



**DIRECTOR CANDIDATE
INFORMATION PACKAGE**

2019 - 2020

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MAINSTREET'S PURPOSE

To uniquely know, invest in and add benefit to each individual

VISION STATEMENT

We will be partners in our members' lives

MISSION STATEMENT

We are a member-owned financial services partner,
committed to providing financial guidance and solutions
that fulfil our members' aspirations, ensure profitable growth
and strengthen our community roots

INTRODUCTION TO CANDIDATE

To Prospective Board Candidate:

At Mainstreet Credit Union we value the dedication and commitment of our members who choose to participate in our nomination and election process as a Board candidate. We thank you for your interest in seeking nomination for our Board of Directors. Inside this package you will find:

- information that will clarify the qualification criteria for candidates
- expectations of Board members in their role of governing the Credit Union
- everything that you need to complete the nomination process

To assist those members who are interested in considering candidacy, the Board appoints a Nomination Committee each year. Their 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. The Nomination Committee will advise nominees that their names have, or have not been placed into candidacy. If not placed into candidacy, the Committee will provide the reason why.

If you decide to proceed with submitting an application for nomination as a candidate, please complete and submit the appropriate information as directed by this information package along with all the required documents, as outlined in the Candidate's Qualifications (pg 5).

If you have any questions about the enclosed information, you may contact the Directors on the Nomination Committee. To find out who the committee members are, contact:

April Williams, CHRP, CHRL
Corporate Secretary and
Vice President, Human Resources and Governance
519-464-5500
corporatesecretary@mainstreetcu.ca

Please note that applications must be received no later than Friday, February 15, 2019 by 5:00 pm.

Candidates are asked to refrain from paper, in-branch and electronic (eg. e-mail, social media) campaigning.

CANDIDATE QUALIFICATIONS

In order to qualify as a candidate please review, in its entirety, this package and refer to the checklist below to ensure you fully understand and complete all the necessary requirements.

- Review the Director Candidate Information Package
- Complete the Declaration of Nominee for the Board of Directors of Mainstreet Credit Union (pg. 18)
- Complete the Nominee Biography (pgs. 19 - 20)
- Complete the Signature Page (pg. 21)
- Return the completed sheets (pgs. 18- 21) to your local branch before 5:00 pm on Friday, February 15, 2019.



Must be in attendance at the Annual General Meeting held on Tuesday, April 16, 2019, unless an exception is granted by the Election Committee.

INDIVIDUAL BOARD 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. Must be bondable as per the Credit Union and Caisse Populaires Act (to be bondable, you must have a strong credit score and you must not have a criminal record that involves a crime related to fraud, theft or any other crime that would pose a risk to the Credit Union's operations).
7. Demonstrate the ability to provide leadership and be an effective communicator.
8. 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.
9. Demonstrate personal integrity, financial stability and high ethical standards.
10. Have never declared personal or business bankruptcy.
11. Be willing to commit to continuous learning and undertake appropriate Director training and development initiatives.
12. Have the ability to understand and assess implications of financial statements and auditors reports.
13. Agree to fulfill the time commitment, for training, including travel time and work load associated with being a Director of the Credit Union.
14. Have the capability to access electronic information via the Internet.
15. Have a high school diploma or equivalent.
16. Has a vested interest in the communities which the Credit Union serves.

INDIVIDUAL BOARD MEMBER RESPONSIBILITIES

General expectations:

1. Know the Credit Union's mission, purposes, goals, policies, programs, services, strengths/needs.
2. Suggest nominees for the Board.
3. Serve in leadership positions or undertake special assignments willingly when asked.
4. Follow trends in the credit union's field of interest.
5. Participate in any Director education, training and mentorship as prescribed by the Board.

Meetings:

1. Prepare for and fully participate in Board and committee meetings, and other organizational activities (Elections to Board positions and appointments to committees will take place at the first meeting of the new Board. *If elected, please be acquainted with all positions prior to your first meeting in order to submit your name for the positions/committees you would like to stand for*). (Board and committee packages are sent to directors approximately 1 week in advance of the meeting with the expectation that they are reviewed prior to the meeting, so directors can come to the meeting fully prepared to discuss the contents. Packages will vary depending on the number of reports, policies, etc., that are being reviewed, but can range from 50 to a few hundred pages in length. When large policies are included, the "track changes" feature is used to direct attention to changes being recommended.)
2. Ask timely and substantive questions while supporting the majority decision.
3. Maintain confidentiality of the Board's sessions.
4. Speak on behalf of the Board when asked to do so by authorized persons.
5. Suggest agenda items for Board and committee meetings, to ensure that significant policy related matters are addressed.
6. Physically attend a minimum of 75% of regularly scheduled meetings per calendar year.

