully informed of issues under Board consideration.
- Effectively chair all Board meetings and in-camera sessions of the Board, including, without limitation, setting the agenda, ensuring the agenda and all required reports and other appropriate material is distributed to directors at least 7 days in advance of the Board meetings.
- Determine and review the Board information package.
- Ensure Board meetings are conducted in a timely and orderly fashion.
- Encourage all directors to contribute to Board deliberations, stimulate debate and encourage questions.
- Facilitate the attainment of consensus and ensure clarity of decisions reached by the Board.

- Attend committee meetings when appropriate/when invited by the Committee Chairperson.
- Approve appearances by representatives of members, external speakers, or another person seeking to appear before the Board.

Board Leadership and Development

- Ensure decisions made by the Board are consistent with good corporate governance and in the overall best interests of the Credit Union.
- Be informed of issues facing the Credit Union and ensure that those issues are considered by the Board or the appropriate committee of the Board.
- Ensure the Board functions as a well-organized and unified team.
- Ensure that the Board's responsibilities are clear to directors and to management, that the Board and management operate freely within their respective spheres and that the Board cooperates with management in areas of shared responsibility.
- Manage individual director performance and deal with issues arising from non-compliance with requirements of individual directors.
- Provide advice to, counsel and mentor fellow directors.
- Participate in the orientation of newly elected or appointed directors.

Collaboration with Management

- Foster a constructive and harmonious relation between the Board and management.
- Provide advice to, counsel and mentor the CEO.
- Monitor and evaluate performance of the CEO.
- Ensure that matters delegated to management are appropriately followed-up.
- Act as a representative of members and the Board to management.
- In the absence of management, act as a representative of management to the Board.
- Ensure succession plans are in place at the senior management level.

Member Relations

- Chair annual and special meetings of members.
- Communicate with members on a regular basis.

Liaison

- In conjunction with the CEO, represent Columbia Valley Credit Union to the public.
- In conjunction with the CEO, develop relationships and represent Columbia Valley Credit Union with government regulators and government agencies.

Position Description: Vice Chair

The Vice Chair of the Board of Directors shall preside over Board meetings in the absence of the Chair of the Board. In the event of an inability of the Chair to fulfil their functions, the Vice Chair shall be called upon to replace the Chair until such time that the Board elects a new Chair.

Position Description: Board Secretary

The Corporate Secretary shall preside over board meetings in the absence of the Chair and Vice Chair of the Board. In the event of an inability of the Chair and Vice Chair to fulfil their functions, the Corporate Secretary shall be called upon to replace the Chair until such time that the Board elects a new Chair. The Corporate Secretary is responsible for overseeing the preparation, maintenance, and completion of records of all meetings of the members and the Board.

Term Limits

As moved by the Board at the August 2021 Board meeting, a director may hold the position of Chair, Vice Chair or Corporate Secretary for a maximum of three consecutive 1-year terms to be followed by 1 year off.

Terms of Reference for the Board of Directors

Please see Appendix A for the Terms of Reference for the Board of Directors.

2022 APPLICATION FOR NOMINATION TO THE BOARD OF DIRECTORS OF COLUMBIA VALLEY CREDIT UNION

Key Contact Information

Name: _____

Address: _____

Postal Code: _____

Telephone #: _____

Fax #: _____

Email Address: _____

Member of Credit Union since: _____

Membership #: _____

Please attach your current resume to this application.

BOARD APPLICANT QUALIFICATIONS CHECKLIST

At Columbia Valley Credit Union, members enjoy many unique benefits; one of which is having a say in the credit union's direction by voting for our Board of Directors. Columbia Valley Credit Union has long understood how a strong Board helps create success. The length of one term for a director is a maximum of three years. To qualify as a candidate for the Board of Directors, you must comply with and confirm the following qualifications, as they relate to the Columbia Valley Credit Union's rules.

Qualifications of Board Members

A member who wishes to be considered for the Board must meet the following qualifications:

Your application for a bond has never been declined by a fidelity insurer.

You have never filed for personal bankruptcy.

You have a positive credit rating, showing no derogatory records.

You are a present member of Columbia Valley Credit Union in good standing for one year.

You are not employed by or the director of a competing financial institution.

