

OSOYOOS CREDIT UNION

together we're better

February 28, 2018

RE: Osoyoos Credit Union Nominating Package for Prospective Directors 2018 AGM

Dear Member;

Enclosed you will find a number of documents pertaining to the nomination process and rules of the Osoyoos Credit Union.

Please read these documents over carefully prior to making any commitment. If you have any questions after reading these documents please contact Greg Sol, the Chief Executive Officer, or Zach Poturica, Chair of the Nominating Committee, at (250) 495-6522.

If you decide to proceed with a nomination please ensure you complete the Directors Nomination Form and Prospective Board Members Information Sheet in full and mail or drop it off to:

Chair of the Nominating Committee
C/O Osoyoos Credit Union
PO Box 360
8312 Main Street
Osoyoos, BC V0H 1V0

Thank you for your interest in the Osoyoos Credit Union.



Zach Poturica
Chair of the Nominating Committee

HISTORY

The Osoyoos Credit Union has come a long way from its humble beginnings in 1946 — when just 18 members turned out for its first annual general meeting.

Now with more than 3,500 members throughout the South Okanagan and West Boundary, OCU is not only the independent financial institution of choice in Osoyoos but also a community leader.

Our status as a locally owned, locally controlled organization means the Osoyoos community has a direct voice in the credit union's future.

Over 72 years, that has meant consistent commitment to our members and people before profits.

The money invested in the Osoyoos Credit Union is returned to the community through member patronage and dividends and through commitment to many local organizations and charities.

In 2006, celebrating its 60th anniversary, OCU sponsored numerous events, culminating in the awarding of a \$60,000 Legacy Award. The recipients — the Osoyoos Museum Society — obtained a matching grant which turned the \$60,000 into \$108,000 for the community museum.

Two years later, Osoyoos Credit Union put a name to that effort: *Together We're Better*.

We've continued to live up to that mantra through the last 10 years, our staff providing community service, our organization committing financial resources, time and energy to local causes and our combined membership, management and team working together to build a better future for Osoyoos.

Now, with our 75th anniversary on the horizon, we're boldly going even further in our quest to be not only the financial institution of choice for the Osoyoos community but also a corporate and community leader.

Together we're Better! Yesterday. Today. And tomorrow.

BOARD ORIENTATION STRATEGIES

Osoyoos Credit Union (OCU)

The Osoyoos Credit Union (OCU) Board Orientation package is designed to provide important information about OCU and about the Board's roles and responsibilities. It also serves to build a working relationship among Board members that promotes ongoing support and comes to an agreement on how the Board carries out their work.

Quick Reference Board Handbook

The nominating package will serve as the "quick reference" handbook for new board members and includes brief information regarding:

- Vision and Mission Statements
- Values and Guiding Principles
- Governance
- Terms of Office and Meetings
- Committees
- Director's Development and Education Policy
- Director's Remuneration

Comprehensive Board Manual

The OCU Board Manual is currently under development. When completed the Board Manual will be a thorough, easy-to-use manual that board members can use throughout their terms. The Board Manual will serve two functions. For the new Board Member it will be an orientation handbook that provides useful information about OCU, board structure and operations, and fellow board members and staff. For the balance of a member's board service, the manual will become a working tool and a central resource about OCU and the board. As a living document materials will be added, updated, and removed to create an up-to-date reference.

Appendix A is a sample Board Manual Contents Checklist

Board Orientation Timetable

Orientation of new board members will begin early in the recruitment process with the nomination package. Once the new board member is elected an orientation session combined with the board manual will be utilized to familiarize the new board member with;

- Key people at OCU and the Board,
- Their roles and responsibilities as Board Members,
- The financial statements and other key reports.

The Orientation sessions will be structured around the time constraints between the Annual General Meeting, where a new board member is elected, and the first two scheduled monthly Board meetings.

