



GANARASKA FINANCIAL CREDIT UNION

2021 Director Candidate Information Guide

[Summary](#)

This guide is to be used for individuals interested in joining the Board of Directors of Ganaraska Credit Union starting in the 2021 fiscal year.

Nomination Period

Opens: Monday December 14, 2020 at 9:00am EST

Closed: Friday February 15, 2021 at 6:00pm EST

Board of Directors 2021 Application for Nomination

Dear Prospective Board Candidate:

At Ganaraska Credit Union Ltd. (the “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 a candidacy, the Board appoints a Governance & HR Committee each year. A role of the Committee 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.

This year the Governance & HR Committee has been tasked with seeking to select nominees who not only are the best qualified and meet the required criteria but who also possess specific skills and experience. Further details on the process undertaken by the Governance & HR Committee are outlined on Page 4 of this application package.

If you decide to proceed and submit an application for nomination as a candidate, please complete and submit this application package along with all the required documents, as outlined in the Candidate’s Guide section. If you have any questions about the enclosed information, you may contact the CEO.

Please note that the applications must be received no earlier than 9:00 a.m. EST December 14, 2020 and no later than 6:00 p.m. EST February 15, 2021.

Yours truly,

Kathy Foster,
CEO
905-885-8134
kathy@ganaraskacu.com

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Board of Directors Election Process

Ganaraska Credit Union Ltd. Board, as established in the By-Laws, consists of nine (9) directors. In 2021, three (3) vacancies need to be filled. The three (3) candidates with the highest vote totals will be elected for a three (3) year term.

As defined in Ganaraska Credit Union Ltd. By-Laws, and the Board's Governance policies, the Governance & HR Committee of the Board plays an integral role in the process of reviewing nominated candidates who meet the eligibility requirements. This Committee is required to evaluate the experience, expertise and qualifications of the candidate in relation to the specific director selection criteria established by the Board from time to time.

Ganaraska Credit Union Ltd. elections will be conducted during our Annual General Meeting (AGM) to be held at 7 pm Wednesday, April 7th, 2021. There will not be nominations from the floor. The results of the election will be announced at the Annual General Meeting of Ganaraska Credit Union Ltd.

Candidate's Guide

1. Individuals wishing to be candidates for Ganaraska Credit Union Ltd.'s Board of Directors must be at least 18 years old and hold a minimum of fifty dollars (\$50.00) in Membership Shares.
2. Additional eligibility requirements are outlined on Schedule A (Page 9) of this Application.
3. If after reviewing the above and the Background Information for Candidates – Schedule H (Page 23), a candidate wishes to make application, he or she must:
 - a. Seek the signatures of two (2) nominators who are members and themselves meet the Nominator Eligibility Requirements outlined in Schedule C (page 12):
 - b. Complete this Application in its entirety; and
 - c. Submit it along with the four documents detailed in Page 7 of this Application. (Statement of Interest, Resume, completed Schedule E (Expertise/Experience Assessment) and Schedule F (Declaration of Economic Interests by a Restricted Party of Ganaraska Credit Union Ltd.).
4. Applications for Nomination and all required attachments should be submitted by personal delivery to any Branch of the Credit Union, or sent by either prepaid ordinary mail or registered mail, marked "Confidential" and addressed to:

Chair, Governance & HR Committee
c/o Ganaraska Credit Union Ltd.
17 Queen St
Port Hope ON L1A 2Y8

Once the nomination period closes:

- The Governance & HR Committee of the Board will validate the Candidate's eligibility and confirm receipt.
- The election of Directors by Members will be conducted during the credit union's AGM.
- The successful candidates will be announced at the Annual General Meeting of Ganaraska Credit Union Ltd., to be held at 7pm Wednesday, April 7th, 2021.

2021 Application for Nomination

As members of Ganaraska Credit Union Ltd. we nominate the following person for election to the Board of Directors. As nominators we are members of Ganaraska Credit Union and meet all the qualifications outlined in Schedule C (page 12).

Candidates Name _____

Address _____

City/Postal Code _____

Phone (Res) _____ (Bus) _____

E-mail _____

Two Member Nominators:

1. Legal Name _____

Address _____

Email _____ Phone _____

Signature _____

2. Legal Name _____

Address _____

E-mail _____ Phone _____

Signature _____

Candidate's Undertaking

The undersigned hereby applies to be nominated as a candidate for election to the Board of Directors of Ganaraska Credit Union Ltd.

I do solemnly undertake to:

- 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(1) of the Act. (The Act is accessible at www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11_e.htm);
- c. Comply with the Director's Code of Conduct and the Duties and Obligations of Directors including Conflict of Interest Guidelines adopted by the Board from time to time;
- 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, I have ceased to meet the eligibility requirements, as set out in the Credit Union's By-Laws or Section 91 of the Act or if I have met the test of any of the disqualifying criteria as set out in Section 92(1) of the Act, during my term of office.

I further understand that in order to be eligible for consideration for nomination, this application must be completed as required; submitted as referenced in the Notice of Nomination; and be accompanied by the following documents:

1. A written Statement of Interest, not exceeding 250 words, which;
 - 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 Ganaraska Credit Union Ltd.;
 - c. explains why members should vote for this candidate.
2. A resume which includes the disclosures outlining the following:
 - a. experience, expertise and qualifications of the candidate;
 - b. candidate's involvement in the 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;

3. A completed Applicant Expertise/Experience Assessment as found on Schedule E (Page 14);
4. A completed Schedule F (Page 16) Declaration of Economic Interests by a Restricted Party and/or Related Party of Ganaraska Credit Union Ltd.;
5. Having signed this Application for Nomination the Candidate consents to the Ganaraska Credit Union Ltd. reviewing any of the candidate's financial information on file at the Credit Union, and consents to Ganaraska Credit Union Ltd. conducting a credit check on his/her behalf for the purpose of determining eligibility of the proposed candidate for election to the Board.

The Statement of Interest and Resume (or any part thereof) will be published by Ganaraska Credit Union Ltd. as received and will be used to inform the membership about the candidate in its election materials.

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

I acknowledge that everything that has been represented in my Nomination Package is true and factual and understand that my Statement of Interest and Resume will be published.

I accept that, I will be present at the Annual General Meeting on Wednesday, April 7th, 2021.

Dated at _____, Ontario, this _____ day of _____ 2021 .