Relationship with staff:

1. Counsel the CEO as appropriate and offer support.
2. Avoid asking for exceptions of the staff, without prior consultation with the CEO, Board Chair or Committee Chairperson.
3. Avoid prejudiced judgments on the basis of information received from individuals, and urge those with grievances to follow established policies and procedures through their supervisors.

Avoiding conflict:

1. Serve the Credit Union as a whole, rather than special interest groups.
2. Avoid even the appearance of a conflict of interest, and disclose any possible conflicts to the Board Chair in a timely fashion.
3. Maintain independence and objectivity, and do what a sense of fairness, ethics and personal integrity dictate.
4. Never accept or offer favours or gifts from or to anyone who does business with the Credit Union.

Fiduciary responsibility:

1. Exercise prudence with the Board in the control and transfer of funds.
2. Faithfully read and understand the organization's financial statements and otherwise help the Board fulfill its fiduciary responsibility.

BASIC RESPONSIBILITY OF CREDIT UNION BOARDS

The Board of Directors is accountable to the general membership of the Credit Union for directing the affairs of the Credit Union such as:

1. Establishing the Credit Union's mission and purpose (values and vision)
2. Reviewing the business objectives of the institution consistent with *Co-operative Principles* and approve the institutions business strategy and business plans as developed by management. Evaluate the institutions actual operating and financial results against business plans
3. Setting and monitoring the Credit Union's overall business objectives, by-laws and policies that provide for the needs of members, safeguard the assets of the Credit Union and meet regulatory requirements
4. Appointing and defining the duties and responsibilities of the CEO
5. Encouraging an effective Board/management planning process which will promote the long term viability of the Credit Union
6. Selecting the Chief Executive Officer when position is vacant
7. Supporting the Chief Executive Officer and assess his or her performance
8. Ensuring effective organizational planning
9. Ensuring adequate resources
10. Exercising effective fiduciary oversight
11. Determining, monitoring, and strengthening the Credit Union's programs and owner-member services
12. Enhancing the Credit Union's public standing
13. Ensuring legal and ethical integrity and maintaining accountability
14. Recruiting and orienting new Board members and assess Board performance
15. Directing the democratic process within the Credit Union, including the election of Directors and the matter of Board succession
16. Delegating, as considered appropriate, to committees of the Board and receive reports from those committees
17. Responding or causing responses, as appropriate, to inquiries, requests or demands from regulatory agencies, auditors, members or other stakeholders
18. Ensuring efficient and regular communication with members
19. Maintain the minimum education requirements as required by our Regulators

REASONS FOR DISQUALIFICATION AS A BOARD OF DIRECTOR NOMINEE

1. He or she has not been a member in good standing of the Credit Union for a minimum of 2 years as of the date on which nominations close for the election
2. He or she is not 18 years of age
3. He or she is not a Canadian citizen or a person lawfully admitted to Canada for permanent residency
4. He or she does not agree, if elected, to comply with the By-laws
5. He or she does not agree, if elected, to participate in training programs as may be required by the Board from time to time
6. He or she has served 4 consecutive terms (12 years)
7. He or she is an employee, director, officer or agent of another Ontario credit union, or of a business which, in the reasonable opinion of the Board, competes with the Credit Union, or the Spouse, Child or Sibling of such employee, director, officer or agent
8. He or she has been, in the five year period prior to the date on which the election will be held, an employee of the Credit Union, or the Spouse, Parent, Child or Sibling of such an employee or former employee
9. He or she is the Spouse, Parent, Child or Sibling of an incumbent director, or another candidate for election as a director in the same election in which the person is seeking to be a candidate for election
10. He or she has asserted a claim against the Credit Union, in the five year period prior to the date on which the election will be held, which has not been finally resolved
11. He or she is disqualified under the Act
12. He or she has not disclosed to the Board, in a timely fashion before the election is held, everything he or she is required by the Act to disclose as a candidate for director of a credit union

DIRECTOR TRAINING AND COMPETENCIES

Mainstreet Credit Union considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a credit union. In 2012 the Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual Director competencies which will require various programs be completed within certain time frames. The 9 competency areas are as follows:

- Audit and Compliance
- Board and CEO Performance
- Credit Union Operations
- Financial Literacy
- Governance and Ethics
- Leadership
- Regulatory Environment
- Risk Management
- Strategic Planning

If you are elected to the Board, you will be expected to complete a comprehensive assessment of specific competencies. This assessment is used to help determine your training and self-development needs in order to fulfill the Director training and qualifications requirements as established by the Credit Union. The Credit Union also has a mentorship program structured to assist new Directors in attaining the skills and competencies required to fulfil their responsibilities.