You are not in violation of the Columbia Valley Credit Union's policies or rules.

You are not a spouse or relative of an employee or director of the Columbia Valley Credit Union.

You are not a current employee of the Columbia Valley Credit Union or any other credit union.

You are not engaged, as a director or under contract, for the provision of services or sale of goods to a competing financial institution.

You are not disqualified under BCBCA, FIA, CUIA, and Columbia Valley Credit Union's Rules (Please see Appendix B for a complete summary of these rules)

Name

Signature

NOMINATING MEMBERS

At least three members in good standing of Columbia Valley Credit Union, who have reached the age of 19, must nominate each candidate. A member may nominate only one candidate.

Name: _____ Member #: _____ Telephone #: _____

Date: _____ Signature: _____

Name: _____ Member #: _____ Telephone #: _____

Date: _____ Signature: _____

Name: _____ Member #: _____ Telephone #: _____

Date: _____ Signature: _____

STATEMENT OF ACCEPTANCE

I agree to accept the nomination for the position of Director of Columbia Valley Credit Union and, if elected, to serve in this position.

I consent to the credit union publishing my photograph, resume, other biographical information and my candidate's policy statement.

I declare that, to the best of my knowledge, I qualify as a director in accordance with the *Credit Union Incorporation Act*, the *Financial Institutions Act*, and the *Business Corporations Act*, as applicable, and the Credit Union's Rules.

I agree:

- a) to observe the provisions of the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Business Corporations Act*,
- b) to observe the Rules of the Credit Union and procedures relating to the election and conduct thereof.

I acknowledge that I am required to complete a Personal Information Return (PIR) in the prescribed form under the Financial Institutions Act and agree to complete the Return before commencing duties as director.

I consent to the Nominating Committee of the credit union collecting and using personal information provided by me and other information obtained from other sources, such as credit union records, to verify that I qualify for the position of director in accordance with the Credit Union's Rules and applicable legislation.

Nominee Signature

Date

ELECTION CAMPAIGN POLICY

Purpose

Fair and effective campaigning increases visibility of candidates; informs members of the election and highlights the benefits of Columbia Valley Credit Union (CVCU or the 'Credit Union') as a community based financial institution.

It is the intention of the Board of Directors (the 'Board') that all candidates, regardless of their means or influence, have the opportunity for equal exposure to the members.

The following campaign policy should be read in conjunction with accompanying material presented in the Nominations Package.

CVCU Director Election Campaign

The Credit Union will provide candidates with opportunities to share their messages with the membership. This may include any the following:

- Sharing of candidate statements and photo on CVCU social media accounts
- Publishing candidate statements and photo on in branch tv screens
- Local newspaper announcements
- Local radio advertising
- Sharing of short video clips of candidates
- Speaking opportunities at the AGM
- Other events as arranged by CVCU

Independent Candidate Campaign

Prior to being confirmed as a Candidate, nominees may state they are considering running for and/ or are a nominee in the Election. Campaigning may begin on the date set by the Committee and continue during the period set by the Committee.

Candidates are not permitted to campaign on or outside CVCU premises unless invited to do so.

Campaign Conduct

Candidates must:

- Express only their personal views on current issues affecting the Credit Union and the financial industry;
- Act with maturity, tact and wisdom on behalf of members;
- Use every effort to keep their interactions factual and accurate;
- Strive for transparency, openness and authenticity in their interactions;
- Neither make nor support negative comments about the Credit Union, its Board, Board Committees, management, employees, or other candidates;
- Not commit the Board to a specific course of action or speak on behalf of the Credit Union;
- Not interfere with the campaigns of other candidates;
- Not apply any undue influence or pressure to members exercising their right to vote;
- Not offer financial incentives or other considerations to members to encourage or discourage them from voting;
- Treat members respectfully and courteously. In turn we expect members to treat you similarly. CVCU will not tolerate threatening, racist, or discriminatory behavior online or in person. As a Candidate, if you experience anything in that regard, please notify CVCU management or the Board immediately.

Staff Role in Campaigning

During branch hours, assistance will be limited to administrative or informational details. Staff shall not be involved in the campaign of any candidate.

