

Director Candidate Information Guide and Application

Your Credit Union Board of Directors

Director Candidate Information Guide

Dear Prospective Board Candidate:

At Your Credit Union, we value the dedication and commitment of our members who choose to participate in our nomination and election process as a Board candidate. We thank you for your interest in seeking nomination for our Board of Directors. Inside this package, you will find information that will clarify the qualification criteria for candidates and expectations of Board members in their role of governing the credit union. You will also find everything that you need to complete the nomination process.

To assist those members who are interested in considering candidacy, the Board appoints a Nominating Committee each year. The Committee's primary role is to ensure members are fully informed of the nomination process and the election process, as well as to consider the qualifications of candidates in order to ensure the highest quality board composition, and to meet any gaps as identified by the Board in their analysis of the Board's skills, knowledge and experience.

If you decide to proceed with submitting an application for nomination as a candidate, please complete and submit this application package along with all the required documents, as outlined in *Section 4.0 Application Process*.

**Please note that applications must be received
no later than October 31st, 2019.**

Scott Irving, Chair
Nominating Committee

Director Candidate Information Guide

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Application for Nomination



1.0 Your Credit Union Election Process

Your Credit Union's Board, as established in the By-Laws, consists of nine directors. Three vacancies need to be filled.

As defined in YCU's By-laws, and the Board's governance policies, the Nominating Committee of the Board plays an integral role in the process of reviewing nominated candidates who meet the eligibility requirements. This Committee may interview applicants to evaluate their experience, expertise and qualifications in relation to the specific director selection criteria established by the Board from time to time.

The Nominating Committee will make a determination as to the best qualified candidates to fill the vacant positions. The Committee will then place their recommendations behind those identified candidates in number equal to the number of vacancies.

The Nominating Committee will advise the candidates whether they are receiving the Committee's recommendation, and any candidate not being recommended will have the choice of staying on the ballot and participating in the election or withdrawing the nomination. The members will be advised of the candidates who have received the recommendation of the Nominating Committee.

2.0 Qualifications

Only a natural person who:

- a) is, and has been for a period of at least one year prior to the date of his or her election, a member in good standing;
- b) is at least eighteen years of age;
- c) is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and is ordinarily a resident in Canada;
- d) has then served as a director of the credit union for not more than three (3) consecutive three-year (3-year) terms since the Annual General Meeting held in November 2008;
- e) is not disqualified under the [Credit Unions and Caisses Populaires Act](#); and
- f) has disclosed to the Board, in a timely fashion before the election in which the natural person is a candidate is held, everything he or she is required by the Act to disclose as a candidate for director of a credit union

is eligible to be a director of the credit union.

3.0 Disqualifications

- a) In addition to those individuals disqualified under the [Credit Unions and Caisses Populaires Act \(Section 92\)](#) from being a director of a credit union, any former employee of the credit union is also disqualified from nomination and election as a director of the credit union unless, as of the date of his or her nomination, at least two years has elapsed since his or her last date of employment with YCU.
- b) In addition to Section 3.0 (a), any spouse, parent or child of a former employee described in (a) above is also disqualified from nomination and election as a director of YCU unless, as of the date of his or her nomination, at least two years has elapsed since the former employee's last date of employment with YCU.

- c) Any person who, as of the date of his or her nomination, is employed by, or is a director of, another financial institution is also disqualified from nomination and election as a director of YCU.

4.0 Application Process

If, after reviewing this document (*Director Candidate Information Guide and Application*), a candidate wishes to make an application, he or she must provide the following to the Chair of the Nominating Committee:

4.1 Application for Nomination

A complete Application for Nomination (appended). Nominators cannot be employees of YCU.

4.2 Statement of Interest

A statement of interest (cover letter) that:

- a) Provides the membership with enough information about the candidate from a personal and professional perspective to help them understand the skills and expertise the candidate would bring to the Board;
- b) Outlines the candidate's reasons for seeking election to the Board of YCU; and
- c) Explains why members should vote for this candidate.