Signature

Address

City, Province

Postal Code

SCHEDULE A: Director Eligibility Requirements

(as extracted from Ganaraska Credit Union Ltd. By-Laws)

An individual is eligible for election as a director of the Credit Union, if, and only if:

- A. as of the last day of the Nomination Period, the individual:
1. Is a member of the Credit Union in Good Standing;
 2. Is not disqualified from becoming or acting as a director pursuant to the Act;
 3. Is not a director, officer, employee, or agent of an entity (other than any other 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 competing with the then existing or proposed activities or business of the Credit Union;
 4. Is not a spouse, parent or child of a person described in sub-paragraph (iii);
 5. If a former employee of the Credit Union, was not an employee of the Credit Union at any time in the twenty-four (24) month period ending with the last day of the Nomination Period;
 6. Is free of any real or perceived conflict of interest that might reasonably be expected (based on a legal opinion), to prevent him or her from acting in the best interest of the Credit Union, and independently of any particular interest arising as a result of any previous, existing, or future relationship with the Credit Union, its Members, competitors, or suppliers; and
 7. Is not the spouse, parent or child of an individual who is also a candidate for election as a director in the same election, or who is then a director of the Credit Union.
- B. an incumbent director, cannot serve more than four (4) consecutive terms (12 years) commencing from March 2010 (i.e. if you were on the Board as at March 2010, you can serve as a Director until March 2022, 4 terms) ; and
- C. the individual has been nominated in accordance with the terms of this By-law.

SCHEDULE B: Individual Director Disqualifications

(as extracted from the Act – Section 92)

Disqualified Individuals

92. (1) The following individuals are disqualified from being directors of a credit union:

- a. One whose membership in any credit union has been terminated, other than voluntarily.
- b. One who a court has decided is of unsound mind.
- c. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as director.
- d. One who is unable to obtain a bond of an insurer licensed under the Insurance Act to write surety and fidelity insurance.
- e. 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.
- f. One who is listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the United Nations Act (Canada)
- g. One who has been convicted, in the five years preceding the date on which he or she may be elected as a director, or an offence described in subsection (3) and who has not received a pardon for the offence.
- h. One whose membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as director, for professional misconduct.
- i. An employee of the credit union or a league in which the credit union is a member or his or her spouse, parent or child.
- j. A professional advisor who provides services to the credit union in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director.
- k. An employee of the Corporation (Deposit Insurance Corporation of Ontario).
- l. A public servant employed under Part III of the Public Service of Ontario Act, 2006 whose employment duties include regulating credit unions.
- m. One who has not met the training requirements or qualifications for directors established by the credit union.
- n. One who has not met any reasonable condition or qualification set out in the By-laws of the credit union.

Exception

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

Type of Offence

(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 or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the credit union; or
- D. Involves a contravention or failure to comply with the Securities Act.

SCHEDULE C: Requirements to be Met by Nominators

(As extracted from Ganaraska Credit Union Ltd. By-Laws)

Each person signing the nomination papers of a nominee, must as of the last day of the nomination period:

1. Have been a member of the Credit Union in good standing;
2. Not be disqualified from becoming or acting as a director of the Credit Union pursuant to the Act;
3. If a former employee of the Credit Union, not have been an employee of the Credit Union at any time in the twenty-four (24) month period ending on the last day of the nomination period;
4. Not be the manager or any full-time or part-time employee, director, or committee member of another credit union; and
5. Except for the proposed nominee, not be then a director of the Credit Union.

SCHEDULE D: Selection Criteria

(As extracted from Ganaraska Credit Union Ltd. Board Policies)

In the evaluation of proposed nominees, the Governance & HR Committee used the eligibility requirements set out in Schedule A to the By-laws and selection criteria established by the Board from time to time.

The selection criteria to be used by the Governance & HR Committee are the following:

Mandatory Individual Director Criteria

A Director must:

1. Understand the principles behind and share the vision of the Credit Union and have the ability to reflect the values and commitments of the Credit Union as well as acting in the Credit Union's best interest at all times;
2. Demonstrate the ability to bring a perspective of external business, finance, and social issues to Board deliberations;
3. Understand corporate governance and the fiduciary duties, roles and responsibilities of the Board as a whole and an individual director of a Credit Union, including willingness to ask probing questions and challenge Management within the governance framework;
4. Commit to regular attendance at Board/Committee meetings and to full preparedness and willingness to contribute to meeting content;
5. Understand the importance of credit unions in their communities;
6. Demonstrate the ability to provide leadership and be an effective communicator;
7. Uphold the values of teamwork demonstrating the ability to operate as "as team" at Board level and "speak with one voice" once full discussion has been undertaken and a decision made by the Board;
8. Demonstrate the personal integrity, financial stability and high ethical standards;
9. Have never declared personal or business bankruptcy;
10. Be willing to commit to continuous learning and undertake appropriate director training and development initiatives;
11. Have the ability to understand and assess implications of financial statements and auditors reports;
12. Agree to fulfill the time commitment, including travel time and work load associated with being a director of the Credit Union; and
13. Have the capability to access electronic information via the Internet, and be able to print associated materials.

SCHEDULE E: Applicant Expertise/Experience Assessment

Ganaraska Credit Union Ltd. 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. The following self-assessment will assist the Governance & HR Committee in determining the degree of expertise that you bring as a candidate. A copy of the 'Director Training and Qualifications' policy is attached as Appendix 1. Please read this policy carefully and indicate your level of expertise/experience in the following table.

Please use the levels identified below along with the definitions as a guide.

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

Competency/Area	Rating
Audit and Compliance Oversight Performance and regulatory standards; examination & auditing procedures	
Board & CEO Performance Setting and evaluating criteria and standards of performance of the Board, Directors and the CEO	
Credit Union Operations Cooperative business model; key components of operations (people, physical and technical infrastructure), operational risks	
Financial Literacy Reading and interpreting financial statements and financial performance indicators	
Governance and Ethics Board roles and responsibilities; structure; decision making powers; Board policies and process; Committees (mandates; structure; process)	
Leadership Leadership traits; skills and effective professional and personal attributes	
Regulatory Environment Understanding the requirement for regulatory compliance and operating within a heavily regulated industry	
Risk Management Oversight Financial and operational risks; risk management and monitoring	
Strategic Planning Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation	

SCHEDULE F: Declaration of Economic Interests by a Restricted and or Related Party of Ganaraska Credit Union

Name: _____

Position with Ganaraska Credit Union Ltd.: _____

DEFINITIONS

Restricted Party (RP):

A person or entity is “restricted” in relation to Ganaraska Credit Union Ltd. if they are or have been within the last 12 months:

1. A director or officer of the Credit Union;
2. A spouse of a director or officer of the Credit Union;
3. A relative of a person described in (1) or (2) above, if the relative lives in the home of the above and is financially dependent on the person described in (1) or (2);
4. A corporation/partnership in which a person described in (1) beneficially owns, directly or indirectly, more than 10% of the voting shares; or
5. A corporation/partnership controlled by a person described in (1), (2), (3) or (4) above

Relative: Means a relative by blood, marriage or adoption.