The Orientation program will include the following:

At the first board meeting;

- Formal introduction of new members by the board chair including recognition of experience and expertise of each new member
- Self-introduction of all members (both old and new) including their interest in becoming a board member of OCU
- Brief review of history, vision, mission and service mandate of the credit union by the board chair
- Brief review of the board structure including summaries of each committee by current serving committee chairs
- Expressed commitment of ongoing accessibility to and support from board chair other board members and the Chief Executive Officer (GM)
- Selection of Board Committees participants

After the first board meeting – Orientation session with Board Chair;

- Receipt of and review of pertinent parts of the board manual
- Discussion about Board information
 - Board's Mandate and Areas of Responsibility
 - Board organization – committees and structures including matching new member with possible committee interest/experience
 - Terms of directors, committee memberships, chairs
 - Board functions including current projects and priorities
 - Board culture and protocols relating to motions, voting, agendas
 - Confidentiality and conflict of interest
- Expectations of Directors
 - Meeting Attendance
 - Availability for unscheduled meetings and phone calls
 - Committee participation and board work done outside regular meetings
 - Participation in activities or attendance at major events
 - Use of personal and Credit Union resources
 - Responsibility for recruiting future Board Members
 - Education including the mandatory Credit Union Directors Achievement (CUDA)
 - Parliamentary procedures overview
- Credit Union Information
 - Membership, stakeholders and communities served including discussion about peer groups
 - Strategic Direction including short and long term goals
 - Major risks/issues facing Credit Union
 - Philosophy of service delivery including services provided, activities and program overview

- Each new Director will be assigned a Mentor

After meeting with the Board Chair – Orientation session with Chief Executive Officer; (Appendix B has been reserved for a GM Developed Checklist)

- Credit Union structure and key staff positions
 - Tour of the Credit Union, meeting staff along the way
 - Formal introduction to supervisors who will provide a brief overview of their service areas
 - Marketing strategy including information on communication strategy to OCU membership
- Financial Status/Overview
 - FICOM – who they are and our reporting responsibilities
 - A breakdown of the monthly board packages
 - How to read the financial statements
- Documents/Paperwork such as;
 - Code of Conduct Acknowledgement
 - Conflict of Interest Disclosure Statement
 - Statement of Secrecy
 - Job Description Terms of Agreement
 - Code Of Ethics
 - Death Benefit
 - Legal Liabilities and Insurance
 - Registration for Credit Union Director Achievement (CUDA)
 - Access and websites to stakeholder information

At the first monthly board meeting;

- Selection of Board Committees participants
- Introduction of mentor paired with new member (if option selected)

At 6 months and completion of 1st year - Meeting with Board Chair;

- Evaluation of Orientation and Board Manual
- Review of Mentoring
- Identification of future training/learning requirements

Mentoring Guidelines

The purpose of mentoring is to pair a new Board Member with an experienced member in order to further the new Board Member's effectiveness.

A roster of experienced board members should be solicited annually prior to the next Annual General Meeting who are willing to become a mentor.

The Goals of the program are to supplement information presented in the formal orientation program, answer questions a new Board member may have after meetings or orientation sessions and to facilitate getting to know other Board Members and Senior Management.

Participation in the mentoring program is mandatory. New Board Members will be assigned a mentor at which point the Board Chair and GM will agree on assignment of a mentor. If possible a minimum 6 months commitment to the process should be solicited.

The mentor and Board Member may want to communicate:

- After the new Board Member's Orientation,
- After Board and Committee meetings,
- Sitting together during meetings,
- Regularly scheduled breakfast or lunch meetings.

The mentor and new Board Member may want to address:

- Questions regarding how the Board works, individuals or board actions,
- Any problems with the new Board Member's conduct that do not meet Board expectations,
- Goals and major areas of interest as a new Board members,
- Satisfaction with the formal orientation process and ability to participate at Board and Committee meetings
- Identification of training needs

MISSION STATEMENT

*"Osoyoos Credit Union is **the financial institution of choice** with competitive products, professional personal service and a community focus*

PEOPLE

Maintain and develop a sound base of informed, loyal and involved members and contribute to their financial growth and development.