Campaign Material

Candidate Photo

Candidates are required to submit a 'head and shoulders' photograph for use in CVCU election campaign materials.

Candidate Statement

Each candidate must submit a statement, 250 words or less along with their completed Nominations Package for publication on CVCU campaign materials. The statement must not contain defamatory or misleading comments.

All statements will be reviewed by the Nominating Committee (the 'Committee') before publication and may be rejected if it does not meet the above requirements.

CVCU Campaign Materials

The Credit Union will create campaign materials using the candidate photo and statement in addition to general election promotion materials.

Candidates will be provided with copies of campaign materials that include their photo and statement along with election branded graphics.

Independent Campaign Materials

Candidates can only publicly campaign using materials provided to them and previously approved by the Committee.

Candidates are permitted to use printed forms of communication as well as social media to promote their candidacy.

I have read and will abide by the Election Campaigning Policy and understand that any contravention of the policy will be adjudicated by the Columbia Valley Credit Union's Conduct Review Committee. Their decision is final.

When using social media, candidates may share CVCU marketing materials, including social media posts, in relation to the election ONLY. When sharing CVCU generated social media posts, candidates may include their own comment or caption that complements the post.

Disputes

A condition of nomination in a Columbia Valley Credit Union election is to abide by this Election Campaigning Policy. The restrictions on candidates also apply to any person campaigning for or acting on behalf of a candidate.

Candidates found to be in breach of this policy may be disqualified.

Communication

Where the election is held online in advance of the AGM, the Nominating Committee Chair or Board Chair will contact candidates prior to the AGM to let them know whether they were successful in their application to be elected to the Board.

Where the election is held in person at the AGM, the successful candidate will be announced during the meeting once votes have been counted.

Review

The Election Campaign Policy is reviewed and maintained by the Nominating Committee as required.

Signature

BOARD OF DIRECTORS APPLICANT QUESTIONNAIRE

Please answer the following questions on a separate sheet of paper and attach to your application. Please limit your submission to 2 to 4 pages.

- A. Why do you wish to become a Director of Columbia Valley Credit Union?
- B. What is your vision for Columbia Valley Credit Union and the credit union system?
- C. Should credit unions differentiate themselves from other financial institutions? What do you feel credit unions should offer their members that would clearly differentiate them from other financial institutions?
- D. What skills and experience can you offer to strategically guide Columbia Valley Credit Union forward in an increasingly complex environment?
- E. What is your view on corporate community involvement?
- F. Do you have any further comments you would like to make at this time?

Questions for INCUMBENTS only (do not answer questions above)

- A. If re-elected, how will you continue to contribute to the Board?
- B. What personal experience and skill sets do you bring to the Board?
- C. What have you gained by serving as a Director?

PROCEDURES FOR NEW DIRECTORS

Personal Information Return

A Personal Information Return (PIR) MUST be completed and sent to BCFSa for approval before that person can be a director. Please complete the form and return it with your completed director's package, and we will forward it to BCFSa.

The form is available here:

https://www.bcfsa.ca/media/405/download?fragment_redirects=1

Bankruptcy and Insolvency Records Search

It is the responsibility of the person applying for the position of director, to complete a Bankruptcy and Insolvency Records Search Results report (BIRSR). This is to be done immediately upon commencement of duties. It is to be given to us and we will forward it to BCFSa, on their behalf, within 30 days of submission of the PIR.

The link to the form is:

<https://www.ic.gc.ca/app/scr/bfs-osb/ins/login.html;jsessionid=0001te0hm-UJzc1tTnbHgtdRRZ-:2P15ETQJ6S>

For assistance with either of the forms above, please contact the credit union.

CONFLICT OF INTEREST POLICY - DIRECTORS

Introduction

The purpose of this policy is to identify and to prevent or resolve conflicts of interest of the directors of Columbia Valley Credit Union (the "Credit Union").

Definitions

In this Policy,

"FIA" means the *Financial Institutions Act* of British Columbia from time to time in force and all amendments and, unless the context otherwise requires, regulations made under it.

"Related party" has the same meaning as in the FIA.