Connected Persons (CP):

In relation to a member, another person or entity is a “connected person”, if he or she or it is one of the following:

1. A corporation in which the member holds or beneficially owns, directly or indirectly, at least 35 per cent of the voting securities,
2. An affiliate of a corporation described in (1),
3. A person or entity that has a 50 per cent interest in a partnership in which the member also has a 50 per cent interest,
4. A partnership in which the member is a partner,
5. A trust or estate in which the member has a substantial beneficial interest,
6. A trust or estate in respect of which the member serves as a trustee or in a similar capacity,
7. A person or entity on whose financial resources the member depends to repay a loan to the Ganaraska Credit Union Ltd.,
8. A person or entity who provides security to the Credit Union or a loan to the party.

In relation to a member who is an individual, another individual is a connected person of the member if that other individual is one of the following:

1. A spouse of the member who is financially dependent on the member,
2. A relative of the member or of the member’s spouse who lives in the same home as the member and who is financially dependent on the member or the member’s spouse.

Affiliate: Means when one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.

Conflict of Interest:

Applies when a Director or Officer is/has:

1. A party to a material contract or proposed material contract with the Credit Union;
2. A director or officer of an entity that is a party to a material contract or proposed contract with the Credit Union;
3. A material interest in a person who is a party to a material contract or proposed material contract with the Credit Union; or
4. A spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the Credit Union.

Related Party (RLT.PTY):

A person or entity is related to Ganaraska Credit Union Ltd. in connection with the preparation of its financial statements if:

1. The person or a close member of that person's family has control or joint control over Ganaraska Credit Union Ltd.
2. The person or a close member of that person's family has significant influence over Ganaraska Credit Union Ltd.;
3. The person or a close member of that person's family is a member of the key management personnel of Ganaraska Credit Union Ltd. (Executive leadership team; Board of Directors and Officers of Ganaraska Credit Union Ltd.); or
4. The entity (a corporation/partnership) is controlled or jointly controlled by a person identified in (1), (2), or (3).

Close members of the family of a person described in (1), (2) or (3) above are those family members who may be expected to influence, or be influenced by, that person in their dealings with Ganaraska Credit Union Ltd. and include:

1. That person's children and spouse or domestic partner;
2. Children of that person's spouse or domestic partner; and
3. Dependents of that person or that person's spouse or domestic partner.

Parents and siblings are by virtue expected to have influence or be influenced by the individual unless otherwise proven. Family members outside of the immediate family are normally not expected to influence or be influenced by the individual. Possible examples of where non-immediate family members would be considered under the definition of "close members of the family" include situations where they are dependents of the individual; live in the same household; have strong financial ties.

Control is the power to govern the financial and operating policies of Ganaraska Credit Union Ltd. so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Ganaraska Credit Union Ltd., directly or indirectly, including any director of Ganaraska Credit Union Ltd.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not in control over those policies. Significant influence may be gained by share ownership, statute or agreement.

DECLARATIONS:

Name of Spouse (RP & RLT.PTY):

A. Is my spouse financially dependent on me? (CP) Yes _____ No _____

B. Names of children and other relatives financially dependent on me or my spouse and who live in my home (RP & CP): Other “close family members” who are expected to influence or be influenced by me (whether or not they are financially dependent) (RLT.PTY):

- Names of children of self or spouse/domestic partner:

- Names of dependents of self or spouse/domestic partner:

- Names of other individuals who live in the same household as self:

- Names of other individuals who have strong financial ties to self or spouse/domestic partner:

C. Names of corporations whether or not they are members of Ganaraska Credit Union Ltd. in which I beneficially own, directly or indirectly, more than 10 per cent of the voting shares, and the affiliates (CP) of said corporations: (state percentage) (>10=RP; >35=CP):

D. Names of corporations, partnerships or unincorporated associates whether or not they are members of Ganaraska Credit Union Ltd. in which I beneficially own 50 per cent or great of the voting shares and their subsidiaries: (50% = joint control; >50% = control) (RLT.PTY):

E. Names of corporation whether or not they are members of Ganaraska Credit Union Ltd. in which I or any one of my spouse, children and other relatives names above own shares which carry more than 50 percent of the votes for the election of directors: (RP):

- F. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are members of Ganaraska Credit Union Ltd. in which any one of my spouse or close family members (identified above) own shares which carry 50 percent or greater of the voting shares and their subsidiaries: (state percentage (50% = joint control; >50 = control)) (RLT.PTY):
-

- G. Names of corporations or unincorporated associations whether or not they are members of Ganaraska Credit Union Ltd. for which I serve as Director or Officer (CONFLICT):
-

- H. Names of partnerships whether or not they are members of Ganaraska Credit Union Ltd. in which I am a partner: (state percentage interest and percentage interest of other partners) (CP):
-

- I. Names of trusts or estates which are members of Ganaraska Credit Union Ltd. and in which I have a substantial beneficial interest (CP); (RLT PTY):
-

- J. Names in trust which are members of Ganaraska Credit Union Ltd. and for which I act as trustee (including accounts on which I act as attorney for property) (CP):
-

- K. Names of non-relative members for whom I have provided financial assistance, including a guarantee or co-signature for loans from the credit union (CP):
-

ACKNOWLEDGEMENT

I hereby:

- Acknowledge that this declaration is given for the purposes of assisting Ganaraska Credit Union Ltd. in complying with statutory and regulatory requirements relating to transactions with Restricted Parties (RP); Connected Persons (CP); Conflicts of Interest (CONFLICT) and Related Parties (RLT PTY).
- 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; and 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. I warrant that the information provided herein is complete and accurate in all material respects as of the date it is given, and
- I undertake to bring to the attention of the Ganaraska Credit Union Ltd. any subsequent information which would necessitate the completion of a new Declaration.

