



2020 Directors Nominations Package

January 24, 2020



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Message from the Nominating Committee

Dear Member:

Our Board is committed to building strong relationships aimed at improving the financial wellness of our membership and enriching the lives of individuals in our communities. As a Director with us, you will have the opportunity to help lead and direct the future of our organization!

The election for three positions on the Board of Directors of Compass Credit Union Limited (CCU) will take place in early 2020, and we are very pleased to call for nominations for election to the CCU Board of Directors.

This Nominations Package includes a comprehensive overview of the nominations procedures, including background related to board governance, expected time commitment, director competencies and attributes, and the application process.

Please read this Nominations Package before completing the required forms. Once you have completed the enclosed forms, the documents can be electronically submitted to nominations@compasscu.ca. Forms are due by February 28, 2020 at 17:00 Central Standard Time.

Select applicants may attend an interview with the Nominating Committee for qualification. The Committee will advise qualified candidates if they will be put forward for member election consideration.

If there are 3 or more members nominated, voting will take place by in-branch voting with ballots issued to members in-branch by mid-March, 2020. Members who have voted are documented using the banking system and all ballots are counted by a separate Committee.

A member of the Nominating Committee will contact you by early April to advise you of the election results. These results will be announced to the membership at the Annual General Meeting on April 15th, 2020.

Thank you for your interest in serving as a member of the Board and for your continued loyalty to CCU.

Sincerely,

Nominating Committee

Compass Credit Union Limited

Call for Nomination: January 24th, 2020- February 28, 2020

Nomination Application Deadline: February 28, 2020 at 17:00

Election Period: March 9, 2020-March 27, 2020

Close of Election: March 27, 2020 at 17:00

**Annual General Meeting Election Results Announced: April 15th,
2020**



2020 Directors Nominations Package

Get to know us!!

Compass Credit Union Limited was formed by the merger of Crocus Credit Union Limited and Erickson Credit Union Limited effective January 1, 2018. Crocus was formed in 1952 as Brandon Terminal Credit Union Society and grew through a series of mergers with Brandon Civil Servants, St. Hedwigs, Brandon United, and Brandon Mental Hospital. Erickson was also formed in 1952 and remained a single-branch credit union in the southern Parkland region until merging with Crocus.

Compass offers our members quality service and sound, unbiased advice from a team of professionals with a broad range of financial products and services. With over \$190 million in assets, 5,700 members, three (3) branch locations, a general insurance agency (Phillips Insurance Agency Ltd.), and a Wealth Management Department, we continue to grow and succeed with the support and trust of our members.

Our Values. To be a sustainable, dynamic, socially responsible co-operative that provides a lifetime of personal, quality, and meaningful support to our members and their communities.

Our Members. They are the reason we exist and they are at the heart of what we do. For us, this means a commitment to continuously improving our members' experience by delivering relevant products, services, and advice with honesty, fairness, and respect.

Our Employees. Our people are our strength and the basis of our ability to provide an exceptional member experience. We strive to be an employer of choice, where employees are also treated with honesty, fairness, and respect; offered opportunities to learn and develop; are paid fairly; and are empowered to carry out their duties.

Our Community. We serve a broad community, and we also benefit from that community. We recognize our responsibility to make a positive contribution to its health and quality of life.

Co-operation. We believe in the principles of co-operation and the continuing development of Compass Credit Union Limited (CCU), the credit union system in Manitoba, Canada and around the world. Our members are our owners and benefit in many ways from ownership, including having a say in how their Credit Union is run, and sharing in our profits.

Strong Governance. The Board of Directors is elected by the membership and is committed to ensuring effective oversight of the Credit Union with a view to ensuring a sustainable future.

Our Heritage. CCU has a long history in Manitoba, and we honour our past and the original members who brought our Credit Union to life.



What is Board Governance?

CCU is governed by a Board of Directors comprised of nine (9) individuals elected by the membership. The Board shapes the organization's strategic direction, ensures appropriate controls are in place to identify, monitor, and mitigate risks, and acts as a steward over the assets and reputation of the Credit Union.