Conflict of Interest Explained

The FIA provides that, in exercising the functions of a director, a director has a duty to act with the utmost honesty and good faith and must always act in the best interests of the Credit Union. In doing so, a director must consider the interests of the shareholders, depositors and those to whom the directors owe a fiduciary duty. As well, a director must exercise the care, diligence and skill of a reasonably prudent person under comparable circumstances.

Each director must use utmost care and discretion in the handling of confidential or privileged information, and other information not normally available to the public, received by reason of the directorship, and such information shall not be used for personal benefit or for the benefit of family, friends or associates or any other individual or entity other than the Credit Union.

To be in a conflict-of-interest situation does not necessarily involve fault or blame. However, a director who ignores a conflict-of-interest situation and acts in that situation is at fault and may incur personal liability.

A conflict of interest arises where a director has a duty or a direct or indirect interest that comes into conflict with, or is sufficient to influence or appear to influence, the performance of the director's duties owed to the Credit Union. An indirect interest may arise through a relative, friend, corporation or firm.

A conflict of interest may involve:

- a) the business of the Credit Union
- b) the business of entities in which the Credit Union has an interest; and
- c) specific transactions with the Credit Union or an entity in which the Credit Union has an interest.

For the purposes of this policy, a conflict of interest shall include accepting any gift or hospitality of material value offered by reason of a person's position as a director of the Credit Union.

Disclosure

Each director shall sign a disclosure statement in the form set out in Schedule A which shall include the names of all corporations and individuals that are related parties of the Credit Union because of a relationship with the director. A director shall deliver a revised disclosure statement within 15 days of any change in any information contained in it. One copy of the statement and any revision shall be delivered to the Conduct Review Committee of the Credit Union (the "committee") and the other shall be delivered to the Board of Directors, which shall record the disclosure in its minutes.

In addition, each director shall disclose, in writing, each conflict of interest of the Board of Directors and the Committee as it arises, including, as required by Part 5 of the FIA, transactions with the Credit Union in which any of the following have a direct or indirect interest:

- a) the director
- b) an individual that is a related party by reason of a relationship with the director

- c) any corporation of which the director is director or officer or in which the director owns or controls more than 50% of the votes attached to voting shares.

Resolution of Conflicts of Interest

For the purposes of this policy, a conflict of interest will be resolved

- a) where it arises from a transaction or proposed transaction between the Credit Union or a subsidiary of the Credit Union, and any person (including a corporation) who is a related party because of a relationship with the director, in the manner required by Part 5 of the FIA (including obtaining the approval of the Committee or consent of the Superintendent where necessary) and, whenever the director has a direct or indirect interest in the transaction, by obtaining the approval of the Board of Directors;
- b) in the case of a gift or hospitality, by obtaining the consent of the Committee or by refusing, returning or refunding the value of the gift or hospitality
- c) in all cases, by the director
 - i) disclosing the conflict;
 - ii) leaving a meeting of directors while the matter creating the conflict is being discussed or otherwise dealt with;
 - iii) taking no part in any discussion or voting with respect to the matter creating the conflict of interest;
 - iv) not attempting to influence, in any way, the board's dealing with the matter creating the conflict of interest; and
 - v) satisfying any other legal requirement;
- d) where the Committee determines that a conflict of interest would influence or appear to influence virtually every decision in which the director is required to participate as a member of the Board of Directors of the Credit Union,

the director shall, unless the determination of the Committee is overruled by the Board of Directors, either eliminate the interest or duty giving rise to the conflict or resign as a director of the Credit Union.

Each conflict of interest is a separate conflict of interest and no permission or approval with respect to one conflict shall be deemed to be approval for any other.

Code of Ethics

Each director shall sign and return to the Committee a copy of the Code of Ethics.

Other requirements

It is not possible to state a set of rules that would codify proper behaviour in every situation. Therefore, nothing in this conflict-of-interest policy will excuse a director from any other duty or responsibility imposed by law.

Administration of Policy

It is the duty of each director to determine whether a conflict of interest or potential conflict of interest exists. A director will not be excused from compliance with this policy or any other rule of law relating to conflicts of interest on the basis that the director did not realize that conflict of interest existed or might arise.

The Board of Directors of the Credit Union will enforce this policy with the assistance and upon the recommendation of the Conduct Review Committee.

