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Director Candidates

&

Board of Directors' Orientation

Information Guide

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1. Introduction

This guide was created for the purpose of informing Directors and potential Directors of their roles and responsibilities as a Director of Belgian-Alliance Credit Union. A supplementary page “Appendix A – The Director Position” has been created to provide Directors and potential Directors with a summarized version of the same.

2. The Credit Union Cooperative

Credit Unions are cooperative financial institutions that are founded on the following international cooperative principles:

- **Open and Voluntary Membership** – *Credit Union membership is open to everyone, and are willing to accept the responsibilities of membership without gender, social, racial or religious discrimination.*
- **Democratic Member Control** – *Credit Unions are democratic organizations controlled by their members – one member, one vote. The individuals serving on the credit union’s Board of Directors are elected by the members and are accountable to the membership.*
- **Member Economic Participation** – *Members participate in the financial success of the credit union based on the amount of business they conduct with the credit union.*
- **Autonomy and Independence** – *Credit unions are autonomous organizations created by the Credit Unions Act and Regulations of the province in which they operate. Each credit union has its own Board of Directors, who establish policies that are focused on meeting the needs of their credit union and its members.*
- **Education, Training & Information** – *Credit unions provide opportunities for education and training to their members, directors, management and staff so they can contribute to the ongoing development and success of their credit union.*
- **Cooperation among Cooperatives** – *Credit unions can serve their members more effectively and strengthen the cooperative system as a whole by working together through local, national, regional and international structures.*
- **Concern for Community** – *Credit unions work for the sustainable development of their communities.*

3. The History of Belgian-Alliance Credit Union

Belgian-Alliance Credit Union lays claim to a proud tradition of dedication to member service and trust by virtue of its presence in the Manitoba Credit Union landscape over several decades. Our history dates back to 1939. While our Credit Union continues to evolve with respect to changes in product lines, service channels and new technologies, our roots go back to the very beginnings of the Credit Union movement in our province.

a) Corporate Mission

The Belgian-Alliance Credit Union is a community based financial institution that is open to all, with member needs at the forefront of our decision making process. We provide friendly, efficient, quality service to help our members reach their financial goals.

b) Corporate Vision

We will be a trusted leader and the preferred financial institution in the communities we serve. Our dedication to our members will support an earned reputation of delivering responsive, professional advice and of providing value through strong customer service.

c) Corporate Values

Our values guide our actions and decision making process. They are:

- i. **Members** - We will provide our valued members with the highest level of respect, understanding that they are our most important asset.
- ii. **Employees** - We understand that without engaged and empowered employees, our goal of delivering exceptional member service is limited, and thus we believe that we must reward and compensate our team members accordingly. We will ensure that our employees receive the level of training and support they require to deliver upon our overall objectives, and ensure that they are equipped to perform their functions at the highest level possible.
- iii. **Community** - We will dedicate resources to "make a difference" in the communities where Belgian-Alliance Credit Union is present.
- iv. **Integrity** - In managing our credit union, we will promote a high level of member confidence by keeping member interest at the forefront of our decision making process.
- v. **Operational Excellence** - We will deliver on our commitment to provide excellent service as well as competitive pricing and products.
- vi. **Financial Stewardship** - We will govern our credit union in a manner that promotes financial viability and ensures its long term success.

4. The Credit Union Difference

Credit unions provide their members with a democratic voice in the operation of the credit union through their right to vote. Members also have the opportunity to increase their participation in the democratic process by running as a director on the credit union's Board of Directors. BACU's Board of Directors represents our members. They work with the management team to set the strategic direction and guide the overall governance of the organization.

Each year, credit union members have the opportunity to attend the credit union's annual meeting and elect directors to fill vacancies that arise on the Board. Any credit union member that meets the eligibility requirements (identified in Section 5) can be nominated as a director candidate. Are you the ideal candidate?

You may have what it takes to be a director of the Belgian-Alliance Credit Union!

If you are community-minded, willing to learn, and interested in serving as a director, you may be well suited for the role. This guide gives you the information you need to get started. Please email us at nominations@bacumail.ca or check out our website at www.belgianalliancecu.mb.ca for further information about the Belgian-Alliance Credit Union. Thank you.

Are you passionate about our communities and our credit union? Do you wish to make a difference?

Fun...Flexibility...Teamwork

We're on Board. Are you?

Why not contact us to see whether our goals align with yours?

Join us.