Maintain and develop an organizational culture and style as an Employer of Choice that effectively attracts, develops, employs and recognizes its people.

Maintain and develop good morale and a comfortable working environment for its employees.

FINANCIAL

Attract and retain sufficient capital through a variety of competitive products and services.

Maximize utilization of capital with priority on security, liquidity and return.

Manage assets and control revenues and expenses in order to maximize financial benefits to the membership.

DEVELOPMENT

Maintain and develop an innovative, competitive and dynamic credit union committed to meeting the changing needs of members, potential members and their communities.

Research, implement and market quality products and provide excellent service for the benefit of members and potential members.

Improve internal and external communications and education.

VISION STATEMENT

“Committed to Community”

VALUES AND GUIDING PRINCIPLES

Accountability

Doing the right thing because it is the right thing to do, knowing that nobody is going to know whether you did it or not

Co-operative

People united voluntarily to meet common economic, social, and cultural needs and aspirations

Integrity

Being honest and having strong moral principles

Professionalism

The skill, good judgment, and polite behavior that is expected from a person who is trained to do their job well

OSOYOOS CREDIT UNION HOURS OF OPERATION

Tuesday to Friday

9:30 am to 5:00 pm

Saturday

9:30 am to 2:30 pm*

* closed Saturday preceding a holiday Monday

**OSOYOOS CREDIT UNION
BOARD OF DIRECTORS**

(As of April, 2017)

Rick Clelland	rclelland@ocubc.com
Venesa Dixon	vdixon@ocubc.com
Kathryn Gudewill	kgudewill@ocubc.com
Zachary Poturica	zpoturica@ocubc.com
Pat Wycherley	pwycherley@ocubc.com
Diana Thomas	dthomas@ocubc.com
Alan Bajkov	abajkov@ocubc.com
Thomas Martin	tmartin@ocubc.com
Richard Douziech	rdouziech@ocubc.com

TERMS OF OFFICE

	<u>Originally Elected</u>	<u>Current Term Expires</u>
Rick Clelland	2010	2019
Venesa Dixon	2009	2018
Kathryn Gudewill	2015	2018
Zachary Poturica	2017	2020
Pat Wycherley	2009	2018
Diana Thomas	2016	2019
Alan Bajkov	2017	2019
Thomas Martin	2017	2020
Richard Douziech	2017	2020

ROLES AND RESPONSIBILITIES

Board members are elected by, and accountable to, credit union members. They are trustees and must ensure sound management. The Board of Directors serves as a liaison between the membership and the organization that serves them. The Board assumes the ultimate responsibility for all aspects of credit union operations.

Responsibilities of the Board of Directors include:

- participating in Board planning sessions
- establishing policy
- electing a Board president and officers
- hiring and evaluating a Chief Executive Officer
- approving financial structure and budgets
- maintaining good public and member relations
- maintaining confidentiality
- ensuring effective Board operations
- allowing for personal development and evaluation
- establishing corporate standards and code of ethics

The Board does not actively participate in operational management decisions, but rather ensures sound management.

The Board Member is responsible to attend monthly Board meetings and if unable is required to request excusal from the Board Chair or Chief Executive Officer, failure to be excused from three consecutive Board Meetings may result in removal from the Board.

Within the credit union system, the Board of Directors is the communication link between membership and management. The Board represents members' interests while management and staff provide service to members. Active membership enhances both the credit union and the wider community within which it is located.