This statement of interest may, in whole or in part, be published by YCU to inform the membership about the candidate in its election materials.

4.3 Resume

A resume that includes the following:

- a) Experience, expertise and qualifications of the candidate;
- b) Candidate's involvement in community activities;
- c) Candidate's past and present service as a director of a board;
- d) Any formal director education/training accreditations; and
- e) Candidate's professional, community or other affiliations or memberships.

4.4 Submission

Nominations will be received by October 31st, 2019 to the attention of:

Scott Irving
Chair of the Nominating Committee
Your Credit Union
14 Chamberlain Avenue
Ottawa, ON K1S 1V9

Applications are kept confidential.

Once the Nomination period closes, the Nominating Committee will review each candidate's eligibility, and reserves the right to conduct candidate interviews.

The election of directors by members will be conducted during the annual general meeting in January 2020.

5.0 Candidate's Undertaking

By completing and submitting an application (as per *Section 4.0 Application Process*), the candidate hereby applies to be nominated as a candidate for election to the Board of Directors of YCU and agrees to the following:

- a) Stand for election, and, if elected, to serve as a director;
- b) Observe the provisions of the [Credit Unions and Caisses Populaires Act](#) ("the Act"), as applicable, including the provisions of disqualified individuals as outlined in [Section 92](#) of the Act.
- c) Comply with the duties and obligations of directors as described in the Act, and [DICO Bylaw No. 5 \(Standards of Sound Business and Financial Practices\)](#);
- d) Provide full, financial disclosure to the credit union, as required by the Board from time to time;
- e) Consent to the disclosure of credit and/or personal information to, or from any credit-reporting agency;
- f) Observe all the credit union's by-laws, and the rules relating to the elections and the conduct thereof; and
- g) Resign from the Board in the event the Board has determined that as a director, he or she has ceased to meet the eligibility requirements, as set out in the credit union's by-laws or Section 91 of the [Credit Unions and Caisses Populaires Act](#), or if he or she has met the test of any of the disqualifying criteria as set out in [Section 92](#) of the Act, during his or her term of office.

6.0 Background Information for Candidates

6.1 Preamble

Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other YCU-related organizational and community related activities, as well as for directors new to the credit union system, be willing to attend credit union-related conferences. Directors are also required to participate in director education as necessary.

The information that follows identifies and briefly describes YCU's Committees, director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a director of YCU. We hope that the information below will assist you in clarifying your obligations should you become a director. However, if you have any questions regarding the information, or wish to learn more about YCU's governance structure or practices, please contact the Board Chair, Tanya Gracie (tanyagracie@gmail.com).

6.2 Terms

Currently, the Board of Directors comprises nine directors. Each is elected by the membership for a term of three years, subject to a term-limit of three consecutive terms in office.

If, in an election, terms of office of varying lengths are to be filled due to directors leaving the board, the nominees obtaining the greater number of votes shall be declared to be elected to the longer terms of office available.

If, in the case of an acclamation of all nominees, terms of office of varying lengths are to be filled, the terms shall be assigned by voluntary agreement among the nominees or, failing that, by chance in a manner determined by the Chair of the Board in his or her sole and absolute discretion.

6.3 Responsibilities

The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring and delegating authority to the President and CEO.

6.4 Board Committees

The Board has established four standing committees which are assigned responsibilities to assist the Board in carrying out its mandate. The current committees and their mandates are as follows:

Audit Committee

The Committee's purpose is to oversee and assess the:

- a) integrity of the financial reporting process and financial statements;
- b) adequacy of the internal and external audit functions;
- c) adequacy and effectiveness of internal controls;
- d) adequacy and effectiveness of the risk management process;
- e) compliance with legal and regulatory requirements;
- f) external auditor's qualifications and independence;
- g) performance of the external auditors; and
- h) performance of the internal audit function.

Executive Committee

The Executive Committee is responsible for assessing annually the effectiveness of the Board. The evaluation process and tools are developed and reviewed annually by the Executive Committee. Any changes to the evaluation process require approval by the Board on recommendation of the Executive Committee.

