



# Director Candidate Information Guide

---

Nomination Period

Opens: Monday December 2, 2024

Closes: Tuesday December 31, 2024 at 3:00 p.m. EST

---

## Our Vision

Tandia is driven to lead the cooperative banking movement by delivering unparalleled products and services through a mutually rewarding relationship with our members and the communities within which we operate.

## Our Values

Respect, integrity and innovation - these values are the foundation of Tandia. Our members come first and each one is unique. We strive every day to gain and maintain your trust. We also welcome change and operate with a spirit of openness and flexibility.



### Respect

Mutually rewarding and enduring relationships are at the core of who we are and how we operate. Our members come first and each member is unique. Your concerns are our concerns and we strive every day to gain and maintain your trust.



### Integrity

We are committed to providing the highest level of service delivered with sensitivity and care. We also wholeheartedly embrace our role as a leading corporate citizen and endeavor to support the needs and interests of the wider community in everything we do.



### Innovation

We welcome change and operate with a spirit of openness and flexibility. We don't accept the status quo. This means never resting on our laurels and always being responsive to the needs of our members and the communities in which we operate.



## Board of Directors

### 2025 Application for Nomination

Dear Prospective Board Candidate:

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

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

This year the Nominating 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 Nominating Committee are outlined on Page 1 of this application package.

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

Please note that applications must be received no earlier than December 2, 2024 and no later than 3:00 p.m. EST December 31, 2024.

Yours truly,

Richard Davies  
President & CEO  
1-800-598-2891 Ext.1119  
richard.davies@tandia.com



## Table of Contents

### Application for Nomination

|      |    |   |
|------|----|---|
| Page | 1  | Election Process  |
|      | 2  | Candidate's Guide   |
|      | 3  | Application for Nomination  |
|      | 4  | Candidate's Undertaking   |
|      | 6  | Schedule A – Director Eligibility Requirements                          |
|      | 7  | Schedule B – Individual Director Disqualifications                      |
|      | 9  | Schedule C – Requirements to be Met by Nominators                       |
|      | 10 | Schedule D – Selection Criteria   |
|      | 11 | Schedule E – Expertise/Experience Assessment                            |
|      | 13 | Schedule F – Declaration of Economic Interests                          |
|      | 19 | Schedule G – Requirements to Disclose                                   |
|      | 20 | Schedule H – Background Information for Candidates                      |
|      |    | Appendix 1 - Policy BP.01.04 – Director Training and Qualifications     |
|      |    | Appendix 2 - Director Nomination and Election Policy and Qualifications |



## **Board of Directors**

### **Election Process**

### **2025 Application for Nomination**

Tandia Financial Credit Union Limited Board of Directors has a Board complement of nine (9) directors. In 2025, 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. All Members who meet the qualifying criteria may participate in the Board election by seeking nomination and running for a position on the Board of Directors.

As defined in Tandia Financial Credit Union Limited By-Laws and the Board's Nomination and Election Policy, the Nominating 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.

Tandia Financial Credit Union Limited elections will be conducted via electronic voting and in branch paper balloting, during the period of March 17, 2025 – April 4, 2025. There will not be nominations from the floor, nor will any voting for directors take place at the Annual General Meeting. The results of the election will be announced on Thursday April 24, 2025 at the Annual General Meeting of Tandia Financial Credit Union Limited.



## Candidate's Guide

### 2025 Application for Nomination

1. Individuals wishing to be candidates for Tandia Financial Credit Union Limited's Board of Directors must be at least 18 years of age and hold twenty-five dollars (\$25.00) in Membership Shares.
2. Additional eligibility requirements are outlined on Schedule A (Page 6) of this Application.
3. If after reviewing the above and the Background Information for Candidates - Schedule H (Page 20), a candidate wishes to make application, he or she must:
  - a. Seek the signatures of two (2) nominators who themselves meet the Nominator Eligibility Requirements outlined in Schedule C (Page 9);
  - b. Complete this Application in its entirety; and
  - c. Submit it along with the five (5) documents detailed on Pages 4/5 of this Application. (Statement of Interest, Resume, completed Schedule E [Expertise/Experience Assessment]; Schedule F [Declaration of Economic Interests by a Restricted Party of Tandia Financial Credit Union Limited]; Schedule G [Requirements to Disclose]; and a photograph also detailed on Page 5).
4. Applications for Nomination and all required attachments should be saved as PDF documents with applicable JPEG photo and submitted electronically, addressed to [elections@tandia.com](mailto:elections@tandia.com)

Once the nomination period closes:

- The Nominating Committee of the Board will validate the Candidate's eligibility and confirm receipt.
- The Election of Directors by Members will be conducted during the period March 17, 2025 and April 4, 2025.
- The successful candidates will be announced at the Annual General Meeting of Tandia Financial Credit Union Limited, to be held on April 24, 2025.



## Application for Nomination

### 2025 Application for Nomination

As members of Tandia Financial Credit Union Limited we nominate the following person for election to the Board of Directors. As nominators we meet all of the qualifications outlined in Schedule C (Page 9).

Candidate Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/Postal Code: \_\_\_\_\_

Phone: (Res) \_\_\_\_\_ (Bus) \_\_\_\_\_

E-mail: \_\_\_\_\_

Two Nominators:

1. Legal Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone: \_\_\_\_\_

Signature of Nominator: \_\_\_\_\_

2. Legal Name: \_\_\_\_\_

Address \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone: \_\_\_\_\_

Signature of Nominator: \_\_\_\_\_



## Candidate's Undertaking

### 2025 Application for Nomination

The undersigned hereby applies to be nominated as a candidate for election to the Board of Directors of Tandia Financial Credit Union Limited.

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 84 of the Act.
- 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 84 of the Act or if I have met the test of any of the disqualifying criteria as set out in Section 84 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 and referenced in the Application for Nomination; and be accompanied by the following documents, saved as PDF:

1. A Statement of Interest, not exceeding 400 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 Tandia Financial Credit Union Limited;
  - c. explains why members should vote for this candidate.

This Statement will be published by Tandia Financial Credit Union as received and will be used to inform the Membership about the Candidate in its election materials.

2. A resume with experience based on the past five (5) years (two page maximum) which includes disclosures outlining the following:
  - a. experience, expertise and qualifications of the candidate;
  - b. candidate's involvement in community activities;
  - c. candidate's past and present service as a director of a Board;
  - d. any formal director education/training accreditations; and
  - e. candidate's professional, community or other affiliations or memberships;





## Candidate's Undertaking (continued)

### 2025 Application for Nomination

3. A completed Applicant Expertise/Experience Assessment as found on Schedule E (Page 12);
4. A completed Schedule F (Page 13) Declaration of Economic Interests by a Restricted Party and/ or Related Party of Tandia Financial Credit Union Limited; and
5. A completed Schedule G (Page 19) Requirements to Disclose.
6. A recent photograph of the candidate, in JPEG format, reflecting an image that is a head shot showing head and upper body.

The photo must meet the following specifications:

- 5"x 7" at 300 dpi minimum
- even lighting with a clear, neutral background
- be taken in colour

Reasonable costs of this photograph will be reimbursed by the Credit Union.

7. Having signed this Application for Nomination the Candidate consents to Tandia Financial Credit Union Limited reviewing any of the candidate's financial information on file at the Credit Union, and consents to Tandia Financial Credit Union Limited 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, Resume and Candidate Photo will be published by Tandia Financial Credit Union Limited 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, Resume and Photo will be published.

I accept that, should I be elected to the Board of Directors of Tandia Financial Credit Union Limited, I will be present at the Annual General Meeting on Thursday April 24, 2025.