Board Committees, 2017-2017
April 27, 2016

Pat Wycherley Chairperson of the Board

Rick Clelland Vice Chair of the Board

Audit Committee

Zach Poturica (Chair)

Alan Bajkov

Diana Thomas

Rick Clelland

Tom Martin

Richard Douziech

Conduct Review Committee

Venesa Dixon (Chair)

Pat Wycherley

Zach Poturica

Alan Bajkov

Investment Lending Committee

Rick Clelland

Kathy Gudewill (Chair)

Venesa Dixon

Diana Thomas

Diana Thomas

Richard Douziech

Human Resources

Rick Clelland

Pat Wycherley (Chair)

Kathy Gudewill

Tom Martin

Governance Committee

Alan Bajkov (Chair)

Pat Wycherley

Zach Poturica

Kathy Gudewill

Tom Martin

Community Giving Committee

Diana Thomas (Chair)

Time Commitment:

Generally the Term of office for a Director is three years. This can differ depending on whether or not a newly elected director is replacing a Directors whose term of office has expired or not. It is expected that each director will attend the monthly Credit Union Board Meeting which is between one and two hours in length depending upon the agenda. It is also expected that each director will sit on at least one committee (see above for a list of the committees). Generally speaking these committees meet as necessary but the Conduct Review and Audit Committee are required to meet quarterly, and the Credit Committee meets more frequently depending on the need to review and approve loan applications which exceed management's authority.

Osoyoos Credit Union hold a planning session yearly which is held in the fall of each year, this generally is a full day session.

There are two regional meetings, one held in the spring the other in the fall. There is an Annual General meeting for Osoyoos Credit Union in the spring and an Annual General Meeting for the BC Credit Union system also held in the spring. There is a Central Conference held in the fall for the BC Credit Union system.

As a new Director you will also be required to complete a formal training program known as Credit Union Directors Achievement Program (CUDA). This item is covered under Director Education policy further in this document.

EXPENSE CLAIM PROCEDURE

Directors will be reimbursed for out-of-pocket expenses incurred while attending meetings on behalf of the Credit Union. The *Directors' Remuneration and Expense Policy* outlines which expenses are covered and to what limits. In order for a Director to be reimbursed for their accommodation expense or other extraordinary expenses, he/she is required to forward to the Chief Executive Officer a copy of their receipts. All other expenses will be calculated by the Chief Executive Officer. All applicable expenses will be authorized and deposited directly to the Director's account with Osoyoos Credit Union.

Remuneration for Directors attending various committee and credit union meetings is paid at the end of each calendar year by way of direct deposit to each Director Credit Union account.

January 2018
TABLE of CONTENTS

Vision and Mission Statements	.....	Page 1
Values and Guiding Principles	.....	Page 1
Governance	.....	Page 2
Terms of Office and Meetings	.....	Page 2
Committees	.....	Page 3
Director's Development and Education Policy	.....	Page 4
Director's Remuneration	.....	Page 4
 Director Nomination Form Prospective Board Member Information Sheet Biography		

VISION STATEMENT

“Committed to Community”

MISSION STATEMENT

“Osoyoos Credit Union is the financial institution of choice with competitive products, professional personal service and a community focus”.

VALUES AND GUIDING PRINCIPLES

Accountability

Doing the right thing because it is the right thing to do, knowing that nobody is going to know whether you did it or not

Co-operative

People united voluntarily to meet common economic, social, and cultural needs and aspirations

Integrity

Being honest and having strong moral principles

Professionalism

The skill, good judgement, and polite behavior that is expected from a person who is trained to do their job well

GOVERNANCE

Osoyoos Credit Unions Board is made up of nine (9) members. Board members are elected by, and accountable to, credit union members. They are trustees and must ensure sound management. The Board of Directors serves as a liaison between the membership and the organization that serves them. The Board assumes the ultimate responsibility for all aspects of credit union operations.

The Board does not actively participate in operational management decisions, but rather ensures sound management.

Within the credit union system, the Board of Directors is the communication link between membership and management. The Board represents members' interests while the management and staff provide service to members. Active membership enhances both the credit union and the wider community within which it is located.

Using the framework of the Values and Guiding Principles the Board has the following principal duties:

- Maintaining confidentiality
- Approving financial structure and budgets
- Establishing policy
- Ensuring effective board operations
- Establishing corporate standards and code of ethics
- Maintaining good public and member relations
- Hiring and evaluating a Chief Executive Officer

TERMS of OFFICE and MEETINGS

The term of office for a Director is three years but may vary where a Director is appointed or elected to fill the unexpired portion of a Directors' term.