The Executive Committee may engage professional assistance from an external source to assist in the evaluation process.

The Executive Committee reports to the Board on the results of the annual evaluation. If any gaps in performance are identified, the Executive Committee issues recommendations to the Board to address them and follows up to ensure corrective actions, as directed by the Board, are implemented.

CEO Evaluation Committee

The CEO Evaluation Committee reviews and approves a set of goals and objectives prepared by the President & CEO. The Committee reviews and discusses the President & CEO's self evaluation, and provides an assessment to the Chair of the Committee. The Committee meets both with and without the President & CEO and then prepares a report to the Board of Directors.

Nominating Committee

The Committee presents a list of volunteers willing to serve in soon-to-be vacant Board of Director positions prior to the Annual General Meeting. The Nominating Committee shall prepare the nomination package to be sent to the members of YCU by October 1 prior to the election.

The Committee shall nominate at least one member for each opening on the Board. It must ensure that the nominated members are eligible to be nominated. The Committee will strive

to recruit candidates to meet the criteria for Board recruitment. The Nominating Committee will take into consideration the skills, knowledge and experience of the current Board members to determine the appropriate skill sets for candidates to be nominated.

Advisory Committees

There may be committees to be known as “Advisory Committees” and the members of which will be known as “Ambassadors”, which shall meet at the call of each such committee’s Chair. The Board shall appoint Ambassadors to each Advisory Committee after consulting annually with members of the credit union. The Board may determine from time to time by resolution the number of such members, and the method of their selection. The purpose of each Advisory Committee is to provide input to management of the credit union regarding any aspect on how to promote the credit union. Each Advisory Committee shall abide by all By-laws and policies of the credit union, and by all laws and regulations governing the credit union.

6.5 Attendance

Board and committee meetings are, for the most part, held in the boardroom at 14 Chamberlain Avenue, Ottawa, Ontario. Attendance is recorded in the minutes. On occasion, conference calls are held to deal with special issues between regularly scheduled meetings.

The following meeting summary shows the approximate frequency commitment for directors:

6.6 Time Commitments and Frequency of Meetings

- Orientation Program: For newly elected directors online orientation will follow shortly after the election. Allow a minimum of half day.
- Board Business Meetings: Held at least quarterly and begin at 5:00 p.m.
- Board Planning Meetings: Held at least quarterly and begin at 5:00 p.m.
- Strategic Planning Retreat: Generally involves an annual weekend retreat within Eastern Ontario.
- Audit Committee: Meetings are held at least quarterly and usually begin at 5:00 p.m.
- Executive Committee: Meetings are held at least quarterly and usually begin at 5:00 p.m.
- Nominating Committee: Meets at least once a year to conduct candidate reviews.
- CEO Evaluation Committee: Usually meets 3-4 times and when requested.
- Annual Information Meetings: Held in January in either Cornwall or Ottawa (alternating with AGMs).

6.7 Education

YCU considers training and development programs for our directors extremely important to assist them in understanding the roles and responsibilities of being a director of a credit union. In 2012, the Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual director competencies which will require various programs be completed within certain time frames.

- http://www.dico.com/design/Publications/En/Director-Training-2011/Guidance_Note_Director_Training_Class_2_Credit_Unions_Nov_2011.pdf
- http://www.dico.com/design/5_0_Eng.html#DIRECTOR-TRAINING-AND-QUALIFICATIONS

6.8 Remuneration

The Board’s remuneration policy is available upon request.

Application for Nomination
Your Credit Union's
Board of Directors

Application for Nomination

As members of Your Credit Union, we nominate the following person for election to the Board of Directors:

Candidate's Name	_____
Home Address	_____
City/Town	_____ Postal Code _____
Phone (day)	_____ Phone (evening) _____
Place of Work	_____
Email address	_____

Nominators:

1. Legal Name _____

Address _____

City/Town _____ Postal Code _____

Signature _____
2. Legal Name _____

Address _____

City/Town _____ Postal Code _____

Signature _____
3. Legal Name _____

Address _____

City/Town _____ Postal Code _____

Signature _____



1. Board of Directors Applicant Expertise/Experience Assessment

YCU is committed to the principle of a high quality Board of Directors, and expects that each director brings to the Board a certain level of knowledge and experience, demonstrates certain key attributes and adheres to certain principles.