All Directors are also expected to attend the Director's Forum conference at a minimum of once per term (3 years).

CODE OF CONDUCT

Purpose

The purpose of this Code of Conduct is to establish the rules governing the business and ethical conduct of the Directors, officers, employees and volunteers of the Credit Union. It is important that ethical and lawful conduct be evidenced in all business practices, in order to protect the reputation of the organization and preserve community trust. The Board has adopted this policy and the Board shall review this policy annually.

The Code of Conduct will be communicated within the organization. Every Director, officer, employee and volunteer, part time or full time, will be provided with a copy of the Code of Conduct. They will be required annually to report in writing that they have read it, have understood it and will endeavour to comply with it.

General Duties of Care

Each Director, officer, employee or volunteer of the Credit Union shall exercise the power and discharge the duties of his/her office honestly, in good faith, and in the best interests of the Credit Union, and shall comply with the applicable by-laws, guidelines, policies and procedures of the Credit Union.

Directors, committee members and officers shall also comply with the Credit Unions and Caisses Populaires Act, 1994 (the Act), Regulation 76/95 prescribed therein and the by-laws of the Deposit Insurance Corporation of Ontario.

Confidentiality

Each Director, officer, employee or volunteer must use utmost care and discretion in the handling of confidential information and other information not normally available to the public generally coming to them by reason of their Directorship, office or employment, and such information shall, subject to certain limited circumstances, not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates. . Examples of confidential information include, but are not limited to:

- Company private, corporate strategies
- Competitor sensitive information
- Member lists and personal information
- Employee lists and personal information

Maintaining confidentiality includes, but is not limited to, not revealing/disclosing the information by way of:

- Discussions between staff/Board members (unless business requires it)
- Discussing with any outside party (unless required, as outlined below), including blogging/social networking

In respect of information respecting members' transactions with the Credit Union, a Director, officer, employee or volunteer may disclose such information in the following circumstances, pursuant to Section 143 of the Act:

- a) To a person acting in a confidential or professional relationship to the Credit Union including an employee of an association in which MCU is a member
- b) To a financial institution with which the Credit Union has transactions that may involve confidential matters;
- c) To a credit grantor or to a reporting agency, if the disclosure is for the purpose of determining the credit-worthiness of the member;
- d) To the Director, deposit insurer and the stabilization authority for the Credit Union; and
- e) To any other person entitled to the information by law.

Conflicts of Interest

Each and every Director, officer, employee or volunteer has an obligation of loyalty to the Credit Union and should subordinate his/her personal interest when they conflict with or threaten to conflict with the best interests of the Credit Union.

Each and every Director, officer, employee or volunteer of the Credit Union shall declare all actual or potential material conflicts that may arise between their duty to (i) the Credit Union and (ii) their personal obligations, other fiduciary duties or financial interests (direct or indirect). In the case of Directors and officers, these conflicts shall be reported to the Board of Directors, and in the case of employees and volunteers, to the person to whom they directly report and this should be communicated to the CEO.

Any Director or member of the management team that is involved with a charitable organization in a management role or as a member of the Board of Directors is required to disclose their involvement yearly in the ethical code of conduct agreement and is obligated to remove themselves when discussions related to business ventures, sponsorships or charitable donations for the organization occur at the Board level.

A Director, officer, employee or volunteer should not engage directly or indirectly, as a Director, officer, employee, consultant, partner, agent or major shareholder in any business or undertaking that competes with, does business with or seeks to do business with the Credit Union except with the express written approval of the CEO, in the case of an employee, or with the express written approval of the Chair of the Board of Directors or the Chair of an appropriate committee of the Board of Directors, in the case of an officer or Director. A major shareholder is defined as a person who owns (directly or indirectly) more than ten percent of the issued and outstanding equity of a company.

With respect to restricted party transactions, full disclosure of material transactions shall be recorded in the Board's minutes and will be transacted in accordance with legislated restrictions.

So as not to give the appearance of impropriety, and undue influence, no sitting Director may apply for any paid position as an employee of the Credit Union, and former Directors must be off the Board, and have severed all relations to the Board, for a minimum of 90 days, before they may apply for a position in the Credit Union.