The Board meets monthly and the sessions run for approximately two hours in length depending on the agenda. Current practice is to provide a calendar of the board meetings at the beginning of each year. In addition to regular Board Meetings, Director's will serve on one or more of the three standing committees and may also be appointed to special or ad-hoc committees as required.

Directors may be asked to participate in the following activities;

- Regional Meeting – spring
- Osoyoos Credit Union Annual General Meeting – spring
- Central 1 Annual General Meeting - spring
- Central 1 Fall Conference
- Regional Meeting – fall
- Strategic Planning Session

COMMITTEES

The Board delegates specific tasks to three standing committees; Audit, Investment and Loan, and Conduct Review. A minimum of three Directors must sit on each committee.

Audit

Ensures quality financial reporting and sound internal controls are in place, implemented and maintained. The committee is the liaison between risk management (which includes internal audit) and other internal resources, the external auditors and the Board of Directors.

Conduct Review

Establishes and oversees the business conduct and ethical behavior for the credit union, its directors, and employees. The committee is responsible to monitor the credit union's compliance with the Privacy Act and the Financial Institutions Act including oversight of related party loans and transactions.

Investment Lending

The Investment Lending Committee (ILC) role is to review the credit union's investment and lending policies, as proposed by Management and to ensure there are appropriate procedures in place.

Human Resources Committee

The Human Resources Committee is a Committee of the Board of Directors to which the Board has delegated responsibility for oversight over the Osoyoos Credit Union's Human Resources policies and practices. The Human Resources Committee reviews Human Resources matters including the compensation of the Chief Executive Officer and manages the process of evaluating the Chief Executive Officer.

Corporate Governance Committee

Is responsible for overseeing the quality and the effectiveness of Osoyoos Credit Union's corporate governance including setting compensation for Directors.

Provides advice and recommendations to the Board of Directors with respect to the planning and conduct of the Annual General Meeting.

Ensures that qualified candidates are put forward for the annual Election of Directors.

Ensures that the annual Election of Directors is conducted in a manner that fulfils the requirements of the Credit Union Incorporation Act, the Credit Union Rules and the desires of the Board and membership.

Community Giving Committee

A Community Giving Committees duty is to ensure the grant applications from local organizations and community groups are for projects and initiatives that contribute to economic revitalization and enhanced quality of life for youth, entrepreneurs, immigrants, low-income families, seniors and aboriginal peoples.

DIRECTOR'S DEVELOPMENT and EDUCATION POLICY

The credit union actively promotes the education of members, officers, directors, employees and the general public with regard to the economic, social, democratic and mutual self-help principles of credit unions.

Orientation

The credit union has an orientation process that must be completed by all newly elected Directors.

Credit Union Director Achievement Program (CUDA) and Professional Development

Directors' must obtain the required CUDA modules – they are also encouraged to complete and obtain their graduation certificates at a prudent cost to the Credit Union.

The CUDA program is designed to make the role of a director easier by equipping directors with the tools and skills to make direction setting decisions. The program can be completed through a series of computer-based tutorials, workshops and self-study, and is offered through CUSOURCE.

CUDA Level A Part 1 & 2 **must be completed in the first year** of being elected to the Board. Part 1, (Foundation of Governance) encompasses 6 web based courses which is approximately 16 hours of course work. CUDA Level A Part 2 (Foundation of Governance, in Theory and Action Workshop), is a 1 day workshop.

In addition to CUDA Level A part 1 & 2 there is a minimum requirement to complete annual Anti Money Laundering & Privacy courses. **These courses must be completed Before December 31** after your election and each year thereafter you are in office. Each course takes approximately 1 hour to complete. We continually invest in our Directors' continuing education.

Course fees will be paid for by the credit union, and directors will be reimbursed for other costs related to participation in these courses.

Special events and other courses that may become available for director training will require prior approval of the Board.