Any declaration I have made above to the effect that I am a director or officer of a corporation/partnership/unincorporated associate, or have a material interest in a person, shall be regarded as a general notice to the Board of Directors that I am interested in any contract made with that entity or person by Ganaraska Credit Union Ltd..

Dated at _____, Ontario, this _____ day of _____ 2021.

Signature of Party

SCHEDULE G: Requirements to Disclose

The Credit Unions and Caisses Populaires Act also requires Board candidates to disclose if they are a party to a material contract or proposed material contract with the Credit Union. You must include the disclosure in your submission if you:

Are a party to a material contract or proposed material contract with the Credit Union;

Are a director or an officer of an entity that is a party to a material contract or proposed material contract with the Credit Union;

Have a material interest in a person who is a party to a material contract or proposed material contract with the Credit Union; or

Are 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 the above applies.

Dated at _____ Ontario, this _____ day of _____ 2021 .

Signature

Name

SCHEDULE H: Background Information for Candidates

Preamble

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

The information found below identifies and briefly describes Ganaraska Credit Union Ltd. Committees, director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a director of Ganaraska Credit Union Ltd. 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 Ganaraska Credit Union Ltd. Governance structure/practices, please contact the CEO.

Composition of the Board of Directors

FULL BOARD

The Board of Directors consists of nine (9) Directors, each elected by the Membership for a term of three (3) years subject to a maximum number of terms as outlined in the Credit Union By-Laws. The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring and delegating authority to the CEO.

BOARD COMMITTEES

The Board has established three (3) standing Committees which are assigned responsibilities to assist the Board to carry out its mandate.

The current Committees and their mandates can be found in the following sections.

Audit & Finance Committee

The Audit Committee provides the Board with reports on matters related to accounting and financial reporting practices, risk management, and internal and external control procedures. The Audit Committee is charged with a number of statutory responsibilities, as required under the Credit Union Act. It also reviews and recommends the annual financial statements to the Board. It is responsible to ensure effective management of operation risk as well, that capital, liquidity management and internal control systems are at acceptable levels. It is additionally responsible for monitoring compliance with the Credit Union's Restricted Party policy.

The Audit Committee is also responsible for ensuring the processes for identifying, managing and monitoring critical risks of the credit union are in place. The Committee provides strategic oversight of the credit union's credit risk management policies and FSRA standards; oversees the conduct of all activities associated with Enterprise Risk Management including the establishment of a risk appetite framework. In addition, the committee is responsible for the review and approval of credit transactions for the credit union's restricted parties. This includes;

- Ensuring policy guidelines are in place throughout the credit union to ensure all enterprise risks are at an acceptable level.
- Reviewing and approving individual connected and restricted party credit applications.
- Annual review of the Board's ERM policy.
- Monitoring risks associated with major project initiatives which support Ganaraska's Strategic Plan.
- Overall, providing strategic oversight with the view to ensuring that the Board policies the Committee is accountable for accomplish the dual objectives of supporting the credit union's Strategic Plan while at the same time being in sync with the Board approved risk appetite.

Governance and Human Resources Committee

The Governance and Human Resources Committee is accountable for ensuring the effective governance of the credit union and overseeing the Human Resources policies and programs and performing due diligence, ensuring policies and programs are developed, implemented and adhered to by Management in support of business strategies. It is responsible for creating and maintaining a healthy governance culture within Ganaraska Credit Union, so that Members are assured of both appropriate representation and governance structures, policies and procedures that reflect the industry's current best practices. This includes;

- Oversight of the Board and Committee structure and membership
- Oversee the director nomination, evaluation, selection and election processes for Board candidates
- Ensuring the process for evaluating Board and Committee performance in order to assess the effectiveness of the Board, its Committees and Committee Chairs
- Oversight of the Board's annual planning process
- Annual review of the Board's governance policies
- Oversight of the Annual General Meeting of Members, including the Annual Report

The committee will also ensure that credit union employees receive fair and meaningful employment in a safe and respectful workplace. This includes;

- Annual review of the Board's HR Policies
- Ensuring our compensation philosophy and guidelines for compensating the credit union's employees, and confirming they are aligned with the credit union's business strategies
- Review results of the annual Employee survey
- Due diligence on the process for establishing the performance metrics and measures for, the performance assessment of, and recommending the compensation for the President & CEO
- Overseeing compensation and talent management plan for the Executive Leadership Team (CEO's direct reports)
- Succession planning for the President & CEO and Executive Leadership Team
- Recommending Director Compensation to the Board

Executive Committee

The Executive Committee is a Board Committee that consists of the Board Chair, Vice-Chair, Corporate Secretary and the credit union’s CEO. The Committee meets at the pleasure of either the Chair or the CEO. The committee was created to deal with credit union business that the Chair or CEO felt more comfortable dealing with at a higher level, prior to full Board involvement. As with all credit union committees, the Executive Committee has no power to bind the credit union, but is tasked to, from time to time, recommend a course of action if required.

Meetings and Time Commitment

Board meetings are held monthly. It is expected that, in addition to the actual time spent at the Board or Committee meeting, a Director will fully review all materials (e.g. Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are distributed in hard copy, generally at least one week prior to the scheduled meeting. Elected Directors are expected to be able to receive, print and communicate via electronic means. While the amount of time required for this task will vary for each individual it is not unusual for a Director to spend approximately 3 hours preparing for a Board or for some Committee meetings. While travel time to and from meetings will vary with each Director, it is another factor to be considered. All Directors sit on a least one Committee.

Attendance at all Board and Committee meetings is tracked and reported to the Board. While occasional conference calls are held to deal with special issues between regularly schedules meetings, for the most part Directors are expected to attend meetings in person. Under exceptional circumstances the Chair may allow participation in a meeting via telephone conference.

The following meeting summary shows the approximate time commitment for each Director during the course of a year.

BOARD MEETINGS	Board meetings begin at 5:30 p.m. usually on the fourth Tuesday evening of the month (allow 2.5 hours/meeting).
ORIENTATION PROGRAM	For newly elected Directors; usually held following the Election and no later than one month after having been elected. Allow minimum of two (2) hours.
AUDIT COMMITTEE	Meets at a minimum quarterly(allow 2.5 hour/meeting).
GOVERNANCE & HR COMMITTEE	Meets, at a minimum, twice a year.
EXECUTIVE COMMITTEE	Meets when required.
ANNUAL GENERAL MEETING	Usually held late March, early April. (allow 3 hours/meeting).
PLANNING/EDUCATION SESSIONS	Generally involves a two-evening seminars.