To avoid conflicts of interest, Directors, officers, employees and volunteers must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all time bear public scrutiny. The appearance of conflict of interest as well as the conflict itself must be avoided.

Accepting Gifts

No Director, officer, employee or volunteer shall accept any gift, hospitality or favour offered or tendered by virtue of the official's position with the Credit Union, where the gift, hospitality or favour possesses any one of the following characteristics:

- a) is in the substance or form such that an impartial observer would construe it to be an improper incentive
- b) places the official under an actual or implied obligation
- c) has a value equivalent to or greater than \$100.00
- d) is in the form of cash or cash equivalent

The accepting of small tokens, or playing golf with services suppliers, is not a conflict, since these are usually reciprocal acts that benefit both parties.

When dealing with public officials whose responsibilities include the business of credit unions, acts of hospitality should be of such a scale and nature so as to avoid compromising the integrity or reputation of either the public official or the Credit Union. Such acts of hospitality should be undertaken in the expectation that they could well become a matter of general knowledge and public record.

COMMITTEE INFORMATION

The information found below identifies and briefly describes the Credit Union committees and a summary of meetings and estimated commitment of time which one might expect when they become a Director. We hope that the information below will assist you in clarifying your obligations should you become a Director.

Full Board

The Board of Directors consists of 9 Directors, each elected by the membership for a term of three years, subject to a term-limit of 4 terms in office. The Board is responsible for establishing corporate objectives, policies and performance standards in adherence with regulatory requirements. They are also responsible for measuring their achievements and hiring and delegating authority to the CEO. The Board meets once per quarter.

Committees

- a) In accordance with the Credit Union's by-laws, the Board of Directors will ensure the establishment of an audit committee (in accordance with section 125 of the Act) and Nominating Committee. Other committees, as appropriate, may be formed as either standing committees or ad hoc committees. Standing committees are perpetual. The CEO has the authority to appoint and remove any staff required to participate as part of a committee.
- b) For each committee so established a Terms of Reference will be developed for approval by the Board of Directors.
- c) Standing committee members will be established at a Board meeting as soon as practical after the Annual General Meeting and election of Directors. Membership of committees may be a minimum of three Directors. Employees may be required to assist the committee and will be added as advisor's that have no voting privileges.
- d) All committees must meet at least every three months. A timely report to the Board of Directors will be made after each committee meeting concerning the committee's deliberations, decisions and/or actions.

The Board has established 2 standing Committees which are assigned responsibilities to assist the Board to carry out its mandate.

The current Committees are:

a) Audit and Risk Committee: This committee consists of a minimum of 4 Directors. The Chair of the Audit Committee will be elected by the Board of Directors.

The responsibilities of this Committee are:

To assist the Board in monitoring the integrity of:

- the financial statements of the Credit Union;
- the auditors qualifications and performance;
- the credit union's compliance with legal and regulatory requirements;
- compliance with the Credit Union's and asset liability management.
- Ensure compliance with the Credit Union's internal controls.

b) Governance and Human Resources Committee: This committee consists of a minimum of 4 Directors. The Vice Chair of the Board will be the Chair of the Governance Committee.

The responsibilities of this Committee are to ensure effective corporate governance of the Credit Union with specific attention to the following areas of responsibility:

- Ensure that the Credit Union has the appropriate governance structure, committee mandates, committee membership and Chairs and to ensure that governance practices evolve with the needs of the Credit Union.
- Assist in protecting the reputation of the Credit Union. The Committee oversees the development and monitoring of corporate governance policies which provides for the desired ethical conduct by Directors and employees and to prevent the exercise of undue influence by related parties.
- Director's recruitment, selection, orientation and compensation.
- The Committee will also assume responsibility of the Board to approve all loans granted to restricted parties prior to the release of the funds (restricted parties are defined as all directors and officers of the Credit Union, as well as their related parties, corporations, business and other entities; related parties meaning the board members' immediate family members/anyone who is financially dependent on them, or with whom they share a joint account).
- Oversee CEO performance management and remuneration as well as to assist the Board in fulfilling responsibilities to the employee stakeholder group as a whole.

REMUNERATION

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

Payment Type	Position	Amount
Retainer	Board Chair	\$9,000/year
	Audit and Risk Committee Chair	\$7,500/year
	Governance and Human Resources Committee Chair	\$7,500/year
	Directors	\$6,000/year
Per Meeting	All Board and Committee Meeting Attendees:	
	<ul style="list-style-type: none">• In person attendance• Conference call/electronic attendance (when in person meeting has been called)	\$175/meeting ** \$100/meeting **

** A minimum of 75% of the meeting must be attended in order to receive the Per Meeting fee.

These amounts will be reviewed annually.