The Board has five key responsibilities which it must fulfill effectively to sustain the viability of the organization. Specifically, the Board is responsible for:

- strategic and business planning;
- relationship with the CEO;
- oversight of operations, risk profile, and financial performance;
- integrity of internal controls and management information; and
- governance practices and reporting, including organizational ethics and corporate social responsibility.

The Board fulfills its roles and responsibilities through decision making and oversight. The decision making function involves providing guidance on strategic objectives, establishing governance practices, and approving significant actions. The oversight function includes the duty to gain assurances of the adequacy of controls and information, and of adherence to governing policies.

Due to the complex and technical nature of the financial services business, the Board must select and provide ongoing performance management of the CEO, who has responsibility for operational and day-to-day management of the Credit Union's affairs.

Although Directors may be elected by members to bring specialized expertise or points of view, they are not chosen to represent a particular constituency. In their capacity as a Director, Directors are solely accountable to the Board, and in-turn, the Board to the Credit Union.

The Credit Union must operate successfully within today's competitive and regulatory environment to provide for an ongoing sustainable organization to benefit members and other stakeholders. Directorship is a key decision-making position in the Credit Union's governance, as it is the Board that determines long-term strategic direction, major business objectives, and ongoing oversight.

An overview of Director and Board of Director roles and responsibilities is included in this Package.



Expected Time Commitment

Directors are typically elected for a three (3) year term of office and are expected to actively participate in scheduled board and committee meetings, planning sessions, training courses, and any special meetings.

There are usually twelve (12) regular Board meetings held each year. There is also an annual strategic planning meeting held over two days.

There are five active committees of the Board, namely the:

- C.E.O. Search Committee (active in 2018-2020)
- Audit Committee
- Credit Committee
- Nominating Committee
- Education Training

Directors are required to participate in one or more committees. For most committees, meetings are usually scheduled quarterly, depending on requirements and assignments.

Board meetings can run for two-three hours in length, and committee meetings up to three hours. Both meeting types have pre-reading requirements.

Directors are expected to complete all modules of the Credit Union Director Achievement (CUDA) training program and are expected to stay abreast of developments and trends in the financial sector and the Credit Union operating environment.

CCU offers compensation to its Directors to allow it to attract and retain strong candidates to serve on the Board. The Board compensation is meant to recognize the time commitment and responsibilities assumed by each Director, the professional expertise they bring, and the level of contribution they provide to assist the Credit Union in meeting and surpassing its corporate goals. Remuneration and expense reimbursement is provided in accordance with the CCU governing policy.



SUMMARY OF TIME COMMITMENTS

- 3 year term (2020-2023)
- Monthly Board meetings
- Ad-hoc Committee Meetings
- Completion of CUDA Training and Professional Development Hours
- Annual Planning Session
- Credit Union events and Manitoba Credit Union System meetings
- 3-6 hours per month meeting preparation, education, or other activities

Director Competencies and Attributes

Generally, CCU is looking for Directors with a broad range of business knowledge and depth of experience, whose values align with the cooperative principles, and who are strategic and innovative thinkers.

The Nominating Committee is seeking to encourage applicants in 2020 with experience and expertise in the following areas to supplement and/or complement existing Board competencies:

Information Technology – relevant experience and subject matter expertise in emerging trends and technologies, and those applications relevant to the financial services industry;

Demonstrated Leadership Ability – functions effectively as a leader in an industry characterized by volatility, uncertainty, ambiguity, and complexity; understands the interrelation and cyclical nature of the industry; possesses an entrepreneurial and/or innovative drive;

Human Relations/Human Resources – experience with and passion for mentoring, managing, and empowering people. Specialized training in law, organizational development, employee relations, and/or demonstrated creative problem-solving abilities considered an asset; or

Financial Services Industry Experience – considerable knowledge of and/or expertise with financial services, including products and services analyses, budget oversight and administration, client relationship management, capital market knowledge, and/or wealth management.

Diversity

CCU's Board encourages expressions of interest from candidates who reflect a diversity of backgrounds, problem solving approaches, gender, age, and cultural backgrounds. A diverse Board helps the organization to better understand the issues and concerns of the members it serves.