Dated at \_\_\_\_\_, Ontario, this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signature of Nominee

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Postal Code



## Schedule A

### 2025 Application for Nomination

#### **Director Eligibility Requirements**

(as extracted from Tandia Financial Credit Union Limited By-Laws and Nominating and Election Policy)

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:
  - I. is a member of the Credit Union in Good Standing;
  - II. is not disqualified from becoming or acting as a director pursuant to the Act;
  - III. 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;
  - IV. is not the Spouse/Partner, Parent or Child of a person described in paragraph (iii);
  - V. 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 interests 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.
- B. the individual, if an incumbent director, will not, at the end of that individual's current term as a director, have served more than four (4) consecutive three-year terms or twelve (12) years since that director's first election to the Board at or after the Credit Union's annual general meeting held in 2015; and
- C. the individual has been nominated in accordance with the terms of this By-law.

## **Schedule B** (continued) 2025 Application for Nomination

### **Individual Director Disqualifications**

(as extracted from the Ontario Regulation 105/22 – Section 29)

#### **Disqualified Individuals**

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

1. the information provided by the applicant is incomplete, false, or misleading, or the application has not been received within the prescribed timeline; or
2. the applicant's intention to stand for election is primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors, officers or members; or
3. a real or perceived conflict of interest (collectively, a "Conflict of Interest") exists, that would prevent the applicant, if elected, from properly discharging their duties as a Director; or
4. One whose membership in any credit union has been terminated, other than voluntarily.
5. One who has been found under the *Substitute Decisions Act, 1992* 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.
6. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which the individual may be elected as director.
7. One who is unable to obtain proof of bonding insurance that is satisfactory to the Chief Executive Officer.
8. 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.
9. One who has been convicted, in the five years preceding the date on which the individual may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
10. One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct.
11. An employee of the credit union or a central in which the credit union is a member is a member or the employee's spouse, parent or child.
12. 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 the individual may be elected as a director.
13. An employee, director or officer of the Authority.
14. A public servant employed under *Part III of the Public Service of Ontario Act, 2006* whose employment duties include regulating credit unions.



## **Schedule B** (continued)

### 2025 Application for Nomination

15. One who has not met the training requirements or qualifications for directors established by the credit union.
16. One who has not met any reasonable condition or qualification set out in the By-laws of the credit union.
17. Is the CEO of the Credit Union.
18. If a former employee of the Credit Union, was not an employee of the Credit Union, its predecessor credit unions, or any credit union the assets of which have been purchased by the Credit Union, at the time in the sixty (60) month period ending with the last day of the Nomination Period.

#### **Exception**

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

#### **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 of or failure to comply with the Act, a predecessor of the Act or an Act governing a subsidiary of the credit union; or
  - d. involves a contravention of or failure to comply with the Securities Act.



## Schedule C

### 2025 Application for Nomination

#### **Requirements to be met by Nominators**

(As extracted from Tandia Financial Credit Union Limited By-Laws)

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

- A. have been a member of the Credit Union in good standing;
- B. not be disqualified from becoming or acting as a director of the Credit Union pursuant to the Act;
- C. if a former employee of the Credit Union, not have been an employee of the Credit Union at any time in the sixty (60) month period ending on the last day of the nomination period;
- D. not be the manager or any full-time or part-time employee, director, or committee member of another credit union; and
- E. with the exception of the proposed nominee, not be then a director of the Credit Union.



## Schedule D

### 2025 Application for Nomination

#### **Selection Criteria**

In the evaluation of proposed nominees the Nominating Committee uses 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 Nominating 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 "a team" at Board level and "speak with one voice" once full discussion has been undertaken and a decision made by the Board;
8. Demonstrate personal integrity, financial stability and high ethical standards;
9. Be willing to commit to continuous learning and undertake appropriate director training and development initiatives;
10. Have the ability to understand and assess implications of financial statements and auditors reports;
11. Agree to fulfill the time commitment, including travel time and work load associated with being a director of the Credit Union;
12. Have the capability to access electronic information via the Internet, and be able to print associated materials.



## Schedule E

### 2025 Application for Nomination

#### **Board of Directors Applicant Expertise/Experience Assessment**

Tandia Financial Credit Union Limited 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 Nominating 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.

## Schedule E (continued)

### 2025 Application for Nomination

| Competency/Area  | Rating | How Did You Receive This Competency Level |
|--|--------|---|
| 1. Audit and Compliance Oversight<br>- performance and regulatory standards; examination & auditing procedures   |        |   |
| 2. Board & CEO Performance<br>- setting and evaluating criteria and standards of performance of the Board, directors and the CEO   |        |   |
| 3. Credit Union Operations<br>- Cooperative business model; key components of operations (people, physical and technical infrastructure), operational risks              |        |   |
| 4. Financial Literacy<br>- Reading and interpreting financial statements and financial performance indicators  |        |   |
| 5. Governance and Ethics<br>- Board roles and responsibilities; structure; decision making powers; Board policies and process; Committees (mandates; structure; process) |        |   |
| 6. Leadership<br>- Leadership traits; skills and effective professional and personal attributes  |        |   |
| 7. Regulatory Environment<br>- Governing legislation and guidance; regulatory bodies/ organizations  |        |   |
| 8. Risk Management Oversight<br>- Financial and operational risks; risk management and monitoring  |        |   |
| 9. Strategic Planning<br>- Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation                    |        |   |





## Schedule F

### 2025 Application for Nomination

DECLARATION OF ECONOMIC INTERESTS BY A RESTRICTED PARTY AND/OR A RELATED PARTY OF TANDIA FINANCIAL CREDIT UNION LIMITED

Name: \_\_\_\_\_

Position with Tandia Financial Credit Union Limited: \_\_\_\_\_

#### Definitions

##### Restricted Party (RP):

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

- A) a director or officer of Tandia Financial Credit Union Limited;
- B) a spouse/partner of a director or officer of Tandia Financial Credit Union Limited;
- C) a relative of a person described in [A] or [B] above, if the relative lives in the home of the above and is financially dependent on the person described in [A] or [B];
- D) a corporation/partnership in which a person described in [A] beneficially owns, directly or indirectly, more than 10% of the voting shares; or
- E) a corporation/partnership controlled by a person described in [A] [B] [C] or [D] above.

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

##### Connected Persons (CP):

1. In relation to a member, another person or entity is a “connected person”, if he or she or it is one of the following:
  - A) a corporation in which the member holds or beneficially owns, directly or indirectly, at least 35 per cent of the voting securities,
  - B) an affiliate\* of a corporation described in [A],
  - C) 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,
  - D) a partnership in which the member is a partner,
  - E) a trust or estate in which the member has a substantial beneficial interest,
  - F) a trust or estate in respect of which the member serves as a trustee or in a similar capacity,
  - G) a person or entity on whose financial resources the member depends to repay a loan to the Tandia Financial Credit Union Limited,
  - H) a person or entity who provides security to Tandia Financial Credit Union Limited or a loan to the party.

\* “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.



## Schedule F (continued)

### 2025 Application for Nomination

2. 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:
- A. a spouse/partner of the member who is financially dependent on the member,
  - B. a relative of the member or of the member's spouse/partner who lives in the same home as the member and who is financially dependent on the member or the member's spouse/ partner.

#### **Conflict of interest:**

Applies when a Director or Officer is/has:

- A. a party to a material contract or proposed material contract with Tandia Financial Credit Union Limited;
- B. a director or officer of an entity that is a party to a material contract or proposed contract with Tandia Financial Credit Union Limited;
- C. a material interest in a person who is a party to a material contact or proposed material contract with Tandia Financial Credit Union Limited; or
- D. a spouse/partner, parent or child of an individual who is a party to a material contract or proposed material contract with Tandia Financial Credit Union Limited.