Upon the Conduct Review Committee becoming aware of an alleged or possible conflict of interest involving a person covered by this policy, the Committee will proceed with the following three steps:

1. Make inquiries and determine the facts surrounding the alleged or possible conflict of interest.

2. Either:
 - a) determine that a conflict of interest or possible conflict of interest exists; or
 - b) refer the question of whether a conflict of interest or possible conflict of interest exists to the Board of Directors for determination.
3. Report its findings and determination, if any, to the Board of Directors.

Where the conflict involves a transaction with the Credit Union and the Committee's approval is required, the Committee may, in accordance with Part 5 of the FIA and the policies of the Credit

Union, give its approval, but the conflict shall not be fully resolved unless the transaction is approved by the Board of Directors.

The determination of the Conduct Review Committee or of the Board of Directors that a conflict of interest exists or may exist shall be final and binding on the Credit Union and each director. However, because the existence of a conflict of interest or breach of duty is a matter of law as well as fact, the Board of Directors or the Conduct Review Committee must obtain legal advice before imposing any sanction or penalty.

DIRECTOR'S CONFLICT OF INTEREST POLICY - DIRECTOR'S DISCLOSURE STATEMENT

TO: The Board of Directors and to the Conduct Review Committee of
Columbia Valley Credit Union (the "Credit Union")

I have read the Credit Union's conflict of interest policy, and hereby declare that I

- a) have no duty to any person or interest, direct or indirect, in any private or personal business nor do I hold any office or property which may give rise to a conflict with the duties and responsibilities owed to the Credit Union by virtue of my being a director of the Credit Union;
- b) am not a director, member, officer or employee of any other corporation, nor am I a partner in or owner of any firm other than those disclosed and approved, and other than those occurring as a result of my participation as a director of said Credit Union Board;
- c) do not have any material direct or indirect ownership, interest or participation in outside business enterprises which have, or are contemplating having, dealings with the Credit Union;
- d) have not accepted, and will not accept, any gift or hospitality of material value offered or tendered by virtue of my position as a director of the Credit Union;

with the exception(s) of

I understand that being a director of the Credit Union, I am a related party of the Credit Union according to the Financial Institutions Act. I also understand that certain individuals and corporations may be related parties of the Credit Union by reason of their relationship to me. Therefore, in order to assist the Credit Union in identifying its related parties, I make the following disclosure:

1. The name of my spouse (including any person with whom I am now living as married, having done so continuously for the past two years) is:

2. The names of my relatives, and those of my spouse, who live in the same home as me are:

3. The corporations in which I have or control, directly or indirectly, more than 50% the votes that are attached to the outstanding voting shares of the corporation, and that may be cast in the election of directors, are:

I understand that this statement does not relieve me of any duty of disclosure, or any other duty imposed by law or any rule or policy of the Credit Union that is consistent with such law, in particular, the duty of a related party to disclose a direct or indirect interest in a specific transaction.

Signed

Name

Date

CONFIDENTIALITY AGREEMENT

I, _____, agree that I will not communicate or allow to be communicated, to any person not legally entitled thereto, any information relating to the business of the Columbia Valley Credit Union or any of its members or customers, nor will I, without due authority, allow any such person to inspect or have access to any books or documents belonging to or in the possession of the credit union and relating to the business of the credit union or any of its members or customers.

Name of Witness

Name of Officer or Director

Signature of Witness

Signature of Officer or Director

APPENDIX A: TERMS OF REFERENCE



Board of Directors Terms of Reference

Version Number	Date of Issue	Author (s)	Comments
1.0	March 21, 2022	Charlotte Coleman – Executive Assistant	Initial Document
1.1	March 29, 2022	Charlotte Coleman – Executive Assistant	Amended as per board motion made on March 29, 2022. Board Approved

Composition

- The composition of the Board shall be as set out in the Columbia Valley Credit Union Rules (the 'Rules').
- At the first monthly board meeting following the AGM, the Board shall elect the Chairperson, Vice Chairperson and Corporate Secretary.
- As moved by the Board in the August 2021 Board meeting, a director may hold the position of Chairperson, Vice Chairperson or Corporate Secretary for a maximum of 3 consecutive 1-year terms to be followed by 1 year off.