Education

Ganaraska Credit Union Ltd. 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 (FSRA) set out minimum exceptions for individual Director competencies which will require various programs be completed within certain time frames.

In addition, Directors are enrolled in the Professional Directors Program (PDP), a six-level governance program. This program is comprised of facilitated workshops providing Directors with a better understanding of their role and of the business for which they are accountable and keeps them in-the-know about current governance issues. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to consider additional opportunities for development wherever possible.

Remuneration

Directors are paid an annual honorarium in recognition of the significance of the accountabilities and responsibilities associated with governing the credit union, and in recognition of the time required for Directors to fulfill their responsibilities, as a per diem for each meeting attended. These payments are taxable as personal income. Reasonable expenses are reimbursed as per Board policy.

SCHEDULE I: Director Competency Information

As required under the Act, FSRA Bylaw 5 and FSRA Guidance Note: Director Training and Qualifications. Ganaraska Credit Union Ltd. shall establish and maintain effective guidelines and processes to ensure that directors understand, meet and maintain appropriate competency requirements.

Each director shall perform an annual self-assessment, prepare a development plan, and undertake any required training/development requirements in order to achieve these competencies within the timeframes established herein.

Directors that fail to meet these requirements will be subject to disqualification. Each Board candidate shall be informed of the requirements set out in the policy.

Minimum Director Competency Requirements and Time Frames

All directors elected or appointed on or after July 1, 2012 are required to achieve the minimum competency requirements within the specified timeframes set out in the table below. A description of each of the competencies and competency levels is set out later in this schedule.

Competency	All Directors	Committee Members	Committee Chairs	Board Chair
Audit and Compliance Oversight	Strong	Strong	Strong	Strong
Board and CEO Performance	Strong	Strong	Strong	Strong
Credit Union Operations	Strong	Strong	Strong	Strong
Financial Literacy	Strong	Strong	Strong	Strong
Governance and Ethics	Strong	Strong	Strong	Strong
Leadership	Strong	Strong	Strong	Strong
Regulatory Environment	Strong	Strong	Strong	Strong
Risk Management Oversight	Strong	Strong	Strong	Strong
Strategic Planning	Strong	Strong	Strong	Strong
Timelines to Achieve Level	24 months	12 months	6 months	6 months

Assessment Criteria and Requirements

All directors shall 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 in order to ensure that the appropriate competency level is attained in accordance with the credit union’s requirements;
- determine the degree to which the Board, on an overall basis, satisfies the competency requirements.

Self-assessment criteria for each of the required competencies are set out later in this schedule. An initial self-assessment should be conducted by each director within 6 months of election. Results of the self-assessment will be reviewed with the Executive Committee to confirm results and identify potential gaps and any training requirements. The CEO will schedule and administer director self-assessment and training requirements, and maintain appropriate records. Supporting documentation will be required to confirm completion of formal director training courses undertaken as a director of the credit union.

Each director shall perform an annual self-assessment, prepare a development plan, and undertake any required training/development requirements in order to achieve these competencies within the timeframes established herein.

Training and Personal Development Requirements

As part of the self-assessment process, each director shall prepare a development plan, and undertake any required training/development in order to achieve these competencies within the timeframes established herein. All Directors are expected to avail themselves of appropriate training courses, where necessary, at the earliest opportunity in order to fulfill competency requirements. Once minimum competency levels are attained, directors are required to attend at least one director development course, seminar, work shop or program each year. Directors may also choose, if funding has been budgeted and is available, to pursue a director certification program.

Board Competency and Skills Matrix

Competency assessments will be conducted on an annual basis in order to confirm and update the competency levels attained by each director and to record any changes in additional skills. These assessments will also help identify additional training or self-development programs to help directors maximize their overall knowledge and skill levels to meet competency requirements, and to attain additional skills as may be appropriate.

Training courses, education programs or personal development initiatives undertaken by directors will be tracked by the Vice Chair and reported to the Governance Committee. A record of each director's educational achievements will be maintained accordingly. A matrix of competency levels required and attained for each director will be maintained together with a summary of director skills as set out later in this Schedule.

Conditions Where an Individual May be Disqualified from Acting as a Director

Where a director has not met the competency and training requirements within the time frames set out in this policy, the Board may pass a resolution declaring the director's position vacant in the absence of a reasonable explanation or extenuating circumstances.

FSRA's Role in Monitoring

As part of FSRA's ongoing risk assessment and examination process, FSRA will review this policy and the adequacy of the processes and practices of the credit union relating to director training and qualifications. This includes an assessment of director competency levels within the context of the credit union's size, complexity and risk profile. Full details of the assessment criteria are outlined in FSRA's Guidance Note: Director Training and Qualifications. The annual attestation under FSRA's By-Law No. 5 will specifically incorporate the Credit Union's concurrence with achieving the requirements set out in this policy.

Summary of Responsibilities

The Board is responsible for:

- Approving director competency requirements and competency levels
- Confirming director competency requirements are met
- Approving policy changes

The Executive Committee is responsible for:

- Recommending self-assessment criteria
- Reviewing and confirming self-assessment results
- Approving training and development plans
- Monitoring director and Board competency requirements

The CEO is responsible for:

- Scheduling director self-assessment requirements
- Scheduling and monitoring training and development requirements
- Monitoring director competency levels
- Maintaining the Board competencies/skills matrix
- Maintaining appropriate records

Review and Approval

This Schedule is subject to annual review and approval by the Governance Committee.

Director Competency Descriptions

1. AUDIT AND COMPLIANCE

Directors must have an understanding of the risks facing the institution, the ways in which management addresses and mitigates those risks and ensure that the financial statements accurately reflect the activities of the credit union. These functions are assessed through the activities which are carried out by a combination of internal and external auditors which involves systematically reviewing key risks and ensuring that any identified weaknesses or deviations from policy and legislative requirements are rectified by management.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements.

