

BAY Credit Union Board of Directors Candidate Package

Expression of interest is due no later than the fourth Tuesday of October and may be delivered to either branch in a sealed envelope addressed to the *Chair of the Nominating Committee*.



ABOUT BAY CREDIT UNION AND ITS BOARD

We are owned by our customers – our members! And, because we are locally owned, every penny of our profit goes back into expanding services, paying dividends and loan rebates to our members, and to serving our local communities.

Our purpose is to provide financial services for the economic well-being of our members and community and to do so in a responsible manner that includes all our members

Our directors come from all walks of life, socially and financially but all share a commitment to ensure the viability of our credit union moving forward. Our directors dedicate their time and energy to serve our community.

PROCESS OVERVIEW

Composition of BAY Credit Union's Board

The Board is currently composed of 9 Directors from Thunder Bay and surrounding areas.

Each Director will be elected acclaimed for a three-year term except when a vacancy presents itself as a result of a Director stepping down midterm.

In 2019, there will be a total of 4 Director Vacancies:

- Three Directors to be elected to 3-year terms; and
- One Director to be elected to a 2-year term, the 2-year position will be determined based on number of votes.

Competencies

All candidates are encouraged to apply. Generally, we're looking for Directors with a broad range of knowledge and depth of experience, alignment with the cooperative principles and values of the credit union system, and strategic and innovative thinking.

Time Commitment

Being a Director requires a significant time commitment. Directors must be prepared to attend regular scheduled Board meetings, Committee meetings, special Board meetings as scheduled, planning sessions and the Annual General Meeting. The Board meets a minimum of twelve (11) times a year. Committees meet as needed (often monthly) in the evenings.

A newly elected Directors' first term requires additional time for orientation, training and development.

Questions

If, after reviewing this Candidate Package, you have any questions or concerns about the nominations and election process, please contact:

Lynne LeGros
CEO
lynne@baycreditunion.com
807.345.8153

DETAILED PROCESS

The Nominations Committee (NC) facilitates the nomination and election process on behalf of the Board, including identification of candidates, assessing and endorsing them to members at the AGM. All candidates are encouraged to apply, but for 2019 the Board of Directors has established that the areas of expertise that are particularly needed include: Marketing skills, Information Technology skills and knowledge, and Legal Expertise.

BAY Credit Union Event Candidate Action

BAY Credit Union Event	Candidate Action	
First Monday of September Call for Board Nominations	Read 2019 Candidate Package	Submission of Intention to Stand for Election If you are interested in standing for election, please review the Candidate Package to ensure you understand the requirements and what competencies, skills and experience is desired.
Fourth Tuesday of October Deadline to submit Candidate	Submit completed Candidate Package to Nomination Chair by 4pm at either BAY Credit Union Branch	Once you have reviewed the material please complete and submit the Nomination Form along with required documents.
Last week of October Candidate interviews with Nominating Committee	Mandatory interview with the Nominating Committee	Review Packages and Candidate Interviews When the nomination period closes on the third Tuesday of October, the Nominating Committee will review all nominations to determine if you are eligible to stand for election as a Director.
By November 4th	Candidates notified of endorsement status no later than November 1. Any candidate withdrawals should be received by the CEO by 10 am EST November 15	If your nomination and Candidate Package is in order you will be asked to attend an in-person interview with the Nominating Committee. During the interview you will be asked about your background, competencies, skills and experience. The Nominating Committee will use this information to help determine which candidates to endorse.
November 5-15 Preparation for election	Candidates informed of endorsement, collection of candidate summaries	
Third Tuesday of November Election held at Annual General Meeting	Attend the Annual General Meeting	
January 9 First Board Meeting after election, reorganization of the Board	Elected Candidates to attend	

Why Does the Nominating Committee Require So Much Information?

The Nominating Committee is responsible for ascertaining whether a member is eligible to stand for election.

To assist the Nominating Committee in their evaluation, candidates are asked to provide information about their membership, employment history and the skills and experience they can offer the Board.

Endorsement

The Nominating Committee will decide which candidates they will or will not endorse once all candidate interviews are complete.