#### **Related Party (RLT.PTY):**

A person or entity is related to Tandia Financial Credit Union Limited in connection with the preparation of its financial statements if:

- A. the person or a close member of that person's family has control or joint control over Tandia Financial Credit Union Limited;
- B. the person or a close member of that person's family has significant influence over Tandia Financial Credit Union Limited;
- C. the person or a close member of that person's family is a member of the key management personnel of Tandia Financial Credit Union Limited (Executive leadership team; Board of Directors and Officers of Tandia Financial Credit Union Limited); or
- D. the entity (a corporation/partnership) is controlled or jointly controlled by a person identified in [A], [B], or [C].

**Close members of the family** of a person described in [A] [B] or [C] above are those family members who may be expected to influence, or be influenced by, that person in their dealings with Tandia Financial Credit Union Limited and include:

- A. that person's children and spouse/partner;
- B. children of that person's spouse/partner; and
- C. dependents of that person or that person's spouse/partner.



## Schedule F (continued)

### 2025 Application for Nomination

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 Tandia Financial Credit Union Limited 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 Tandia Financial Credit Union Limited, directly or indirectly, including any director of Tandia Financial Credit Union Limited.

**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.



## Schedule F (continued)

### 2025 Application for Nomination

#### Declarations:

Name of Spouse/Partner [RP & RLT.PTY]:

---

1. Is spouse/partner financially dependent on me? [CP] Yes  No
2. Names of children and other relatives financially dependent on me or my spouse/partner 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]:
  - A. Names of children of self or spouse/partner:  

---
  - B. Names of dependents of self or spouse/partner:  

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

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

---
3. Names of corporations whether or not they are members of Tandia Financial Credit Union Limited 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]:  

---
4. Names of corporations, partnerships or unincorporated associations whether or not they are members of Tandia Financial Credit Union Limited in which I beneficially own 50 per cent or greater of the voting shares and their subsidiaries: (state percentage [50% = joint control; >50% = control]) [RLT. PTY]:  

---



## Schedule F (continued)

### 2025 Application for Nomination

5. Names of corporations whether or not they are members of Tandia Financial Credit Union Limited in which I or any one of my spouse/partner, children and other relatives named above own shares which carry more than 50 percent of the votes for the election of directors [RP]:

---

6. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are members of Tandia Financial Credit Union Limited in which any one of my spouse/partner 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]:

---

7. Names of corporations or unincorporated associations whether or not they are members of Tandia Financial Credit Union for which I serve as a Director or Officer [CONFLICT]:

---

8. Names of partnerships whether or not they are members of Tandia Financial Credit Union Limited in which I am a partner: (state percentage interest and percentage interest of other partners) [CP]:

---

9. Names of trusts or estates which are members of Tandia Financial Credit Union Limited and in which I have a substantial beneficial interest [CP]; [RLT PTY]:

---

10. Names of trusts which are members of Tandia Financial Credit Union Limited and for which I act as trustee (including accounts on which I act as attorney for property) [CP]:

---

11. 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]:

---



## Schedule F (continued)

### 2025 Application for Nomination

#### ACKNOWLEDGEMENT

I hereby:

- acknowledge that this declaration is given for the purposes of assisting Tandia Financial Credit Union Limited 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. 92 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 Tandia Financial Credit Union Limited 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 association, 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 Tandia Financial Credit Union Limited.

Dated at \_\_\_\_\_, Ontario, this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

---

Signature of Nominee



## Schedule G

### 2025 Application for Nomination

#### 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/partner, 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 \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signature of Nominee

\_\_\_\_\_  
Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Name



## Schedule H (continued)

### 2025 Application for Nomination

#### **BACKGROUND IN FORMATION FOR CANDIDATE**

##### **PREAMBLE:**

Tandia Financial Credit Union Limited Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Tandia Financial Credit Union Limited 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 Tandia Financial Credit Union Limited Committees, director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a director of Tandia Financial Credit Union Limited. 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 Tandia Financial Credit Union Limited Governance structure/practices, please contact the President & CEO.

##### **Committees**

###### **Full Board**

The Board of Directors will consist 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 four (4) standing Committees which are assigned responsibilities to assist the Board to carry out its mandate.

The current Committees and their mandates are as follows:

###### **Audit and Operational Risk Committee**

The Audit and Operational Risk Committee's primary role is to set the context for an effective enterprise risk management (ERM) framework and gain assurance that Management has implemented appropriate systems and practices aligned with an ERM framework. The ERM framework is to provide reasonable assurance that the strategic, operational, financial and regulatory objectives of the credit union are achieved.

The Audit and Operational Risk Committee oversees the design and implementation of internal controls to support the risk management framework, the integrity of financial reporting, and compliance with regulatory matters.

Within the ERM and control frameworks, the Committee assists the Board in fulfilling its oversight responsibilities regarding safeguarding of assets and members deposits,





## Schedule H (continued)

### 2025 Application for Nomination

compliance with laws, regulations and governing policies; integrity of management and financial information, and efficiency and effectiveness of operations and independence of the external and internal audit functions.

#### **Governance, Ethics and Human Resources Committee**

The Governance, Ethics, Human Resources Committee will have three areas of responsibility. One role is to facilitate the Board of Directors to provide for effective governance of the credit union and to ensure that governance practices evolve with the needs of the credit union. This includes ensuring the Board's own development and succession. The Committee creates a framework to hold the Board accountable to its stakeholders and oversees the governance system of the credit union to ensure that duties by the governance body are being met and regulatory requirements are being fulfilled. The Committee will assist the Board in holding Directors and Board Committees accountable for fulfilling their duties.

The second area of responsibility is for the Committee to assist in protecting the reputation of the credit union. The Committee oversees the development and monitoring of policies which provides for the desired ethical conduct by Directors and employees and to prevent the exercise of undue influence by restricted parties.

The third area of responsibility is with respect to Human Resources. The Committee will ensure governing policies are in place and implemented by Management to provide employees at the credit union with fair and meaningful employment in a safe and respectful workplace. The Committee assists the Board in fulfilling policy responsibilities to the employee stakeholder group as a whole, with specific responsibility for the Executive Management of the credit union. The Committee also assumes the governance responsibility for any pension plans provided for the credit union's employees.

Additionally, the Committee leads the evaluation and compensation process for the CEO.

#### **Credit and Market Risk Committee**

The Credit and Market Risk ("CMR") Committee's role is to provide effective oversight of Tandia Credit Union's ("Tandia or the Credit Union") risk management activities related to investment risk, credit risk, liquidity risk, interest rate risk, foreign exchange risk, and capital management. This includes providing for the appropriate governing policies to be in place to provide the appropriate context for risks to be taken, the level of risks, and the monitoring of adherence to the established policies.



## Schedule H (continued)

### 2025 Application for Nomination

**Nominating Committee**

This Committee oversees Director elections. These responsibilities include facilitating the identification of candidates for election to the Board of Directors and overseeing an orderly, open, transparent and democratic Board election process. The intent of the election process is to encourage broad-based, informed, active and effective member engagement and participation in the election process.