2. BOARD AND CEO PERFORMANCE

The Board is required to conduct an assessment of its performance and that of the CEO. The Board is ultimately responsible for the success and viability of the credit union through the skills and capabilities of its directors. It supervises the affairs of the credit union through its oversight responsibilities and appoints a CEO to manage the day to day operations. An objective evaluation and assessment of the Board and CEO are important requirements to ensure that responsibilities are effectively undertaken and that any deficiencies are appropriately and quickly identified and addressed. Directors contribute as board members in ensuring that the compensation package of the CEO rewards only prudent risk taking behaviour that promotes the on-going viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the tools and methodologies for assessing the Board's performance and also for monitoring the performance and development of the CEO to determine strengths, deficiencies and areas for improvement.

3. CREDIT UNION OPERATIONS

It is important that directors have a good understanding of the nature of the co-operative business model and that of the credit union and sector, the way the credit union functions and the financial, human and technological resources the credit union uses in delivering its services.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of how the credit union's infrastructures inter-relate and how they enable the effective and efficient delivery of services while managing risk and regulatory requirements.

4. FINANCIAL LITERACY

Financial literacy involves understanding financial reports and statements, accounting standards and assumptions and legislative requirements in order to effectively oversee the financial performance and condition of the credit union. A critical element of the success and viability of the credit union is the development of an annual business plan and budget which are approved by the Board. Directors are required to understand how these are developed and the types of analysis required to effectively monitor results and variances.

To achieve this competency, directors should demonstrate an appropriate level of financial knowledge and understanding and can interpret financial reports and statements, and monitor corrective action to ensure financial goals and regulatory requirements are met.

5. GOVERNANCE AND ETHICS

Governance includes understanding and contributing to the development and articulation of strategic plan, goals, policies and processes which govern and guide the way the credit union is directed and managed. Directors are expected to provide prudent, independent and objective oversight to effectively guide and monitor the implementation of strategic initiatives, oversee risk management activities and to participate with the Board as a whole in communicating a cohesive approach and position. Effective corporate governance is an essential element in the safe and sound functioning of a credit union. Structures, policies and processes only work in practice where there are knowledgeable and competent individuals, with a clear understanding and strong commitment to their roles. Ethical actions are those that are made in accordance with established laws, rules and organizational values that are supported by reasoned and objective evidence without any bias of self-interest. Directors are expected to perform their responsibilities in a prudent and objective manner with due regard to the best interests of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.

6. LEADERSHIP

Leadership encompasses the ability to influence discussions while building consensual solutions. Effective leaders recognize the importance of all participants in deliberations and the importance of constructive discussion and debate. Leaders are effective communicators. Leadership involves approaching initiatives from a strategic perspective, championing new initiatives and working towards their achievement to deliver quality services to the members and improve the longer term viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encouraging on-going education to further develop competencies.

7. REGULATORY ENVIRONMENT

Credit unions operate in a regulated environment and are governed by the Act (including Regulations), FSRA By-Laws, other legislation and its by-laws. The Act sets out how credit unions are structured and the special nature of the credit union governance structure, business powers and lending and investment restrictions and limitations. Further clarification and guidance is provided in FSRA By-laws including By-law #5 covering sound business and financial practices.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the regulatory environment, policy development and the policies required to meet legal, regulatory and governance requirements.

8. RISK MANAGEMENT OVERSIGHT

The Board is responsible for the oversight of the credit union's risk management practices, including Enterprise Risk Management. Risk management involves identifying, measuring and managing significant risks and events that may impact an organization's objectives. It encompasses policies, procedures and controls and how risks are managed.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the risk management framework for identifying, measuring and managing significant risks and events that may impact the credit union's objectives

9. STRATEGIC PLANNING

Strategic planning is part of a regular process that helps determine or confirm the credit union's overall longer term direction or vision. It includes an analysis of results, existing plans and strategies and an assessment of the current business and operating environment. Strategic planning initiates the annual business planning process. Directors are expected to contribute to strategic planning by understanding the strategic planning process and strategy formulation. This includes having a good knowledge of the credit union's business and operating environment, and being prepared for planning deliberations. It also requires collaboration and teamwork in developing an appropriate and effective strategic plan, and monitoring implementation of the plan.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the strategic planning process and contribute to the development of the strategic direction, core values and the strategic goals and objectives for the credit union.

A description of typical levels that the credit union will consider when determining the competency of directors in each of the required competencies is outline as follows;

1. AUDIT AND COMPLIANCE

Competency Level	Competency Attributes
Basic (B)	Defines compares and explains: <ul style="list-style-type: none"> • The role of the audit committee; • The external audit process and the role of the external auditor; • The role and nature of the internal audit function; • FSRA’s examination process; and • The role of the Compliance Officer.
Good (G)	Basic Plus: <ul style="list-style-type: none"> • Understands and incorporates in their actions the processes to monitor Board and individual directors to ensure compliance with internal controls, standards of sound business and financial practices and other regulatory requirements. • Reads and interprets reports of the compliance officer, external auditor, internal auditor and the regulators. • Distinguishes between the responsibilities of the Audit Committee, the Board and other committees. • Interprets and draws conclusions from the reports of the compliance officer, external auditor, internal auditor and regulators. • Asks appropriate questions about credit union policies, practices and reports. • Demonstrates, through actions, a knowledge of resolution strategies to address any material weaknesses and deficiencies. • Contributes to the development of policies to improve controls and compliance. • Ensures that key decisions made by the Board align with established policies, standards of sound business practices and other regulatory and legislative requirements. • Follows up with management to ensure corrective action is taken to rectify deficiencies noted in reports.
Strong (S)	Good Plus: <ul style="list-style-type: none"> • Analyzes results and reports and contributes to Board discussion and debate on complex issues and any material variances or weakness relating to audit and compliance. • Interprets and confirms that corrective action taken by management to address material non-compliance situations is identified in internal, external and regulatory audit reports is appropriate. • Identifies when it is necessary to challenge management for additional information to support conclusions or recommendations. • Identifies when a professional, independent opinion is required. • Calls upon internal and/or external audit resources to investigate complex variances and non-compliance situations.