DIRECTOR ELECTIONS PROCEDURE

The Governance Committee recommends the following procedure:

1. Nomination Committee approves the "Declaration of Nominee for Board of Director". The Nominee Biography will be used for the elections and made available to the membership prior to the elections.
2. Voting will be conducted electronically prior to the Annual General Meeting and Directors of the Board will be announced at the AGM.
3. The Corporate Secretary will supervise the elections process to ensure the election procedures are followed and to ensure that the Credit Union Act and By-laws are followed with respect to elections and that timelines are met.
4. The Corporate Secretary will be used to verify to the members at the AGM that the process was followed correctly and the result of the voting is accurate.
5. All election results will be final.

DECLARATION OF NOMINEE FOR THE BOARD OF DIRECTORS

I, _____, a nominee for election to the Board of Mainstreet Credit Union Limited:

- 1) Will qualify under the Act or Regulations.
- 2) Will comply with risk management policies of the Credit Union.
- 3) Will comply with the current bylaws of the Credit Union.
- 4) Will participate in training programs to fulfill the Director training and qualification requirements as established by the Credit Union.

I authorize that Mainstreet Credit Union Limited may obtain a Credit Bureau report on me personally. I also authorize that Mainstreet Credit Union Limited may if required, contact any creditor listed on the Credit Bureau report for a credit reference.

Nominee's Signature

Date

NOTE: Please return completed pages 18 – 21 to your nearest Mainstreet branch by Friday, February 15, 2019 at 5:00 pm.

NOMINEE BIOGRAPHY

I am a member of Mainstreet Credit Union Limited and accept the nomination for the election to the Board of Directors. Please ensure this form contains thorough information as it will be used to develop your online biography that will be posted during the elections process to assist the membership in their selection of candidates.

Member's Name: _____

Street Address: _____

City: _____ Province: _____

Postal Code: _____

Phone Number: _____

Email Address: _____

Most Recent Employer: _____

Most Recent Position: _____

Previous Positions: _____

Other areas of expertise that are relevant to Credit Union business:

NOMINEE BIOGRAPHY *continued...*

Member of Credit Union Since:

Community Service Involvement:

Professional Designation(s):

Reasons for seeking election:

SIGNATURE PAGE

Nominee Signature

Nominee's Name (Please print)

Account Number

Nominee's Signature

Date

Nominator Signature

*Nominator's Name (Please print)

Account Number

Nominator's Signature

Date

*Nominator must be a member of Mainstreet Credit Union Limited. Please avoid asking a Credit Union employee to be a Nominator.

BRANCH LOCATIONS

Sarnia - London Rd

1295 London Road,
Sarnia, ON N7S 1P6
(T) 519.542.9059
(F) 519.542.3778

Sarnia – Exmouth Street

412 Exmouth Street
Sarnia ON N7T 5N9
(T) 519.464.5460
(F) 519.344.7933

Brigden

2394 Jane Street
Brigden, ON N0N 1B0
(T) 519.864.1026
(F) 519.864.4360

Corunna

201 Hill Street Unit #4
Corunna, ON N0N 1G0
(T) 519.862.5225
(F) 519.862.4224

Port Lambton

4348 St. Clair Parkway
Port Lambton, ON N0P 2B0
(T) 519.677.5652
(F) 519.677.4061

Chatham – Keil Drive

40 Keil Drive South
Chatham, ON N7M 3G8
(T) 519.436.4590
(F) 519.436.5451

Chatham – Queen Street

835 Queen Street
Chatham, ON N7M 2K5
(T) 519.360.1313
(F) 519.360.9835

Chatham – Union Gas Branch

50 Keil Drive North
Chatham, ON N7M 5M1
(T) 519.436.4590
(F) 519.358.4009

Strathroy

214 Caradoc Street South
Strathroy, ON N6G 2P1
(T) 519.245.2530
(F) 519.245.6728

Ailsa Craig

135 Ailsa Craig Main Street
Ailsa Craig, ON N0M 1A0
(T) 519.293.3947
(F) 519.293.3454

Mt. Brydges

22478 Adelaide Road
Mt. Brydges, ON N0P 1W0
(T) 519.264.9708
(F) 519.264.9181

Parkhill

260 Main Street
Parkhill, ON N0M 2K0
(T) 519.294.6277
(F) 519.294.0521

Goderich

39 St. David Street
Goderich, ON N7A 3Y5
(T) 519.524.8366
(F) 519.524.1329