5. Director Eligibility Requirements

Any citizen of Canada who is 18 years of age, a member of the credit union and satisfies the requirements set out in the by-laws may be a director of the credit union except if that person is:

- a) An undischarged bankrupt, or a discharged bankrupt who was discharged within the past seven (7) years;
- b) An employee of a credit union, central or a fund, or an ex-employee of same within two (2) years since their employment terminated;
- c) In default for more than 60 days respecting any contractual obligations to the credit union;
- d) Absent from three (3) consecutive regular meetings of the Board or absent from four (4) regular meetings of the Board during any calendar year, without being excused for cause by the Board of Directors;
- e) That the director has not been a member of the credit union for at least one (1) year prior to election;
- f) In non-compliance with any of the Credit Union's policies, unless he or she has a valid reason for non-compliance;
- g) The spouse or common law partner of an employee.

6. Responsibilities & Expectations

a) Director Participation

The credit union's Board of Directors consists of a minimum of five (5) and a maximum of eleven (11) directors. Each director is elected for a three (3) year term. Of these Board members, a Chair, Vice-Chair and Corporate Secretary are appointed. There is no limit to the number of terms a director may serve on the Board. All newly elected directors must complete the training requirements identified in the credit union's Director Training Program.

Directors can expect to attend up to twelve (12) monthly Board meetings each year plus the Annual General Meeting of our members held in April, and a planning session that is normally held in fall. Prior to each meeting, each director will receive a package of information from the credit union's management team via an internet board portal site, which is accessible 24 hours per day. A copy of the material is retained on the credit union's intranet site for future reference. All directors are expected to read the material they receive from management and to diarize any required clarifications. Directors are encouraged to ask questions and obtain further information from management at any time either prior to the board meeting or during the meeting.

The credit union appoints annually two district delegates to represent the credit union's interests at credit union system meetings. A third and fourth director are appointed as alternate delegates should a delegate not be available for the meeting.

b) Reimbursement of Expenses & Remuneration

All directors will be reimbursed for out of pocket expenses and per diems as per Belgian-Alliance Credit Union's Terms of Reference.

c) Committees

The credit union has the following committees:

- 1) Audit and Risk Management Committee
- 2) Governance Committee
- 3) Executive Committee

Audit and Risk Management Committee

Each credit union is required by the Credit Unions Act to have an Audit Committee. BACU's Audit and Risk Management Committee consists of a minimum of three directors who are appointed by the Board each year following the annual meeting. One of the directors is appointed Chair. The Audit and Risk Management Committee has specific terms of reference that guide its activities. The committee receives a copy of audit reports prepared by internal and external auditors and regulators. The committee meets quarterly to discuss these reports and also meets with the credit union's external auditors to discuss the fiscal year-end audit.

Governance Committee

The Governance Committee is appointed by the board each year. The Governance Committee consists of a minimum of three directors who are appointed by the Board each year following the annual meeting. One of the directors is appointed Chair. The Governance Committee oversees the credit union's nomination process, reviews and amends the board of director training requirements, recommends director remuneration and executes a needs analysis to determine the desired competencies required on the board.

The Governance Committee is responsible for collecting the nominations from potential candidates who are seeking election. The committee reviews the nominations to ensure each candidate meets the director eligibility requirements before the list of approved candidates is presented to the membership in a special newsletter notification prior to the annual meeting. The Governance Committee Chair presents the director candidates to the members at the annual meeting, explains the voting rules and oversees the election. The committee meets at a minimum twice annually with additional meetings as needed on an ad hoc basis.

Executive Committee

The Executive Committee consists of the Chair, Vice-Chair and Corporate Secretary. The Executive Committee act as the credit union's credit committee on an as needed basis. In time sensitive decisions, the Executive Committee can approve all items in the absence of a monthly board of director meeting. The Executive Committee performs the CEO's annual performance review. The committee meets as needed on an ad hoc basis.

d) Community and Credit Union System Participation

From time to time credit union directors will be asked to represent the credit union at various credit union system and community involvement activities and events. These requests are normally voluntary and depend on each director's availability. They provide directors with the opportunity to strengthen the credit union's relationship within the credit union system and in the communities we serve.

e) Training & Education

The credit union operates in a highly regulated financial services industry where ever-changing regulatory requirements have a direct impact on the credit union's operations and board governance requirements. The credit union provides directors with access to training programs to ensure they maintain relevant knowledge and a reasonable level of comfort in fulfilling their duties and responsibilities as directors. The credit union's "New Director Training Policy" requires all directors to complete certain training requirements, at the credit union's expense, during their term as a director. Additional annual training is required and can vary based on the needs of the director and credit union.

f) Time Commitments

Board Meeting Attendance

Monthly Board meetings are normally held each month. Presently, the meetings are held on the 4th Wednesday of the month but can change depending on the availability of our directors. Our board meetings generally commence at 6:30 p.m.