<p>Expert (E)</p>	<p>Strong Plus:</p> <ul style="list-style-type: none"> • Interprets corporate, complex regulations and/or legislation for others, including providing regulatory advice. • Lobbies for legislative change to ensure a level playing field for credit unions. • Intervenes with regulators on the contentious and sensitive issues. • Through participation on provincial and/or national system committees, identifies appropriate changes to the legislative environment and audit and compliance standards on behalf of the Credit Union and the credit union sector. • Contributes to the ongoing development and refinement of Standards of Sound Business Practices.
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2. BOARD AND CEO PERFORMANCE

Competency Level	Competency Attributes
<p>Basic (B)</p>	<ul style="list-style-type: none"> • Explains the reporting relationship between the Board and the CEO. • Explains the appropriate approach regarding performance, management, feedback, and communications with the CEO.
<p>Good (G)</p>	<p>Basic Plus:</p> <ul style="list-style-type: none"> • Contributes to the development of the relationship between the Board and the CEO. • Applies the performance and measurement criteria for the Board and the CEO. • Contributes to the ongoing assessment of the CEO's and the Board's performance. • Ensures the use of objective measurement criteria is adopted. • Identifies opportunities for performance improvement in the CEO and Board. • Describes the processes and timing of Board and CEO performance planning and assessment.
<p>Strong (S)</p>	<p>Good Plus:</p> <ul style="list-style-type: none"> • Contributes to the development of assessment criteria for individual directors, the Board and CEO. • Ensures that the CEO performance criteria and compensation are aligned with the strategic plan and key objectives. • Demonstrates the ability to develop communications designed to create buy-in to concepts and direction from the Board to the CEO. • Contributes to the development and/or enhancement of the Board's stakeholder communications strategy. • Encourages other Board members to communicate effectively with the CEO. • Proactively manages and effectively communicates the CEO's performance through informal and formal communication. • Develops and initiates the board performance planning and assessment process. • Recognizes when a third-party expert is required.

	<ul style="list-style-type: none"> Identifies and addresses skills/performance gaps on the board and/or CEO
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> Leverages connections to other events, decisions and initiatives when developing and presenting communications to the CEO. Ensures fit between the Credit Union’s culture, values and beliefs and those of the CEO. Uses mediation skills to resolve conflicts or performance gaps on the board and/or with the CEO. Uses influence to create shifts in beliefs and/or values. Leads and/or contributes to discussion about the impact of the Credit Union in the community and/or in the credit union sector both provincially and nationally.

3. CREDIT UNION OPERATIONS

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> Defines the nature and extent of the Credit Union’s operations and service areas. Distinguishes between the Board’s and CEO’s responsibilities related to operations. Outlines the impact of operational weaknesses on depositor satisfaction and financial performance.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> Understands the Credit Union’s operational infrastructure and how its components interrelate. Understands the Credit Union’s business powers, major lines of business, services and delivery channels. Understands the membership profile and the nature and profile of major business segments. Effectively compares operational efficiency against industry standards and best practices. Recognizes the impact of strategic plans and objectives on operational effectiveness and operational efficiency. Asks questions and evaluates information and management recommendations on costs, benefits and risks involved in major operational decisions. Recognizes and seeks third party expertise when required.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> Understands the nature and extent of non-core business activities including any subsidiaries. Applies policy related to human resources practices, including competency requirements to senior management personnel. Analyzes the strategies, data and/or recommendations to improve operational effectiveness or resolve operational weaknesses. Fosters an environment of innovation in service delivery and strategies related to such innovations.

	<ul style="list-style-type: none"> • Discusses and evaluates policy recommendations with respect to their impact on operations. • Identifies and understands best practices related to operational efficiencies, such as outsourcing or collaborative strategies.
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> • Fosters an environment of innovation in service delivery and strategies related to such innovations. • Identifies best practices related to operational efficiencies, such as outsourcing or collaborative strategies.

4. FINANCIAL LITERACY

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> • Reviews financial reports, financial statements and operational plans & budgets prepared by management. • Seeks clarification of those areas that are not understood. • Understands basic budgeting process and financial objectives and budgets. • Understands basic financial statements, e.g. balance sheet and income statement. • Reviews financial reports presented by management and asks appropriate questions. • Knows statutory requirements.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> • Understands basic financial analysis concepts and tools. • Can explain the nature and purpose of all financial reports prepared by management, and the purpose and uses of key financial ratios, financial trends, performance benchmarks and system/group comparison reports. • Identifies variances between actual financial performance and established financial budget and targets and understands the nature and extent of recommendations to address material variances. • Understands the concept of materiality with respect to financial statement information and variances. • Ensures additional explanations and information is provided for any material variances including action plans.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> • Understands the national, provincial and local micro and macro economic factors that can affect the Credit Union's operations. • Explains and interprets the interrelationship of financial ratios and how they impact other areas. • Interprets financial results and reports and ensures the Board conducts sufficient oversight and discussion on recommended strategies to address and material variances. • Recommends the use of external resources to investigate any significant issues or "red flags" that may arise or to validate the Credit Union's

	financial policies, plans, controls and procedures where material weaknesses persist.
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> • Understands the concepts of global financial markets and the forces that shape them. • Categorizes complexities of various financial instruments and their use. • Contributes to the pursuit of change in legislated financial requirements through participation on provincial and national system committees.

5. GOVERNANCE AND ETHICS

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> • Understands the governance structure of the Credit Union and the responsibilities of Directors and the Board. • Understands what corporate governance is and how it is applied to the credit union environment. • Explains the importance, necessity and meaning of “independent”, “accountable”, “transparency”, “prudent” and “fiduciary”. • Recognizes the role of ethics (code of conduct) and personal integrity in acting in the best interests of the Credit Union and safeguards confidential and sensitive information. • Explains the roles of and interrelationships between the Board; Board and regulators; Board and senior management. • Explains the Credit Union’s strategic direction and corporate values. • Complies with the Credit Union’s policies. • Acts in accordance with Co-operative Principles. • Acts with integrity and ethics in making decisions. • Exercises due care and diligence.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> • Uses existing governance framework to evaluate, create and implement policies to enhance value. • Contributes fully to the Board and governance structures by: <ul style="list-style-type: none"> ○ Asking appropriate questions; ○ Identifying material variances or deficiencies; ○ Being prepared for meetings; ○ Seeking independent advice or expertise; and ○ Supporting board decisions. • Provides sound input into the Credit Union’s strategic direction and plans. • Assesses goals, objectives, risks and opportunities relative to strategic direction. • Oversees the Credit Union’s performance relative to strategic direction and implementation.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> • Mentors Board members to enhance their competence in democratic governance.