**Remuneration and Time Commitment**

Listed below is the remuneration for the Directors of the Board for Tandia Financial Credit Union:

| Payment Type | Position                                     | amount         |
|--------------|--|----------------|
| Retainer     | Chair  | \$20,000/year  |
|              | Vice Chair                                   | \$14,000/year  |
|              | Audit and Operational Risk Committee Chair   | \$13,000/year  |
|              | Governance, Ethics and Human Resources Chair | \$13,000/year  |
|              | Credit and Market Risk Chair                 | \$13,000/year  |
|              | Nominating Committee Chair                   | \$13,000/year  |
|              | Directors                                    | \$10,000/year  |
| Per Meeting  | All Board and Committee Meeting Attendance   | \$250/meeting* |

| Item                         | Minimum estimated Time (not including travel)   |
|------------------------------|---|
| Quarterly Board Meetings     | Regularly scheduled meetings are normally held in person at Tandia’s Corporate Office located at 3455 North Service Road in Burlington. Meetings are held on a Tuesday evening and Wednesday until noon.  |
| Board Meeting Packages       | Preparation before Board meetings will take approximately 5 – 10 hours per meeting. Materials are distributed by electronic format and are posted to Aprio, the external storage center for Directors, generally one week prior to the scheduled meeting. |
| Quarterly Committee Meetings | Regularly scheduled meetings are normally held through MS Teams.  |
| Board Meeting Packages       |   |
| Committee Meeting Packages   | Preparation for Committee meetings will take approximately 2 – 4 hours per meeting.   |



## Schedule H (continued)

### 2025 Application for Nomination

|                            |   |
|----------------------------|---|
| Strategic Planning Session | Annually the Board of Directors may meet over two days (Friday evening and Saturday all day) to discuss the strategic direction of the Credit Union.      |
| Annual General Meeting     | The Annual General Meeting is held in April during the evening (allow three (3) hours/meeting).   |
| Orientation Program        | For newly elected Directors; usually held following the election and no later than one month after having been elected. Allow a minimum of two (2) hours. |

#### **Education**

Tandia Financial Credit Union Limited 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 Financial Services Regulatory Authority of Ontario (FSRA) set out minimum expectations for individual Director competencies which will require various programs be completed within certain time frames.

In addition, Directors are enrolled in the Credit Union Director Achievement Program (CUDA), a three-level governance program. This program is comprised of online courses and 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.

Each Committee regularly holds educational sessions during its scheduled meetings. 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 well as a per diem for each meeting attended. These payments are taxable as personal income. Directors are reimbursed for a portion of their monthly internet bill. Reasonable expenses are reimbursed as per Board policy.

### 1. Policy Statement

As required under the *Act, Financial Services Regulatory Authority of Ontario (FSRA), Sound Business & Financial Practices and FSRA Guidance Note: Director Training and Qualifications*, the credit union 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 this policy.

### 2. Minimum Director Competency Requirements and Time Frames

All directors are required to achieve the minimum competency requirements within the specified timeframes set out in the Table 1 below. A description of each of the competencies and competency levels is set out in [Appendix 1](#).

**Table 1: Required Competencies, Competency levels and Time Frames**

| Competency                               | All Directors   | Audit Committee | Audit Committee Chair | Board Chair | Governance Committee |
|--|---|-----------------|-----------------------|-------------|----------------------|
|  | <b>Competency level</b>   |                 |                       |             |                      |
| 1. Audit and Compliance Oversight        | S   | S               | S                     | S           | S                    |
| 2. Board and President & CEO Performance | S   | S               | S                     | S           | S                    |
| 3. Credit Union Operations               | S   | S               | S                     | S           | S                    |
| 4. Financial Literacy                    | S   | S               | S                     | S           | S                    |
| 5. Governance and Ethics                 | S   | S               | S                     | S           | S                    |
| 6. Leadership                            | S   | S               | S                     | S           | S                    |
| 7. Regulatory Environment                | S   | S               | S                     | S           | S                    |
| 8. Risk Management Oversight             | S   | S               | S                     | S           | S                    |
| 9. Strategic Planning                    | S   | S               | S                     | S           | S                    |
|  | <b>Time Frames to achieve Competency level<br/>Within Date of election or appointment</b> |                 |                       |             |                      |
|  | 24 months   | 12 months       | 6 months              | 6 months    | 6 months             |

### 3. 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; and
- 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 in [Appendix 2](#). 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 Governance Committee to confirm results and identify potential gaps and any training requirements.

The Board Chair 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.

### 4. 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. A Director who does not meet the competency level required will prepare a development plan within 90 days of receiving the assessment results and present the plan to the GEHRP Committee.

Once minimum competency levels are attained, directors are required to attend at least one director development course, seminar, workshop or program each year.

Directors may also choose to pursue a director certification program.

### 5. 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 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 in [Appendix 3](#).

#### **6. 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.

#### **7. 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.

#### **8. 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 Governance 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 Chair 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

---

## 9. Review and Approval

This policy is subject to annual review and approval by the Board.

## Appendix 1: 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 President & CEO Performance

The Board is required to conduct an assessment of its performance and that of the President & 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 President & CEO to manage the day to day operations. An objective evaluation and assessment of the Board and the President & 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 President & CEO rewards only prudent risk taking behavior 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 President & 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 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 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.

**Core Competency Level Descriptions**

**Core Competency Level Descriptions**

A description of typical competency levels that the credit union will consider when determining the competency of directors in each of the required competencies is outlined below.

| Competency level  | Description (Experience/Qualifications)  |
|-------------------|--|
| <b>Basic (B)</b>  | <ul style="list-style-type: none"> <li>• Some knowledge of the competency</li> <li>• Understands terminology and can identify skills and attributes associated with the competency</li> </ul>  |
| <b>Good (G)</b>   | <ul style="list-style-type: none"> <li>• Good understanding of the fundamentals of the competency gained through an appropriate combination of education, working knowledge, previous board experience and completion of introductory director training</li> <li>• Sufficient knowledge and experience to apply concepts to less complex issue</li> </ul>  |
| <b>Strong (S)</b> | <ul style="list-style-type: none"> <li>• Significant understanding and expertise of the competency gained through an appropriate combination of education, practical work experience, previous board experience and completion of advanced director training</li> <li>• Participates fully in board analysis, discussion and debate on more complex issues</li> <li>• Ensures sufficient information is provided to support analysis and recommendations</li> <li>• Uses knowledge to mentor new directors and provide greater understanding of competency</li> <li>• Challenges management’s assumptions when needed and speaks out appropriately at board meetings</li> <li>• Makes significant contributions to long-range planning</li> </ul>  |
| <b>Expert (E)</b> | <ul style="list-style-type: none"> <li>• Expert understanding of the competency gained through an appropriate combination of direct practical working experience in a senior position or function, previous board experience, professional designation, qualification or degree in the subject matter and completion and accreditation of a director training program</li> <li>• Participates fully in board analysis, discussion and debate on more complex issues</li> <li>• Ensures sufficient information is provided to support analysis and recommendations</li> <li>• Uses knowledge to mentor new directors and provide greater understanding of competency</li> <li>• Interprets complex data to contribute new knowledge in the competency areas</li> <li>• Provides expert analysis and advice on complex issues</li> <li>• Challenges management’s assumptions when needed and speaks out appropriately at board meetings</li> <li>• Makes significant contributions to long-range planning</li> </ul> |