The Nominating Committee uses endorsement to communicate to the members which candidates have the competencies, skills and experience needed by the Board of Directors. As part of the nominating process the Board reviews its composition annually to identify gaps in skill sets and experience that would be beneficial to attract to the Board given its strategic direction. The Committee then seeks out candidates with those attributes identified by the Board. Depending on the qualifications, all, some or none of the candidates may be endorsed.

Voting

Candidates are introduced to the BAY Credit Union membership at the Annual General Meeting. Candidates are elected by anonymous ballots and results are announced during the meeting. The Annual General Meeting is held on the third Tuesday of November in Thunder Bay, Ontario.

Do We Need to Hold an Election?

If the number of valid nominations is equal to the number of vacancies the candidates will be elected by acclamation. This means the members will not vote on the candidates.

NOMINATION FORM

Date: _____

Candidate Information

Name: _____

Address: _____

City/Town: _____

Phone: _____

Postal Code: _____

Email: _____

Candidate Declarations

By signing this declaration, I hereby acknowledge and affirm that:

- I am being nominated for election to the Board of Directors. I hereby accept such nomination. I have asked for and acknowledge the support of the members who have signed the attached "Nomination Support" document.
- I have familiarized myself with the Act, and those provisions of the Act which are particularly relevant to the obligations of Directors of credit unions in Ontario
- I am aware of the duties, legal obligations and liabilities of a credit union Director
- If elected, I am willing to commit the necessary time to discharge faithfully my duties and participate in training programs
- I have answered, to the best of my ability, all questions included in the candidate package, and all the information I have supplied is true and complete to the best of my knowledge

I have attached the following documents:

- Nomination Form
- Personal Information
- Skill/Capability Assessment
- Areas of Expertise
- One Candidate Statement (300 words) to be included in voting packages and on-line.
The personal statement may include biographical information, credit union affiliation, community service, qualifications and why members should vote for you. If you exceed the maximum word limit your statement may be edited. You may include a photograph if you wish.

I have reviewed the following documents for Director Responsibilities and the legislated Director Qualifications and requirements as per the attached and I am aware of no barrier to my participation on the Board.

Candidate Signature _____

PERSONAL INFORMATION

Name: _____
 Home Address: _____
 Mailing Address: _____
 Same as above

Telephone
 Work _____ Home _____ Mobile _____
 Email _____
 BAY Credit Union Member Account Number: _____

Education

Name & Location of School or Institution	Course, Program, Major, Field	Credits, Diploma, Degree Attained	Dates Started	Completed
Special Courses	Course Content, Duration, etc.			Year Completed

Employment

Please list employment history for the past 15 years

Organization	Position	Dates Started	Completed

Board Experience

Please list all past and current Board positions, including any committee positions held or special task forces

Organization	Position	Dates Started	Completed

Community Involvement/Other Interests

Please list any relevant community involvement, community connections, or other interests not already covered

Organization	Position	Dates started	Completed

Eligibility to Stand as a Director

The following information is used to confirm your eligibility to stand as a Director, as defined by BAY Credit Union's By-laws and the Credit Unions and Caisse Populaires Act.

Are you a member of BAY Credit Union and at least 18 years old?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you a Canadian Citizen or a personal lawfully admitted to Canada for permanent residency who is ordinarily a resident in Canada?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you disqualified from becoming or acting as a Director pursuant to the Credit Unions and Caisse Populaires Act (see section 91 & 92 included)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you aware of any conflicting interest that would prevent you from properly discharging the duties of a Director at BAY Credit Union?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

DIRECTOR RESPONSIBILITIES

The Board will hold Directors accountable for fulfilling the expectations outlined in this role description. A Director must operate at a level demonstrating ability, judgment and integrity consistent with the needs of the organization. A Director must ensure he or she is in compliance with all governmental requirements including those set by the organization's regulators. A Director's duty is to protect the assets of the organization, honor the rights of the employees, stakeholders and creditors, and provide for financial health of the organization.

Standard of Duty

Although Directors may be elected by the stakeholders to bring special expertise or points of view, they are not chosen to represent a particular constituency. The Directors are solely accountable to the Credit Union in their capacity as a Director.

Every Director, in discharging his or her duties, must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The following is a non-exhaustive list of actions that should be taken by a Director in discharging his/her duties.