DIRECTOR'S REMUNERATION

Directors are paid according to the Directors' Remuneration and Expense policy. Members vote by ordinary resolution at the annual general meeting of the credit union as to the annual aggregate remuneration of all Directors. Current aggregate remuneration is set at \$25,000.

In lieu of salary Director's receive compensation for attendance at board and committee meetings. In general terms, current remuneration for the board includes:

- Board Meetings
 - \$75.00 Regular and Special
 - \$50.00 Committee
- Pier Diem
 - \$150.00/day while attending meetings requiring travel outside of Osoyoos plus reasonable expenses for meals
- Board Chair receives an additional \$1,200.00 per annum
- Board Vice-Chair receives an additional \$600.00 per annum

Osoyoos Credit Union

Director Nomination Form

Date: _____.

I, _____, agree to let my name stand for election to the position of Director of Osoyoos Credit Union. I understand and am willing:

- To stand for election, and if elected, to serve as a director;
- To observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act as applicable;
- To comply with the directors' conflict of interest guidelines adopted by the directors, from time to time; and,
- To observe the Rules of the credit union and procedures relating to the election and the conduct thereof (available on Osoyoos Credit Unions web-site, ocubc.com or at the Credit Union Office).

Candidate's signature

Nominators Name

Nominators Signature

Nominators Name

Nominators Signature

Eligibility for Election as Director, see over:

Please include your resume with your nomination package

Eligibility for Election as Director

- 1.3 **Member in Good Standing** – A member in good standing is a member, including a junior member, who at the date on which good standing is determined:
- 4.4 **Eligibility for Election as Director** – A member in good standing on the date nominations close, other than a person disqualified by Rule 4.5, shall be eligible for election as a director.
- 4.5 **Disqualification of Candidates** – A person who:
- a) is a person disqualified from becoming or acting as a director pursuant to the *Financial Institutions Act* or the *Credit Union Incorporation Act*;
 - b) is or becomes a paid employee of the credit union or an affiliate of the credit union or the spouse, child, or step-child, of a paid employee of the credit union or an affiliate of the credit union;
 - c) was an employee of a credit union or an affiliate of a credit union during the one-year period prior to the date that nominations for the office of director under these Rules closed;
 - d) is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other credit union or a subsidiary of any of them; or
 - e) has not been a member in good standing of the credit union for 12 consecutive months;
 - f) being a director, has failed, without being excused, to attend regular meetings of the directors for three (3) consecutive months in which meetings are held, is ineligible to hold office as a director and, if holding office as a director, shall vacate office forthwith.

**Osoyoos Credit Union
Prospective Board Member – Information Sheet**

Name: _____

Title and Organization: _____

Address: _____

Phone: Day Evening

E-mail Address: _____

Source of referral/information: _____

Special Skills:

- | | | |
|--|---|------------------------------------|
| <input type="checkbox"/> Risk Management | <input type="checkbox"/> Marketing / Public Relations | <input type="checkbox"/> Finances |
| <input type="checkbox"/> Technology | <input type="checkbox"/> Personnel / Human Resources | <input type="checkbox"/> Strategic |
| <input type="checkbox"/> Legal / Regulatory | <input type="checkbox"/> Business / Operations | |
| <input type="checkbox"/> Other (please identify) | | |
- _____
- _____

Professional Background:

- | | | |
|--|--|-------------------------------------|
| <input type="checkbox"/> For Profit Business | <input type="checkbox"/> Non-Profit Organization | <input type="checkbox"/> Government |
| <input type="checkbox"/> Other (please identify) | | |
- _____
- _____

Education:

- | | | |
|--|---|--|
| <input type="checkbox"/> Some high-school | <input type="checkbox"/> Some college | <input type="checkbox"/> Some graduate coursework |
| <input type="checkbox"/> High-school graduate | <input type="checkbox"/> Undergraduate college degree | <input type="checkbox"/> Graduate degree or higher |
| <input type="checkbox"/> Other (please identify) | | |
- _____
- _____

Other affiliations: _____

Other board service: _____

Other pertinent info: _____