**Appendix 2: Assessment Criteria**

**1. Audit and Compliance Oversight**

| Competency level | Audit and Compliance Oversight: Competency attributes  |
|------------------|--|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Defines compares and explains:               <ul style="list-style-type: none"> <li>• The role of the audit committee</li> <li>• The external audit process and the role of the external auditor</li> <li>• The role and nature of the internal audit function</li> <li>• FSRA’s Examination process</li> <li>• The role of the compliance officer</li> </ul> </li> </ul>   |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Reads and interprets reports of the compliance officer, external auditor, internal auditor and the regulators</li> <li>• Distinguishes between the responsibilities of the Audit Committee, the Board and other committees</li> <li>• Interprets and draws conclusions from the reports of the compliance officer, external auditor, internal auditor and regulators</li> <li>• Asks appropriate questions about credit union policies, practices and reports</li> <li>• Demonstrates, through actions, knowledge of resolution strategies to address any material weaknesses and deficiencies</li> <li>• Contributes to the development of policies to improve controls and compliance</li> <li>• Ensures that key decisions made by the Board align with established policies, standards of sound business practices and other regulatory and legislative requirements</li> <li>• Follows up with management to ensure corrective action is taken to rectify deficiencies noted in reports</li> </ul> |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Identifies when it is necessary to challenge management for additional information to support conclusions or recommendations</li> <li>• Identifies when a professional, independent opinion is required</li> <li>• Calls upon internal and/or external audit resources to investigate complex variances and non-compliance situations</li> </ul>  |

**1. Audit and Compliance Oversight continued**

| Competency level | Audit and Compliance Oversight: Competency attributes  |
|------------------|--|
| Expert           | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Interprets corporate, complex regulations and/or legislation for others, including providing regulatory advice</li> <li>• Lobbies for legislative change to ensure a level playing field for credit unions</li> <li>• Intervenes with regulators on the contentious and sensitive issues</li> <li>• 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</li> <li>• Contributes to the ongoing development and refinement of Standards of Sound Business Practices</li> </ul> |

**2. Board and President & CEO Performance**

| Competency level | Board and President & CEO Performance: Competency attributes  |
|------------------|---|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Explains the reporting relationship between the Board and the President &amp; CEO</li> <li>• Explains the appropriate approach regarding performance management, feedback, and communications with the President &amp; CEO</li> </ul>  |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Contributes to the development of the relationship between the Board and the President &amp; CEO</li> <li>• Applies the performance and measurement criteria for the Board and the President &amp; CEO</li> <li>• Contributes to the ongoing assessment of the President &amp; CEO's and the Board's performance</li> <li>• Ensures the use of objective measurement criteria is adopted</li> <li>• Identifies opportunities for performance improvement in the President &amp; CEO and Board</li> <li>• Describes the processes and timing of Board and President &amp; CEO performance planning and assessment</li> </ul>  |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Contributes to the development of assessment criteria for individual directors, the Board and President &amp; CEO</li> <li>• Ensures that the President &amp; CEO performance criteria and compensation are aligned with the strategic plan and key objectives</li> <li>• Demonstrates the ability to develop communications designed to create buy-in to concepts and direction from the Board to the President &amp; CEO</li> <li>• Contributes to the development and/or enhancement of the Board's stakeholder communications strategy</li> <li>• Encourages other Board members to communicate effectively with the President &amp; CEO</li> <li>• Proactively manages and effectively communicates the President &amp; CEO's performance through informal and formal communication</li> <li>• Develops and initiates the board performance planning and assessment process</li> <li>• Recognizes when a third party expert is required</li> <li>• Identifies and addresses skills/performance gaps on the board and/or President &amp; CEO</li> </ul> |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Leverages connections to other events, decisions and initiatives when developing and presenting communications to the President &amp; CEO</li> <li>• Ensures fit between the credit union's culture, values and beliefs and those of the President &amp; CEO</li> <li>• Uses mediation skills to resolve conflicts or performance gaps on the board and/or with the President &amp; CEO</li> <li>• Uses influence to create shifts in beliefs and/or values</li> <li>• 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</li> </ul>   |

### 3. Credit Union Operations

| Competency level | Credit union Operations: Competency attributes  |
|------------------|---|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Defines the nature and extent of the credit union’s operations and service areas</li> <li>• Distinguishes between the Board’s and President &amp; CEO’s responsibilities related to operations</li> <li>• Outlines the impact of operational weaknesses on member satisfaction and financial performance</li> </ul>  |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Understands the credit union’s operational infrastructure and how its components interrelate</li> <li>• Understands the credit union’s business powers, major lines of business, services and delivery channels</li> <li>• Understands the membership profile and the nature and profile of major business segments</li> <li>• Effectively compares operational efficiency against industry standards and best practices</li> <li>• Recognizes the impact of strategic plans and objectives on operational effectiveness and operational efficiency</li> <li>• Asks questions and evaluates information and management recommendations on costs, benefits and risks involved in major operational decisions</li> <li>• Recognizes and seeks third party expertise when required</li> </ul> |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Understands the nature and extent of non-core business activities including any subsidiaries</li> <li>• Applies policy related to human resources practices, including competency requirements to senior management personnel</li> <li>• Analyzes the strategies, data and/or recommendations to improve operational effectiveness or resolve operational weaknesses</li> <li>• Discusses and evaluates policy recommendations with respect to their impact on operations</li> </ul>  |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Fosters an environment of innovation in service delivery and strategies related to such innovations</li> <li>• Identifies best practices related to operational efficiencies, such as outsourcing or collaborative strategies</li> </ul>  |

#### 4. Financial Literacy

| Competency level | Financial Literacy: Competency attributes   |
|------------------|---|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Reviews financial reports, financial statements and operational plans &amp; budgets prepared by management</li> <li>• Seeks clarification of those areas that are not understood</li> <li>• Understands basic budgeting process and financial objectives and budgets</li> <li>• Understands basic financial statements, e.g. balance sheet and income statement</li> <li>• Reviews financial reports presented by management and asks appropriate questions</li> <li>• Knows statutory requirements</li> </ul>   |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Understands basic financial analysis concepts and tools</li> <li>• 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</li> <li>• Identifies variances between actual financial performance and established financial budget and targets and understands the nature and extent of recommendations to address material variances</li> <li>• Understands the concept of materiality with respect to financial statement information and variances</li> <li>• Ensures additional explanations and information is provided for any material variances including action plans</li> </ul> |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Has understanding of the national, provincial and local micro and macro-economic factors that can affect the credit union's operations</li> <li>• Explains and interprets the interrelationship of financial ratios and how they impact other areas</li> <li>• Interprets financial results and reports and ensures the board conducts sufficient oversight and discussion on recommended strategies to address any material variances</li> <li>• 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</li> </ul>  |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Understands the concepts of global financial markets and the forces that shape them</li> <li>• Categorizes complexities of various financial instruments and their use</li> <li>• Contributes to the pursuit of change in legislated financial requirements through participation on provincial and national system committees</li> </ul>   |