Eligibility

As outlined in CCU's Bylaws and governing policies, any person may apply to be a Director provided that the individual:

- is a citizen of Canada;
- is an active member in good standing of the Credit Union
- is 18 years of age or older;
- demonstrates the competencies or other requirements established by the Board;



Nominations Process

The Nominating Committee oversees the CCU Nominations and Elections processes for election by the members to the CCU Board. This Nominations Package has been developed to provide potential candidates with important information about eligibility requirements under the CCU By-laws, as well as information about the skills, competencies, and responsibilities expected of CCU Directors. Interested candidates must complete and submit a Letter of Interest to nominations@compasscu.ca by February 28, 2020 at 17:00 pm Central Time. All Letters of Interest will be reviewed by the Nominating Committee. The Nominating Committee will undertake a process in accordance with established procedures to qualify candidates for member review and election. These procedures include:

- consideration of how the candidate's skills and attributes align with the diversity and qualification requirements of the CCU Board;
- the applicant's perceived and/or demonstrated commitment to the mission, vision, and values of the Credit Union; and
- consideration of Board stability and knowledge retention requirements.

Roles and Responsibilities

The following excerpts are taken from Board-approved terms of reference outlining responsibilities for the Board of Directors and individual Directors. The information provided is not comprehensive.

Board of Directors (Collective)

Strategic and Business Planning

- Together with management, establishes mission, vision, and values of the Credit Union and takes action to uphold them;
- In conjunction with management, approves the approach to strategic planning;
- Aids in determining strategic direction and short and long term business goals;
- Monitors progress towards the approved goals, alters direction as required, and takes action when circumstances warrant such action; and
- Approves significant capital expenditures and corporate decisions.

Appointing, Monitoring, and Compensating Executive Management

- Appoints a person of integrity and with appropriate competencies into the CEO position;
- Assesses CEO performance;
- Determines CEO compensation in accordance with industry standards;
- Provides advice to the CEO in the execution of duties, as requested by the CEO.

Enterprise Risk Management

- Ensures implementation of proper policy framework for enterprise risk;
- Strives to achieve a proper balance between risks incurred and potential returns;
- Approves the Credit Union's risk appetite statement; and



- Monitors adherence to risk framework, policies, and plans.

Governance Practices

- Understands the duties and responsibilities of individual Directors, Board Officers, the Board as a whole, and each Board Committee, and that independent judgment is exercised in decisions at the Board table;
- Ensures its own succession and training and development, including effective orientation programs, governing policies, and continuous learning opportunities;
- Sets expectations and responsibilities of Directors, including attendance at, preparation for, and participation in Board and committee meetings.
- Ensures there are policies and processes for effective communication with members.

Director (Individual)

Standard of Duty

- Demonstrates a solid understanding of the role, responsibilities, and legal duties of a Director, and the governance structure and protocols of the Credit Union;
- Attends and participates in Board and applicable Board Committee meetings;
- Prepares in advance for all topics scheduled for Board or Board Committee meetings;
- Interacts with fellow Directors and management in a respectful way and with conduct that honors the Credit Union values;
- Stays informed of the business and regulatory environment;
- Contributes to discussions regarding the Credit Union's strategic direction;
- Participates in the annual performance evaluation process of the CEO;
- Participates on and contributes to at least one Board Committee; and



Understands the difference between governing and managing and does not encroach on management's area of responsibility.

Fiduciary Responsibilities

- Acts honestly and in good faith in the best interests of the Credit Union;
- Abides by the Code of Conduct and Ethics;
- Respects the confidentiality of information learned in the performance of his/her duties;
- Demonstrates good judgment;
- Interacts appropriately with management;
- Is a positive and constructive force on the Board;
- Demonstrates openness to others' opinions and is willing to listen;
- Possesses the confidence and willingness to make tough decisions, including the strength to challenge the majority view while maintaining collaborative and congenial relationships with Director colleagues;
- Acts without self-interest; and
- Acts in compliance with applicable acts, regulations, etc.

Authority

Recognizes that the Board acts collectively and exercises its powers and responsibilities as a group.

Professional Development and Continual Learning

- Completes three (3) levels of the Credit Union Director Achievement (CUDA)
- Participates in ongoing development initiatives (i.e. completing CUDA training, attending conferences, director development programs, and continuing education classes, etc.)



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