Board Chairperson, Vice Chairperson and Corporate Secretary Elections

The CEO oversees the election of the Board Chairperson, Vice Chairperson and Corporate Secretary on behalf of the Board. The CEO shall issue a request for expressions of interest from the current Board to identify those directors who are willing to stand for election if nominated at the first Board meeting following the AGM.

If there is more than 1 nominee per position an election shall be conducted by secret ballot at the meeting. In the event that there is only one nominee for a position, that individual shall be elected to the vacant position by acclamation. In the event there is an election, the nominee who receives the majority of votes cast wins. If no nominee receives a majority of votes, the nominee with the lowest number of votes is eliminated and a revote is conducted. The process continues until one nominee wins by obtaining a majority of votes. The process continues until one nominee wins by obtaining a majority of votes.

Meetings

- The Board shall meet as often as it deems necessary to fulfill its obligations under Credit Union policy but at least 10 times per year and once per quarter.
- A quorum is the majority of Board members.
- A meeting may be called by the Chair of the Board.

- CVCU management and external speakers may be invited by the Chair of the Board to attend Board meetings.
- The Executive Assistant shall be the recording secretary.
- Minutes of every meeting shall be recorded and circulated to the Board.
- Each meeting is followed by an in-camera meeting.

Accountability

The Board of Directors are directly accountable to the members of Columbia Valley Credit Union.

The Board of Directors is responsible for supervising the management of the affairs and business of the Credit Union in accordance with the Rules, the Credit Union Incorporation Act (British Columbia) (the 'CUIA') and the Financial Institutions Act (British Columbia) (the 'FIA') and other applicable legislation and regulations.

Subject to the provisions of the Rules, the FIA, the CUIA and other applicable legislation, the Board fulfils its responsibility both directly and by delegating certain duties to committees of the Board.

The Board has established the following Committees to assist it with fulfilling its responsibilities:

1. Audit and IT Risk
2. Conduct Review
3. Nominating
4. Investment and Lending
5. Member Benefits

The Board has established Terms of Reference for the above committees.

The Board has delegated the responsibility for the day-to-day conduct of business to the management of Columbia Valley Credit Union. The Board's role is one of governance and oversight.

The Board shall utilize the, external auditor, and the internal auditor in order to fulfil its responsibilities. The Board shall have the authority to engage independent counsel, accountants, and any other professionals it may deem necessary to carry out its responsibilities. Any director who wishes to exercise this authority or gain guidance from CVCU management should do so through the appropriate committee Chair or Board Chair.

It is the responsibility of the Board to be reasonably assured that all such experts are independent and qualified to offer the advice being sought. The use of expert opinion does not relieve the Board and directors from the obligation of exercising their own judgement.

Functions and Responsibilities

The Board's responsibilities include:

- a) Defining and approving the Credit Unions' **risk appetite**;
- b) Setting, approving, and monitoring the Credit Union's **Strategy and Performance** and overseeing its **planning process**; and
- c) Ensuring that the Credit Union has the **capability and culture** to support its risk appetite and achieve its strategy, including;
 - Oversight of the Credit Union and Executive team;
 - Choosing and evaluating the CEO; and
 - Recruitment and renewal of the Board.

Risk Management: The Board:

- Understands the principal risks of all aspects of the business of the Credit Union and strives to achieve a proper balance between risks incurred and potential rewards.
- Establishes the proper policy framework for enterprise risk and specific areas of risk
- Gains assurance that management has implemented policies and systems for effective risk management and that risk is monitored and managed with a view to the soundness of the Credit Union and the long-term viability of the Credit Union.
- Ensures that the Credit Union has the capability and culture to support its risk appetite and achieve its risk management strategy.

Strategic and Business Planning: The Board:

- In conjunction with the Executive team, develops and approves the vision, mission, and strategic direction of the Credit Union.
- Constructively engage with management in establishing its goals and objectives. The Board will review and approve the setting of and performance against strategic and operational plans along with budgets developed by management.
- Has the responsibility to approve any major business investments, divestments, mergers, initiation or cancellation of products, and capital items.