**5. Governance and Ethics**

| Competency level | Governance and Ethics: Competency attributes   |
|------------------|--|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Understands the governance structure of the credit union and the responsibilities of directors and the Board</li> <li>• Understands what corporate governance is and how it is applied to the credit union environment</li> <li>• Explains the importance, necessity and meaning of “independent”, “accountable”, “transparency”, “prudent” and “fiduciary”</li> <li>• 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</li> <li>• Explains the roles of and interrelationships between the Board; Board and regulators; Board and senior management</li> <li>• Explains the credit union’s strategic direction and corporate values</li> <li>• Complies with the credit union’s policies</li> <li>• Acts in accordance with Co-operative Principles</li> <li>• Acts with integrity and ethics in making decisions</li> <li>• Exercises due care and diligence</li> </ul> |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Uses existing governance framework to evaluate, create and implement policies to enhance value</li> <li>• Contributes fully to the board and governance structures by:               <ul style="list-style-type: none"> <li>• asking appropriate questions</li> <li>• identifying material variances or deficiencies</li> <li>• being prepared for meetings</li> <li>• seeking independent advice or expertise</li> <li>• supporting board decisions</li> </ul> </li> <li>• Provides sound input into the credit union’s strategic direction and plans</li> <li>• Assesses goals, objectives, risks and opportunities relative to strategic direction</li> <li>• Oversees the credit union’s performance relative to strategic direction and implementation</li> </ul>  |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Mentors board members to enhance their competence in democratic governance</li> <li>• Oversees the ongoing evaluation of the Board’s governance structures</li> <li>• Assesses adequacy of governance policies, processes and procedures and code of conduct and makes recommendations for change</li> <li>• Identifies interrelationships and evaluates inherent risks and opportunities in the financial services environment and recommends appropriate action</li> <li>• Independently assesses impacts of decisions related to risks and opportunities</li> <li>• Describes how changes in regulatory environment impact best practices in credit union governance</li> <li>• Analyzes past experiences and applies the concepts and learning to new situations</li> <li>• 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</li> </ul>        |



|               |  |
|---------------|--|
| <b>Expert</b> | <b>Strong Plus:</b> <ul style="list-style-type: none"><li>• Collaborates with other experts to recognize and articulate best practices in democratic governance</li><li>• Demonstrates breakthrough thinking in the field of democratic governance</li></ul> |
|---------------|--|

## 6. Leadership

| Competency level | Leadership: Competency attributes   |
|------------------|---|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Communicates ideas and opinions clearly</li> <li>• Understands effective leadership characteristics</li> <li>• Identifies personal leadership characteristics</li> <li>• Builds trust through honest and open communication and mutual respect</li> </ul>  |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Identifies board dynamics including different approaches and styles</li> <li>• Constructively influences board dynamics</li> <li>• Utilizes communication/facilitation techniques to encourage debate, dialogue, discussion</li> <li>• Collaborates with fellow directors to build consensus</li> <li>• Contributes to a constructive and open environment for the expression of diverse ideas and opinions</li> <li>• Considers resource and support requirements of strategic initiatives</li> </ul>   |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Champions continuous learning and renewal within boards, including the successful recruitment of new board members, director training and continuing education</li> <li>• Acts as an ambassador for the credit union within the community</li> <li>• Fosters innovation, creativity and shared understanding</li> <li>• Encourages debate and diverse opinions and mediates to reach consensus</li> <li>• Determines when more information or outside advice is required</li> <li>• Clearly communicates rationale for decisions to key stakeholders</li> </ul> |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Networks strategically in order to stay on the leading edge of new developments and partnership opportunities</li> <li>• Leads the conceptualization of large-scale changes in industry direction through participation on provincial legislative and regulatory revisions and national system committees</li> <li>• Leverages networks with key stakeholders to influence the resolution of regulatory and other issues</li> </ul>   |

## 7. Regulatory Environment

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

## 8. Risk Management Oversight

| Competency level | Risk Management Oversight: Competency attributes  |
|------------------|---|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Understands the areas of risk to which the credit union may be exposed</li> <li>• Understands the risk management framework and policies of the credit union</li> <li>• Understands the purpose and requirements FSRA By-law #5</li> <li>• Understands FSRA's examination process</li> <li>• Explains the role of the Board in risk management oversight</li> </ul>  |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Explains and describes the nature of risks and risk management activities related to:               <ul style="list-style-type: none"> <li>• Governance</li> <li>• Capital management</li> <li>• Credit risk management</li> <li>• Operational risk management</li> <li>• Market risk management</li> <li>• Structural risk management</li> <li>• Liquidity risk management</li> </ul> </li> <li>• Understands the significant risks to the credit union</li> <li>• Understands criteria for measuring risk</li> <li>• Understands the nature and extent of any material outsourcing, subsidiaries and securitization transactions</li> <li>• Describes the extent of any material non-core business activities and subsidiaries</li> <li>• Understands the Board's risk assessment tools and risk management reports</li> <li>• Monitors risk management activities</li> <li>• Identifies areas of significant risk exposure in management reports</li> <li>• Interprets the results of the FSRA examination and internal/external auditors and makes decisions to manage and address identified risks</li> </ul> |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Understands what an Enterprise Risk Management framework is</li> <li>• Assesses the credit union's risk appetite and tolerances</li> <li>• Provides direction to management on implementation of an enterprise risk management system</li> <li>• Integrates all elements of enterprise risk management into the strategic risk management process</li> <li>• Confirms the capacity of the credit union to withstand risk exposure levels</li> <li>• Interprets risk management policies and recommends changes to mitigate excessive exposure</li> <li>• Ensures strategic objectives are integrated into the ERM</li> </ul>  |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Identifies potential long-term risks and opportunities in the Canadian financial services environment and credit union sector</li> </ul>  |

**9. Strategic Planning**

| Competency level | Strategic Planning: Competency attributes  |
|------------------|--|
| <b>Basic</b>     | <ul style="list-style-type: none"> <li>• Understands the vision, mission and core values of the credit union</li> <li>• Is aware of the organization’s strategies and plans through ongoing review, monitoring and discussion and is aware of their role in the process</li> <li>• Describes the strategic planning process and tools</li> <li>• Seeks information about the strategic management process and related management reporting</li> </ul>  |
| <b>Good</b>      | <p><b>Basic Plus:</b></p> <ul style="list-style-type: none"> <li>• Applies knowledge of corporate goals, strategies and objectives to evaluate reports and recommendations presented by management</li> <li>• Uses independent and objective oversight when evaluating the reports and recommendations presented by management</li> <li>• Collaborates with fellow directors to build a consensus on strategic plans and initiatives</li> <li>• Participates in the development and communication of the credit union’s vision, mission, and corporate values</li> </ul>   |
| <b>Strong</b>    | <p><b>Good Plus:</b></p> <ul style="list-style-type: none"> <li>• Seeks information in areas such as the credit union’s concerns, the competitive environment and industry trends and standards</li> <li>• Explains the measures of success</li> <li>• Recognizes and promotes potential strategic opportunities</li> <li>• Weighs the risk/benefit of the credit union’s strategic initiatives in identifying their impact and establishing priorities</li> <li>• Identifies and communicates the indicators and measures for success for the credit union</li> <li>• Analyzes capacity and competencies in staffing and financial resources for strategic initiatives</li> </ul> |
| <b>Expert</b>    | <p><b>Strong Plus:</b></p> <ul style="list-style-type: none"> <li>• Collaborates with experts to develop a framework and policies for strategic plans and initiatives at a credit union system level</li> <li>• 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</li> </ul>  |

**Appendix 3: BOARD COMPETENCIES AND SKILLS MATRIX**

Director competency levels and skills will be tracked using the following format.

|   | Director Name |                | Director Name |                | Director Name |                | Director Name |                | Director Name |                |
|---|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| Core Competencies                             | Actual Level  | Required Level | Actual Level  | Required Level | Actual Level  | Required Level | Actual Level  | Required Level | Actual Level  | Required Level |
| Audit and Compliance                          |               |                |               |                |               |                |               |                |               |                |
| Board and President & CEO Performance         |               |                |               |                |               |                |               |                |               |                |
| Credit Union Operations                       |               |                |               |                |               |                |               |                |               |                |
| Financial Literacy                            |               |                |               |                |               |                |               |                |               |                |
| Governance and Ethics                         |               |                |               |                |               |                |               |                |               |                |
| Leadership                                    |               |                |               |                |               |                |               |                |               |                |
| Regulatory Environment                        |               |                |               |                |               |                |               |                |               |                |
| Risk Management                               |               |                |               |                |               |                |               |                |               |                |
| Strategic Planning                            |               |                |               |                |               |                |               |                |               |                |
| <i>Date Elected</i>                           |               |                |               |                |               |                |               |                |               |                |
| <i>Date Appointed</i>                         |               |                |               |                |               |                |               |                |               |                |
| <i>Date Competency Level Must be Attained</i> |               |                |               |                |               |                |               |                |               |                |

## DIRECTOR NOMINATION AND ELECTION POLICY

### 1.0 General

The Board of Directors (the “**Board**”) of Tandia Financial Credit Union Limited (Tandia) has adopted this Director Nomination and Election Policy that outlines (a) the nomination process and (b) the election process, by which qualified Candidates may be elected to the Board. The Nominating Committee is responsible for this Policy, in accordance with the Nominating Committee Mandate and Terms of Reference.