- a) Demonstrate a solid understanding of the role, responsibilities, and legal duties of a Director and the governance structure and protocols for the Credit Union (this may require the Director taking action to educate themselves on their governance duties and sound governance practices)
- b) Not act to delegate decisions or powers to Management that should remain with the Board;
- c) Attend all Board and applicable Board Committee meetings¹ (Directors who do not attend meetings are deemed to have consented to the resolutions passed at those meetings). Where a Director is not able to attend a meeting, the Director must show diligence by reviewing the material for the meeting, advising a fellow Director of any concerns or comments on the material, and otherwise be sufficiently familiar with the Board's information so that his/her performance and contribution to the Board does not suffer as a result of non-attendance. The Director is expected to organize him/ herself to be able to attend the entire Board or Committee meeting, and not just parts of meetings.
- d) Prepare adequately for each Board and Committee meeting which they attend. This includes reading the material, analyzing the information, and conducting independent research if necessary, to better understand the material.
- e) Participate in a meaningful way in Board and Board Committee meetings. This includes making reasonable enquiries about information provided by Management and/ or Board Committees to gain assurance that the information provided is correct (complete and accurate) and to perform due diligence prior to making motions and voting on such motions.
- f) Interact with fellow Directors and Management in a respectful way and with conduct that honours the stated credit union values
- g) Stay informed of the business and regulatory environment in general and in particular the events occurring in the financial services sector and the local economic factors
- h) Demonstrate an understanding of the Credit Union's strategic direction and demonstrate an understanding of the broader credit union system and of the financial services sector
- i) Contribute and add value to discussions regarding the Credit Union's strategic direction
- j) Participate in monitoring of the CEO and in the annual performance evaluation process of CEO
- k) Read critical documents issued by the Credit Union to members and shareholders
- l) Utilize the Credit Union's products and services
- m) Participate on and contribute to at least one Board Committee
- n) Understand the difference between governing and managing, and not encroach on Management's area of responsibility

Fiduciary Responsibilities

The Director, in discharging his or her duties, must act:

Honestly and in good faith

Common law requires a Director to act honestly and in good faith with a view towards the best interests of the Credit Union. The key elements of this standard of behavior are:

- A Director must act in the best interests of the Credit Union and not in his or her self-interest. This also means a Director is not to act in the best interest of some special interest group or constituency.
- A Director cannot take personal advantage of opportunities that come before him/her in the course of performing his/her Director duties
- A Director must disclose to the Board any personal interests that he/she holds that may conflict with the interests of the Credit Union
- A Director must respect the Code of Conduct of the Credit Union
- A Director must conduct himself/herself in a manner becoming the reputation of the Credit Union and in a manner that honours the values of the Credit Union

With skill and prudence

- A Director must respect the confidentiality of information learned in the performance of their duty as a Director and this confidentiality remains after the person is no longer a Director of BAY Credit Union
- A Director shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. It is recognized that the standard of behavior expected of a Director will depend upon the particular qualities or characteristics that the Director brings to the discussion.
- A Director shall demonstrate good judgement, interact appropriately with the leadership and Management of the Credit Union, be a positive and constructive force within the Board, demonstrate an openness to other's opinions and be willing to listen, have the confidence and will to make tough decisions including the strength to challenge the majority view, maintain collaborative and congenial relationships with colleagues on the Board, advise the Board Chair in advance when introducing significant and/or previously unknown information or material at a Board

meeting, and a Director must act on behalf of and for the benefit of the organization.

Without self-interest

- The Director has a fiduciary duty to the organization. This duty recognizes that Directors are in a position of trust over the actions of the organization and can engage in activities that can harm the organization. The Director is responsible to act for another's benefit, rather than for himself/herself. Directors will be prohibited from:
 - Engaging in activities that put their personal interests in conflict with the best interests of the organization
 - Engaging in activities that would provide the Director, or others, with a direct benefit that should have been earned by the organization
 - Failing to act in a situation where action would be in the best interests of the organization
 - Taking an opportunity for personal profit that the organization either could have obtained for itself or that it was actively seeking

Authority

The Board of Directors acts collectively and exercises its powers and responsibilities as a group. Individual Directors have no power to act on their own. A Director cannot unilaterally operate, give direction to Management, or authorize transactions unless specific authority has been delegated by the Board through proper processes.