Capability and Culture: The Board:

- Has the responsibility for the appointment and replacement of the CEO.
- Assess CEO performance against objectives established by the Board in consultation with the CEO and assess their contribution to the achievement of the corporate strategy, objectives, and plans. This assessment will be the basis for the CEO's compensation.
- Ensures that the compensation for the CEO, senior management and all other employees is fair and appropriate in relation to the organizational needs, and that the incentive programs do not reward undue risk taking.
- Will ensure the CEO has adequate management succession and development plans are in place.

Establish and Uphold the Credit Union's Integrity, Ethics and Social Responsibility:

The Board:

- Is responsible for reviewing, approving, and monitoring all significant corporate policies.

- Must approve significant corporate decisions, including rule changes, mergers, and acquisitions.
- Will ensure that the internal auditor operates effectively and independent of management.
- Will ensure that the external auditor is provided full information and full cooperation.
- Ensure that it received on a regular basis, complete and accurate reporting from the CEO and management on operations, strategies, and financial results.
- Approves the Credit Union's Code of Conduct monitoring compliance with the Codes.
- Establishes governing policies and practices for dealing with matters related to integrity, ethics, and social responsibility.

Governance Practices: The Board:

- Is responsible for ensuring its own effectiveness. This includes ensuring proper understanding of duties and responsibilities of individual directors, Board officers, the Board as a whole and each Board Committee, and that independent judgment is exercised in decision making.
- Ensures its own succession, training, and development, including, effective orientation programs and ongoing training and development.
- Establishes Board committees and defines their mandates to assist the Board in carrying out its roles and responsibilities.
- Establishes, maintains, and implements appropriate formal processes for regularly assessing the effectiveness of the Board, the Chairperson of the Board, the committees, each committee chairperson and individual directors.

- Identifies competencies and skills necessary for the Board as a whole and takes action to bridge gaps in the actual combined competencies. Seeks to balance diversity and experience and establish criteria or the selection of directors.
- Reviews the Board Terms of Reference annually to ensure it reflects the Board's responsibilities.

Communications with Members: the Board:

- Ensures there are policies and processes for effective communication with members and other stakeholders.
- Provides for the financial, operational, strategic performance of the Credit Union to be reported to the members on a timely, regular, and accurate basis.
- Provides for timely reporting of developments that have a significant and material impact on the value of members' assets.
- Reports annually to the members on the Board's stewardship for the preceding year.
- Recommends director remuneration to membership for approval.
- Recommends as external auditor to the membership for approval.

APPENDIX B: ELIGIBILITY REQUIREMENTS



The following sections define the eligibility requirements for a Board Director, and anyone applying to be a Board Director, of Columbia Valley Credit Union.

Financial Institutions Act

Section 99: Removal of directors and officers

- (1) Without limiting section 97 (5) of this Act, section 124 or 141 (3) of the *Business Corporations Act* or section 84.12 or 84.3 (2) of the *Credit Union Incorporation Act*, no person is qualified to become or act as a director or officer of a financial institution who is a public servant whose duties relate to financial institutions.
- (2) Without limiting section 128 of the *Business Corporations Act* or section 84.24 of the *Credit Union Incorporation Act*, if the superintendent is satisfied that a director or officer of a financial institution or of its subsidiary
 - (a) because of section 97 (5) of this Act, section 124 or 141 (3) of the *Business Corporations Act* or section 84.12 or 84.3 (2) of the *Credit Union Incorporation Act*, is not qualified to be a director or an officer,
 - (b) because of subsection (1), is not qualified to be a director or officer,
 - (c) within the last 5 years has been bankrupt in Canada or elsewhere,
 - (d) has a conflicting interest that prevents the director or officer from properly discharging the duties as director or officer,
 - (e) is contravening or has contravened a written undertaking given under this Act,
 - (f) is an individual who ought not to be in a position to control or influence a financial institution, or
 - (g) is an individual who has been
 - (i) convicted of an offence in Canada or another jurisdiction arising from a transaction, business or course of conduct related to financial services, or
 - (ii) found by a regulator or a court in Canada or another jurisdiction to have contravened the laws of that jurisdiction respecting financial services,the superintendent may order that the director or officer cease to be a director or officer of the financial institution; and on the date of the order the director or officer ceases to be a director or officer of the financial institution.
- (3) When an individual ceases to be a director or officer of a financial institution under subsection (2), then, despite the *Business Corporations Act* or the *Credit Union Incorporation Act*, the individual is not eligible to again be or act as a director or officer of a financial institution without first applying for and receiving the consent of the superintendent.
- (4) A financial institution must deliver written notice immediately to the superintendent of the resignation, removal, election or appointment of a director or senior officer.
- (5) The superintendent may require a financial institution to provide any information the superintendent considers necessary to determine if there are grounds to take action under subsection (2).