### 2.0 Overview and Guiding Principals

- 2.1 The Board of Directors (the “Board”) acknowledges the importance of its role in ensuring effective succession planning and in having policies to enable the recruitment, nomination, evaluation, and election processes to occur in a consistent and fair manner.
- 2.2 The Board is responsible for establishing a Nominating Committee to act independently in its oversight of these processes. For greater clarity, from the commencement of the Nomination Period, the Nominating Committee shall work independently from the Board.
- 2.3 Tandia aims to have a Board composition of qualified candidates reflective of the communities served by Tandia and aligned with Board Policy.

### 3.0 Role of the Nominating Committee

- 3.1 The Nominating Committee is a standing committee of the Board composed of directors not eligible for re-election at the next annual general meeting (“AGM”).
- 3.2 If a member of the Nominating Committee finds her/himself in a real or perceived conflict of interest situation with respect to one of the candidates, the member shall disclose, in writing, to the Committee Chair the nature and extent of his/her interest. The Committee Chair will ask to have the conflict recorded in the minutes of Committee meeting. Chair will ask that this process be recorded in the minutes of the Committee meeting.
- 3.3 The Nominating Committee will approve the Returning Officer.

### 4.0 Role of the Nominating Committee’s Management Resource

- 4.1 The Management Resource provides ongoing administrative and functional assistance to the Nominating Committee and to candidates in order to ensure the integrity and effectiveness of the nomination and election processes, including by:
  - a) Maintaining a Candidate Pool who have been identified by Directors and Management as potentially Qualified Candidates for future elections, as required;
  - b) Providing information to interested parties, and assisting candidates in understanding the nomination and election processes, as required; and
  - c) Supporting and assisting the Nominating Committee throughout its processes, including communicating with candidates on behalf of the Committee or its Chair.
- 4.2 The Management Resource receives applications. The Management Resource provides information to the Nominating Committee regarding the validity of the applications, including any basis for rejecting them, and Candidate eligibility.



## 5.0 Candidate Recruitment

- 5.1 The Board acknowledges that it is accountable for its own succession and, as a result, commits to the recruitment of potential candidates on an ongoing basis with a view to maintaining a Candidate Pool for future elections. A key principle in consideration of the creation of this Candidate Pool is the quality, rather than the quantity, of prospective candidates.
- 5.2 Candidate recruitment may be undertaken through such processes as:
- Ongoing identification of potential qualified candidates by Directors and Management;
  - Placement of appropriate signage in Tandia's branches and offices; and
  - Publication on Tandia's website and social media.

## 6.0 Nomination Process

The Nominating Committee shall oversee the director nomination process outlined in the Policy, including the following:

- 6.1 *Notice of Nomination Period* – The Management Resource shall give notice of the Nomination Period to all of Tandia's members of record. The Nomination Period should be established to allow a minimum of fifteen (15) calendar days for the receipt of applications. The notice shall be posted on Tandia's website and shall include:
- an announcement that an election of directors is to take place, specifying the number of positions which are to be filled, and instructions relating to the submission of an application; and
  - the beginning and end dates of the Nomination Period.
- 6.2 *Director Eligibility* – An individual is eligible for election as a director of the Credit Union as of the last day of the Nominating Period, the individual:
- Is a member of the Credit Union in Good Standing;
  - Is not disqualified from becoming or acting as a director pursuant to the Act;
  - 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;
  - Is not the Spouse/Partner, Parent or Child of a person described in paragraph (iii);
  - 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 arising as a result of any previous, existing, or future relationship with the Credit Union, its members, competitors, or suppliers.
- 6.3 *Validity of Applications* – Applications received from the membership, to be valid, must be in the form, and received by the deadline, prescribed by the Nominating Committee and must contain the information and accompanying documents outlined in the Director Candidate Guide, which shall be posted on Tandia's website. The Nominating Committee has full and unfettered discretion to reject an application, based on the recommendation of the Management Resource pursuant to his/her duties under s. 6.2 above, including on the following basis:
- the information provided by the applicant is incomplete, false, or misleading, or the application has not been received within the prescribed timeline; or
  - the applicant's intention to stand for election is primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors, officers or members; or
  - a real or perceived conflict of interest (collectively, a "Conflict of Interest") exists, in accordance with s. 6.8 below, that would prevent the applicant, if elected, from properly discharging their duties as a Director; or
  - One whose membership in any credit union has been terminated, other than voluntary;

- e) One who has been found under the Substitute Decisions Act, 1992 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;
- f) One who is unable to obtain proof of bonding insurance that is satisfactory;
- g) One who is more than 90 days in arrears in the payment of the debt owed to the credit union, unless the Credit Union has agreed to extend the time for repayment.
- h) One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct;
- i) An employee,, director or officer of the Authority;
- j) One who has not met the training requirements or qualifications for directors established by the Credit Union;
- k) is the CEO of the Credit Union;
- l) if a former employee of the Credit Union, was not an employee of the Credit Union, its predecessor credit unions, or any credit union the assets of which have been purchased by the Credit Union, at the time in the sixty (60) month period ending with the last day of the Nomination Period;
- m) the applicant is an individual who ought not to be in a position to influence a financial institution; or
- n) the applicant is an individual that, if elected, may not act honestly, in good faith, and in the best interests of the financial institution; or
- o) the application does not adhere to applicable legal or regulatory requirements.

The Committee Chair and/or the Management Resource will notify the applicant of the rejection of the application within 48 hours of the Committee's decision.

**6.4 Identification of Qualified Candidates** – The Committee will identify Qualified Candidates as defined in section 7.0 of this Policy and inform those candidates who have been determined not to be Qualified Candidates that they will not be considered in the Nomination process.

**6.5 Recommended Candidates**

- a) After completing the candidate review, the Committee collectively discusses their assessment of all Qualified Candidates.
- b) The Committee informs each of the Qualified Candidates, individually, whether or not the Nominating Committee has selected them as a Recommended Candidate (subject to the results of a background check).

**6.6 Actions by the Management Support** – Upon receipt of the list of Candidates from the Nominating Committee, the distribution of voting information to the Members will occur pursuant to the Credit Union Bylaws.

**6.7 Conflicts of Interest** - In considering the validity of an application pursuant to s. 6.2 above, the Nominating Committee will assess whether a Conflict of Interest exists, taking into consideration the criteria set out below. If It is determined that a Conflict of Interest does exist, he/she will report such finding to the Committee, who, in turn, will factor such finding into its determination of validity pursuant to s. 6.2 above. A Conflict of Interest includes, but is not limited to, the following circumstances:

- a) A conflict of interest as defined under applicable legislation or regulatory guidance;
- b) A scenario in which a candidate is an elected member of a Municipal, Provincial or Federal Government;
- c) A scenario in which a candidate is an employee, officer, advisor or Member of the Board of a financial services regulatory authority that directly regulates one or more of Tandia's businesses on a consolidated basis; or
- d) A scenario in which a candidate is a director, officer, employee or agent of an entity that is engaged in, or has the potential to be engaged in, offering products or services that are the same as or similar to, and that directly compete with those offered by the Tandia's businesses on a consolidated basis; or

- e) A real, perceived or potential conflict of interest that exists at the time of submitting the application, unless such conflict will be resolved, with a high degree of certainty in the opinion of the Nominating Committee, by the time of the election.