Prior to each meeting, each director receives a package of reports, proposals and other information from the credit union's management via our intranet portal. Directors are expected to review all of the information they receive prior to the meeting date and formulate any questions they may have for management. These questions, including any additional information that a director may require, may be addressed with management at any time prior to the board meeting or during the meeting itself.

Time commitment

Pre-meeting preparation (review management reports/proposals): 1-2 hours

Per meeting: 3-4 hours

Audit and Risk Management Committee Meetings

Meetings of the Audit and Risk Management Committee are held at the call of the committee Chair. There are usually 4 meetings each year and the meetings are at the credit union. The Audit and Risk Management Committee reviews internal and external audit plans for the year as well as the reports they receive from the credit union's internal and external auditors and regulatory organizations. The Audit and Risk Management Committee also reviews the responses they receive from the credit union's management, deficiency logs and quarterly updates. The committee must ensure that management is taking appropriate and timely action to correct any deficiencies that are identified and reported.

Time commitment

Pre-meeting preparation: 1-2 hours

Per meeting: 2-3 hours

Governance Committee Meetings

Meetings of the Governance Committee are held at the call of the committee Chair. There are usually two meetings each year. The Governance Committee is responsible for collecting the nominations from potential candidates who are seeking election and for proactively seeking candidates that meet the credit union's competency profile. This committee is also responsible to create and review all the board training requirements for the upcoming year, in correlation with management.

Time commitment

Pre-meeting preparation: 1-2 hours

Per meeting: 2-3 hours

Executive Committee Meetings

BACU's Board of Directors, as part of their planning process, regularly review the credit union strategic objectives. The Executive Committee use these key initiatives and incorporate these into the CEO's Key Performance Areas. Annually, the committee is to meet to evaluate the CEO's performance based upon these criteria. The Executive Committee is called upon on an ad-hoc basis as a Credit Committee to approve loan policy exceptions and other items as needed.

Time commitment

Monthly communication received: 1-2 hours

Pre-meeting preparation: limited

Per meeting: 2-3 hours

Planning Session

The credit union Board of Directors and management team hold a planning session each year, normally in October. The purpose of the planning session is to review the credit union's Corporate Strategic Plan, review and discuss additional information provided by management, and to establish the credit union's key strategic initiatives and goals for the upcoming year.

Time commitment

Pre-meeting preparation: 2-4 hours

*Per planning session: 8-12 hours**

** In certain years, the planning session has taken place over the course of a weekend.*

New Director Orientation Program

Newly elected directors meet with the Chief Executive Officer within a month of being elected to the board to complete a director orientation session. During this meeting, the CEO informs the new director(s) about the wide range of information available on the credit union's board portal, which includes the credit union's policies, business plans, operating budget, organization structure, and the management reports/proposals that were presented to the board during the past two years. The CEO reviews and explains each type of report and the additional information that directors receive each month from management, so that new directors are more comfortable during their first board meeting.

Time commitment

Pre-meeting preparation: None

Per meeting: 2-3 hours

7. Director Candidates

a) Qualifications of Candidates

In accordance with Section 5, a member in good standing may stand for election as a candidate for the position of director on the Board of the Belgian-Alliance Credit Union.

b) Selection Criteria

All candidates for the position of director must commit to the following:

- Understanding and accepting the credit union's mission and vision
- Preparing for and attending board/committee meetings in accordance with the "Time Requirements" identified above
- Having a general understanding of corporate governance and the role and responsibilities of being a director
- Complying fully with the credit union's policies, code of conduct and regulatory requirements
- Demonstrating high integrity and ethical conduct and standards
- Continuous learning as identified in the credit union's Director Training Policy

Candidates must also meet any additional criteria that the Board of Directors may establish from time to time.

c) Application Requirements

All candidates must submit a criminal record check, along with all applicable documentation, in the form and manner established by the board from time to time no later than 2:00 p.m. CST on December 31st to be considered for eligibility by the Governance Committee for the next annual general meeting. Please contact the credit union for any details you require via email at nominations@bacumail.ca or visit our website at www.belgianalliancecu.mb.ca