Business Corporations Act

Section 124: Persons disqualified as directors

- (1) A person must not become or act as a director of a company unless that person is an individual who is qualified to do so.
- (2) An individual is not qualified to become or act as a director of a company if that individual is
 - (a) under the age of 18 years,
 - (b) found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs, unless a court, in Canada or elsewhere, subsequently finds otherwise,
 - (c) an undischarged bankrupt, or
 - (d) convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud, unless
 - (i) the court orders otherwise,
 - (ii) 5 years have elapsed since the last to occur of
 - (A) the expiration of the period set for suspension of the passing of sentence without a sentence having been passed,
 - (B) the imposition of a fine,
 - (C) the conclusion of the term of any imprisonment, and
 - (D) the conclusion of the term of any probation imposed, or
 - (iii) a pardon was granted or issued, or a record suspension was ordered, under the *Criminal Records Act* (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect.
- (3) A director who ceases to be qualified to act as a director of a company must promptly resign.
- (4) An order must not be made under subsection (2) (d) (i) in relation to a financial institution unless notice of the application for the order is given to the superintendent, who may appear as a party to the application.

Credit Union Incorporation Act

Section 84.12: Persons disqualified as directors

- (1) No person is qualified to become or to act as a director of a credit union who is
 - (a) under the age of 19 years,
 - (b) found, by a court in Canada or elsewhere, to be incapable of managing the individual's own affairs, unless a court, in Canada or elsewhere, subsequently finds otherwise,
 - (c) a corporation,
 - (d) an undischarged bankrupt,
 - (e) unless the Supreme Court orders otherwise, convicted in or out of British Columbia of an offence

- (i) in connection with the promotion, formation or management of a corporation, or
- (ii) involving fraud

unless 5 years have elapsed since the expiration of the period fixed for suspension of the passing of sentence without sentencing or since a fine was imposed, or the term of imprisonment and probation imposed, if any, was concluded, whichever is the latest, but a person is not disqualified under this paragraph if a pardon was granted or issued, or a record suspension was ordered, under the *Criminal Records Act* (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect, or

- (f) a person whose registration in any capacity has been cancelled under
 - (i) the *Securities Act* by either the British Columbia Securities Commission or the executive director appointed under section 8 of that Act, or
 - (ii) the *Mortgage Brokers Act* by the Commercial Appeals Commission, the Financial Services Tribunal or the registrar under that Act,

unless the person or body that cancelled the registration otherwise orders at the time of cancellation, or unless 5 years have elapsed since the cancellation of the registration.

- (2) An order must not be made under subsection (1) (e) and (f) unless notice of the application for the order is given to the registrar and superintendent, who may appear as a party to the application.

Columbia Valley Credit Union Rules

Rule 4.6

No person who:

- (a) is a person disqualified from becoming or acting as a director pursuant to the *Financial Institutions Act* or the *Credit Union Incorporation Act*;
- (b) is or becomes a paid employee of the credit union or the spouse (which includes persons who have lived together in a marriage-like relationship for not less than two years, although not married to each other), child, stepchild, parent, daughter-in-law, son-in-law, father-in-law, or mother-in-law of a paid employee of the credit union;
- (c) was an employee of a credit union or an affiliate of a credit union during the one-year period prior to the date that nominations for the office of director under these Rules closed;
- (d) is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other credit union or a subsidiary of any of them;
- (e) has not been a member in good standing of the credit union for twelve (12) consecutive months; or
- (f) being a director, has failed, without being excused, to attend regular meetings of the directors for three consecutive months in which meetings are held;

is eligible to hold office as a director and, if holding office as a director, shall vacate office forthwith.



COLUMBIA VALLEY

CREDIT UNION