	<ul style="list-style-type: none"> • Oversees the ongoing evaluation of the Board’s governance structures. • Assesses adequacy of governance policies, processes and procedures and code of conduct and makes recommendations for change. • Identifies interrelationships and evaluates inherent risks and opportunities in the financial services environment and recommends appropriate action. • Independently assesses impacts of decisions related to risks and opportunities. • Describes how changes in regulatory environment impact best practices in Credit Union governance. • Analyzes past experiences and applies the concepts and learning to new situations. • Champions continuous learning within the Board regarding the innovations in governance structures and how they can be incorporated into their Credit Union’s governance regime.
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> • Collaborates with other experts to recognize and articulate best practices in democratic governance. • Demonstrates breakthrough thinking in the field of democratic governance

6. LEADERSHIP

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> • Communicates ideas and opinions clearly. • Understands effective leadership characteristics. • Identifies personal leadership characteristics. • Builds trust through honest and open communication and mutual respect.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> • Identifies Board dynamics including different approaches and styles. • Constructively influences Board dynamics. • Utilizes communication/facilitation techniques to encourage debate, dialogue, discussion. • Collaborates with fellow directors to build consensus. • Contributes to a constructive and open environment for the expression of diverse ideas and opinions. • Considers resource and support requirements of strategic initiatives.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> • Champions continuous learning and renewal within Boards, including the successful recruitment of new Board members, Director training and continuing education. • Acts as an ambassador for the Credit Union within the community. • Fosters innovation, creativity and shared understanding. • Encourages debate and diverse opinions and mediates to reach consensus. • Determines when more information or outside advice is required.

	<ul style="list-style-type: none"> Clearly communicates rationale for decisions to key stakeholders.
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> Networks strategically to stay on the leading edge of new developments and partnership opportunities. Leads the conceptualization of large-scale changes in industry direction through participation on provincial legislative and regulatory revisions and national system committees. Leverages networks with key stakeholders to influence the resolution of regulatory and other issues.

7. REGULATORY ENVIRONMENT

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> Explains and describes the: <ul style="list-style-type: none"> Role of the Ministry of Finance; Financial Services Commission of Ontario; Financial Services Regulatory Authority of Ontario; Responsibilities of Directors relative to policy creation and monitoring; and Responsibilities of the Board for policy creation and monitoring. Identifies the regulatory environment including the Act, regulations, FSRA bylaws and sound business practices as well as the Credit Union's by-laws, policies and processes.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> Demonstrates knowledge of the <i>Credit Union and Caisses Populaires Act</i>, Regulations and other relevant legislation. Understands the Credit Union's by-laws and related policies. Promotes regulatory compliance. Identifies gaps in the Credit Union's policies and compliance with regulatory requirements. Initiates policy enhancements to deal with gaps. Determines the policy framework i.e., the areas in which policies are required and why.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> Explains the application of relevant policies and the principles upon which they are built. Can interpret the <i>Credit Union and Caisses Populaires Act</i> and Regulations as well as other applicable legislation. Explains the rationale for policy changes and the impact of such changes to the Credit Union's compliance to policies and sound business standards and practices. Contributes to the strength of the credit union sector through strong leadership related to compliance, improved communication and shared understanding by credit unions and the regulator on these issues.
Expert (E)	<p>Strong Plus:</p> <ul style="list-style-type: none"> Participates in the drafting of new legislation and regulations through the provincial and/or national organizations.

	<ul style="list-style-type: none"> Understands the fine points of legislation and regulations relevant to own position as a director, interpreting them, providing comments to policy makers and supporting others in ensuring compliance.
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8. RISK MANAGEMENT OVERSIGHT

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> Understands the areas of risk to which the Credit Union may be exposed. Understands the risk management framework and policies of the Credit Union. Understands the purpose and requirements FSRA By-law #5. Understands FSRA’s examination process. Explains the role of the Board in risk management oversight.
Good (G)	<p>Basic Plus:</p> <ul style="list-style-type: none"> Explains and describes the nature of risks and risk management activities related to: <ul style="list-style-type: none"> Governance Capital management Credit risk management Operational risk management Market risk management Structural risk management Liquidity risk management Understands the significant risks to the Credit Union. Understands criteria for measuring risk. Understands the nature and extent of any material outsourcing, subsidiaries and securitization transactions. Describes the extent of any material non-core business activities and subsidiaries. Understands the Board’s risk assessment tools and risk management reports. Monitors risk management activities. Identifies areas of significant risk exposure in management reports. Interprets the results of the FSRA examination and internal/external auditors and makes decisions to manage and address identified risks.
Strong (S)	<p>Good Plus:</p> <ul style="list-style-type: none"> Understands what an Enterprise Risk Management framework is. Assesses the Credit Union’s risk appetite and tolerances. Provides direction to management on implementation of an Enterprise Risk Management system. Integrates all elements of Enterprise Risk Management into the strategic risk management process. Confirms the capacity of the Credit Union to withstand risk exposure levels. Interprets risk management policies and recommends changes to mitigate excessive exposure. Ensures strategic objectives are integrated into the ERM.

Expert (E)	Strong Plus: <ul style="list-style-type: none"> Identifies potential long-term risks and opportunities in the Canadian financial services environment and credit union sector.
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9. STRATEGIC PLANNING

Competency Level	Competency Attributes
Basic (B)	<ul style="list-style-type: none"> Understands the vision, mission and core values of the Credit Union. Is aware of the organization's strategies and plans through ongoing review, monitoring and discussion and is aware of their role in the process. Describes the strategic planning process and tools. Seeks information about the strategic management process and related management reporting.
Good (G)	Basic Plus: <ul style="list-style-type: none"> Applies knowledge of corporate goals, strategies and objectives to evaluate reports and recommendations presented by management. Uses independent and objective oversight when evaluating the reports and recommendations presented by management. Collaborates with fellow directors to build a consensus on strategic plans and initiatives. Participates in the development and communication of the Credit Union's vision, mission, and corporate values
Strong (S)	Good Plus: <ul style="list-style-type: none"> Seeks information in areas such as the Credit Union's concerns, the competitive environment and industry trends and standards. Explains the measures of success. Recognizes and promotes potential strategic opportunities. Weights the risk/benefit of the Credit Union's strategic initiatives in identifying their impact and establishing priorities. Identifies and communicates the indicators and measures for success for the Credit Union. Analyzes capacity and competencies in staffing and financial resources for strategic initiatives.
Expert (E)	Strong Plus: <ul style="list-style-type: none"> Collaborates with experts to develop a framework and policies for strategic plans and initiatives at a credit union system level. Leads the conceptualization of and planning for large scale changes in industry direction and key federal statutes through participation on provincial legislative and regulatory revisions and national system committees