When a motion has been decided by proper decision-making protocol of the Board, every Director is expected to support the decision. If the Director is strongly opposed to the decision of the Board and cannot agree to support the decision, the individual can pursue options through legal means or resign from the Board.

Ongoing Learning

Every Director of the organization is required to invest time to pursue ongoing learning to better equip themselves in conducting their duties and making effective decisions. This may include:

- Attending industry conferences and other relevant forums subject to prior approval by the Board Chair
- Participating in Director orientation and development programs developed by BAY Credit Union

- Attending courses with the purpose of achieving the Credit Union Director Achievement status
- Maintain an understanding of the regulatory, legislative, and economic environments within which the Credit Union operates

Director Evaluation

BAY Credit Union expects that each Director will bring to the Board a certain level of knowledge and experience, demonstrate certain attributes, and adhere to certain principles. The threshold for business competencies below should be possessed and demonstrated by candidates at the time of election or within one year. Training is offered to ensure all Directors reach the required competency level. Please answer the following to assess the extent to which you meet these expectations.

- Expert: You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field
- Strong: Significant understanding and expertise of the competency gained through an appropriate combination of education and work experience
- Good: You understand the basic fundamentals and concepts that are encountered in this skill area
- Basic: You have some knowledge of the competency
- N/A: You have no familiarity with the topic or area

DIRECTOR COMPETENCY ASSESSMENT

Area	Self-Assessment	Comments & Examples
<p>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.</p>		
<p>Audit & 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.</p>		
<p>Board & 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 the 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 behavior that promotes the on-going viability of the credit union.</p>		
<p>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.</p>		
<p>Governance & Ethics Governance includes understanding and contributing to the development and articulation of strategic plans, 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</p>		

<p>their responsibilities in a prudent and objective manner with due regard to the best interests of the credit union.</p> <p>Area</p>	<p>Self- Assessment</p>	<p>Comments & Examples</p>
<p>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.</p>		
<p>Regulatory Environment Credit unions operate in a regulated environment and are governed by the Act (including Regulations), DICO 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 DICO By-laws including By-law #5 covering sound business and financial practices.</p>		
<p>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.</p>		
<p>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.</p>		
<p>Other Areas of Expertise</p>	<p>Rating</p>	
<p>1. Marketing</p>		
<p>2. Legal Experience</p>		
<p>3. Information Technology</p>		
<p>4. Corporate Social Responsibility</p>		
<p>5. Executive Recruiting & Human Resources Management</p>		
<p>6. Entrepreneurial and/or Self-Employment Experience</p>		
<p>7. Change Management</p>		
<p>8. Other areas of expertise/experience. Please specify</p>		

CREDIT UNION ACT & CAISSES POPULAIRES

Director Qualifications & Requirements as Legislated in Sections 91 & 92 of the Credit Unions and Caisse Populaires Act, 1994 91.

Only a natural person who meets the following criteria is eligible to be a Director of a credit union:

- He or she is a member of the credit union.
- He or she is at least eighteen years of age.
- He or she is a Canadian Citizen, or a person lawfully admitted to Canada for permanent residency who is ordinarily a resident in Canada.

Disqualified Individuals 92. (1)

The following individuals are disqualified from being Directors of a credit union:

1. One whose membership in any credit union has been terminated, other than voluntarily.
2. One who has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as Director.
4. One who is unable to obtain a bond of an insurer licensed under the Insurance Act to write surety and fidelity insurance.
5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union unless the credit union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the United Nations Act (Canada).
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a Director, of an offence described in subsection (3) and who has not received a pardon for the offence.

8. One whose membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as Director, for professional misconduct.
9. 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.
10. 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.
11. An employee of the Corporation.
12. A public servant employed under Part III of the Public Service of Ontario Act; 2006 whose employment duties include regulating credit unions.
13. One who has not met the training requirements or qualifications for Directors established by the credit union.
14. One who has not met any reasonable condition or qualification set out in the by-laws of the credit union. 2007, c. 7, Sched. 7, s.58 (1).

Exception 92. (2)

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

Type of offence 92. (3)

An offence referred to in paragraph 7 of subsection 92 (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.

For additional information please visit
baycreditunion.com/elections

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