For greater certainty, it is the responsibility of all candidates, before submitting an application, to have obtained all approvals from their employer or other stakeholders in order to address any Conflict of Interest.

## 7.0 Qualified Candidates

The Nominating Committee will review the Candidate Submission Package to ensure that i) have the Director eligibility requirements outlined in the Credit Union By-laws and the Candidate Guide ii) meet the Director Selection Criteria outlined in section below

### 7.1 Director Selection Criteria

**A.** Each Director should have:

1. A high standard of personal values and ethics, including integrity, accountability, commitment and courage;
2. Excellent business and professional judgment;
3. The ability to think strategically and problem solve;
4. Demonstrated mature and cooperative leadership;
5. A strong understanding of fiduciary duty;
6. Strong communication skills, including the ability to listen and speak his/her mind independently and respectfully;
7. Willingness and ability to commit the required time to the role and actively participate in meetings;
8. Commitment to ongoing training and education for Board skills and duties;
9. Share Tandia's purpose and values, and demonstrate a willingness to act in Tandia's best interest at all times;
10. Demonstrate the ability to bring a perspective of external business, finance, and social issues to Board deliberations;
11. Uphold the values of teamwork demonstrating the ability to operate as "a team" at Board level and "speak with one voice" once full discussion has been undertaken and a decision made by the Board;
12. Generally have 7 to 10 years of senior executive or governance experience with organizations that operate in a competitive environment, or 7 to 10 years of senior executive or governance experience with public, non-profit or cooperative organizations of a scale and complexity similar to the Credit Union; and
13. Have a demonstrated reputation of valuable community involvement.

**B.** Each Director should have a strong understanding of each of the following core competencies as outlined by the Financial Services Regulatory Authority, or a willingness to achieve a strong understanding within a specified timeframe if elected to the Board:

1. **Audit and Compliance:** 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 & CEO Performance: Knowledge and understanding of 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: Knowledge and understanding of how a 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 knowledge and understanding to interpret financial reports and statements and monitor corrective actions to ensure financial goals and regulatory requirements are met;
5. Governance and Ethics: Knowledge and understanding of the critical elements of good governance and ethics;
6. Leadership: Knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encourage on-going education to further develop competencies;
7. Regulatory Environment: Knowledge and understanding of the regulatory environment, policy development and policies to meet legal, regulatory and governance requirements;
8. Risk Management Oversight: Knowledge and understanding of the risk management framework for identifying, measuring and managing significant risk and events that may impact the credit union's objectives; and
9. Strategic Planning: Knowledge and understanding of strategic planning processes and the ability to contribute to the development of the strategic direction, core values and strategic goals and objectives for the credit union.

## 8.0 Campaigning Rules

- 8.1 Campaigning by candidates is prohibited. The only written communication that may be used regarding a director candidate's candidacy in connection with the election is the information provided to Tandia by the candidate for the purpose of a Candidate Statement of Interest. Such written communication may only be distributed by Tandia.
- 8.2 The following further defines Tandia's guidelines:
  - a) Candidates may not use social media to announce or promote their candidacy;
  - b) Director candidates are not permitted to use traditional media (brochures, newsletters, flyers); or disseminate campaign materials including messaging via mass electronic distribution; advertising; rallies etc., to promote their candidacy in the election;
  - c) Director candidates may not organize public meetings to promote their candidacy;
  - d) Director candidates must not solicit or participate in interviews with the media in connection with the election or place any advertisements or statements regarding their candidacy in the election in any newspaper, website, or other publication or media, or permit anyone to do so, on the director candidate's behalf;
  - e) Director candidates are not permitted to campaign on Tandia property, including ATM vestibules or inside branches. This includes physically positioning ones-self on Tandia premises to speak to those entering or attending at Branches. If third parties, beyond

the control of the director candidate or Tandia choose to ignore this restriction, the director candidate may be asked to show evidence they have not encouraged the support and have made a strong attempt to discourage it; and

- f) Director candidates are not permitted to partake in activities that would reflect negatively on the professionalism of the credit union.

8.3 No director candidate shall interfere with or permit any person on their behalf to interfere with the duties of Tandia employees. To minimize any potential conflict of interest, direct contact during the election between director candidates and employees including existing directors is limited to Tandia's Management Support. Direct contact means in person, by telephone, or by email/text or similar. Assistance provided during the election will be limited to administrative or informational details.

8.4 All director candidates are expected to abide by these guidelines. The contravention by any director candidate of these guidelines may be grounds for the Nominating Committee to disqualify the candidate, as it determines under the circumstances.

## 9.0 Director Election Process

9.1 The required timelines for the election notice and the voting period are set forth in Credit Union By-laws as confirmed by the Membership from time to time.

9.2 Management shall put in place a process to make available information for all Members eligible to vote in the election, in a reasonable time prior to the voting period.

9.3. Management will put in place a process to ensure electronic in-branch and on-line voting is effective and ensures one vote per Member.

9.4 The counting of the electronic/online ballots at the end of the election period will be overseen by the Returning Officer.

9.5 In the event that the positions being filled have unequal terms associated with them, the following will apply in the event of an election: the candidate with the least number of votes will be awarded the shortest term; and where there is a tie vote, directors who are not Nominees shall by resolution allocate the available terms among the Nominees.

9.6 Unless there is a determination by the Board that there may be a dispute over the election results, the Board will require that a resolution be placed before the Membership at the AGM, requesting the destruction of the election ballots.

9.7 The results of the election will be communicated, in writing, on a strictly confidential basis, to the candidates and to the Board, by the Chair, Nominating Committee, as soon as practicable prior to the AGM, at which time the results will be announced to the Members by the Returning Officer.

9.8 All Director candidates shall sign a form after their interview, agreeing to keep confidential the results of the election until after the results have been announced at the AGM.

## 10.0 Director Acclimation Process

When the list of Recommended Candidates has been determined and after it is determined that the election has resulted in an acclamation and that no vote is required, the following process will be put in place:

10.1 Management will advise the Chair of the Nominating Committee that no vote is required.

10.2 The Chair of the Nominating Committee advises the Nominating Committee of this outcome.

- 
- 10.3 The Board is advised by the Nominating Committee Chair of the names of those elected by acclamation.
- 10.4 A news release is produced that congratulates the candidates and announces those featured as elected by acclamation.
- 10.5 Concurrent with the public announcement of the AGM, the announcement is released publicly to the Membership.
- 10.6 As required by section 4.03(b) of By-law, in the case of an acclamation of all candidates where there are terms of office of varying length, the directors who are not Nominees shall by resolution allocate the available terms among the Nominees.
- 10.7 The results of the election by acclamation will be announced by the Returning Officer at the AGM.

### **11.0 Reporting to the Board**

At the conclusion of the Nomination Process, the Chair, Nominating Committee will submit a report by email to the Board Directors, with a copy to the Management Resource and President & CEO, as to whether or not there is an election, with the names of the those Qualified Candidates who are standing for election, if any.

### **12.0 Review of this Policy**

Every three years, the Nominating Committee will review this Policy and recommend changes to the Board of Directors.