Candidates are asked to self-assess their qualifications, skills and experience against those determined by the Board as required to effectively fulfill the responsibility of Your Credit Union directorship. This will assist the Nominating Committee in determining the degree of expertise that you bring as a candidate. To assist you in answering, please refer to the following definitions:

- Expert** You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field.
- Strong** You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities.
- Good** You understand the basic fundamentals and concepts that are encountered in this skill area.
- Basic** You have some knowledge of the competency
- NA** You have no familiarity with the topic or area

If you are elected to the Board, you will need to complete a more comprehensive self-assessment of specific competencies. The assessment below will be used to help determine your training and self-development needs in order to fulfill the director training and qualifications requirements as established by the credit union. Please include any relevant information in the lines below.

a) Experience in the Co-operative Sector	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>

b) Financial literacy	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>



c) Government relations	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>
	<hr/>				

d) Information Technology	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>
	<hr/>				

e) Financial services sector	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>
	<hr/>				

f) Marketing, customer relations in a service sector	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>
	<hr/>				

g) Governance, audit, and / or risk management	Expert <input type="checkbox"/>	Strong <input type="checkbox"/>	Good <input type="checkbox"/>	Basic <input type="checkbox"/>	NA <input type="checkbox"/>
	<hr/>				



h) Expertise in law / legal services Expert Strong Good Basic NA

i) Previous director experience Expert Strong Good Basic NA

j) Mergers, acquisitions and / or strategic alliances Expert Strong Good Basic NA

k) Human resources Expert Strong Good Basic NA

l) Interest rate or credit risk management Expert Strong Good Basic NA

2. Requirements to Disclose

The [Credit Unions and Caisses Populaires Act](#) requires candidates to disclose if they are a party to a material contract or proposed material contract with the credit union. Candidates must include the disclosure in the submission if the candidate:

- a) Is a party to a material contract or proposed material contract with the credit union;
- b) Is a director or an officer of an entity that is a party to a material contract or proposed material contract with the credit union;
- c) Has a material interest in a person who is a party to a material contract or proposed material contract with the credit union; or
- d) Is a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the credit union.

Please provide details here if any of these items apply. If none apply, please write your name or some indicator to show that you have acknowledged this section.

3. Acknowledgment

I hereby:

- a) Acknowledge that this declaration is given for the purposes of assisting YCU in complying with statutory and regulatory requirements relating to transactions with Restricted Parties; Connected Persons, Conflicts of Interest and Related Parties;
- b) I understand that the questions will not necessarily elicit answers that will disclose all of my relatives who may be “restricted parties” under s. 75 of the General Regulation under the [Credit Unions and Caisses Populaires Act](#), nor all of my relatives who may be related parties under IFRS – IAS 24 – Related parties;
- c) I undertake to disclose to the Board my connection to any relative who has a material contract or loan with the credit union as soon as I become aware of it;
- d) I warrant that the information provided herein is complete and accurate in all material respects as of the date it is given, and
- e) I undertake to bring to the attention of YCU any subsequent information which would necessitate the completion of a new Declaration.

4. Consent

Having signed this Application for Nomination, the candidate consents to YCU reviewing any of the candidate's financial information on file at the credit union, and consents to YCU conducting a credit check for the purpose of determining eligibility of the proposed candidate for election to the Board.

Candidates should be aware that campaigning is not permitted by the Board.

Candidate's Signature

date

5. Application Checklist

- ┆ Completed Application for Nomination
- ┆ Statement of interest / cover letter
- ┆ Resume

Submit by October 31st, 2019
for consideration in confidence to:

Scott Irving
Chair of the Nominating Committee
Your Credit Union
14 Chamberlain Avenue
Ottawa, ON K1S 1V9