

2021 Candidate Guide and Board of Directors Application

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Introduction

Dear Prospective Applicant:

Thank you for your interest in Meridian's Board of Directors. Your participation in our nomination and election process is an integral part of ensuring that we maintain a strong governance framework that serves our Members most effectively.

Each year, the Board of Directors appoints a Nominating Committee who is responsible for ensuring the integrity and quality of the Director nomination and election process. The Committee is also responsible for recommending to the Membership those candidates who are best qualified to serve Meridian as a Director in order to have a high performing Board.

Within this package, you will find everything that you need to complete the nomination process, including important information on eligibility and qualification requirements, selection criteria and expectations of Directors. If you have any questions about the enclosed information, please contact our Returning Officer at Returning.Officer@meridianCU.ca.

At Meridian, we value the dedication and commitment of those who choose to participate in our nomination and election process. Once again, we thank you for your interest in our Board of Directors.

Yours truly,



Carol Hunter
Nominating Committee Chair

Applications must be received by the Returning Officer at Returning.Officer@meridianCU.ca no earlier than November 13, 2020 and no later than 5:00 p.m. on December 14, 2020.

PART A: Candidate Guide

Expectations of Directors

With more than 75 years of banking history, Meridian is Ontario's largest credit union and the second largest in Canada, helping to grow the lives of its 370,000 Members. Meridian has \$26 billion in assets under management and delivers a full range of financial services online, by phone, by mobile and through a network of 90 branches across Ontario, and business banking services in 15 locations. Meridian Members also have access to THE EXCHANGE® Network, with more than 3,600 no-fee ABMs across Canada and 500,000 ABMs in the United States. Meridian also offers retail banking services nationally through its recently launched subsidiary, motusbank. For more information, please visit: [MeridianCU.ca](https://www.MeridianCU.ca).

Meridian's Board consists of 12 Directors elected for three-year terms. Generally, every year, the term of four Directors expires and Meridian holds Board elections to fill these vacancies and other vacancies that may have occurred.

WHO CAN APPLY TO MERIDIAN'S BOARD OF DIRECTORS?

- Candidates must be a Member of Meridian **by the last day of the Nomination period**, and hold the required Membership Share.
- Candidates must meet the eligibility requirements outlined in Meridian's By-law #1, and not be disqualified from being a Director of a Credit Union under applicable legislation (pages 22-23).
- The process is highly competitive. All applications will be evaluated; however, only **Qualified Candidates** will be considered beyond the application part of the process. In order to be a Qualified Candidate, a Candidate must meet the Director Selection Criteria outlined on pages 24 and 25, and have one or more of the skills and expertise that would best complement the current Board and that are listed on page 25.

SUBMITTING AN APPLICATION

If you wish to submit an application, we would ask you to:

1. Include a cover letter and your resume;
2. Review and complete the following three documents:
 - i. Schedule A - Candidate Undertaking (pages 12-13);
 - ii. Schedule B - Applicant Assessment (pages 14-15);
 - iii. Schedule C - Declaration of Interests (pages 16-21); and
3. Send your application to the Returning Officer at Returning.Officer@meridianCU.ca no earlier than November 13, 2020 and no later than 5:00 p.m. on December 14, 2020.

ONCE THE NOMINATION PERIOD CLOSSES:

1. The Returning Officer will assist the Committee in evaluating the applications.

2. In the following situations, the Nominating Committee will have the sole discretion to reject an application and the Returning Officer will inform Candidates accordingly:
 - a. the application has not been completed in accordance with the applicable requirements or received within the prescribed timeline; or
 - b. the applicant does not adhere to applicable legal or regulatory requirements; or
 - c. the information provided by the applicant is incomplete, false or misleading; or
 - d. the applicant's intention to stand for election is not pursued in good faith, or is to, or may, cause harm or embarrassment to Meridian; or
 - e. the applicant's intention to stand for election is primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors, officers or members; or
 - f. the applicant is an individual who ought not to be in a position to control or influence a financial institution; or
 - g. the applicant is an individual that, if elected, may not act honestly, in good faith, and in the best interests of the financial institution; or
 - h. a real, perceived or potential conflict of interest exists that would prevent the applicant, if elected, from properly discharging his or her duties as a Director. The following will be deemed conflicts of interest, unless otherwise determined by the Nominating Committee:
 - i. A conflict of interest as defined under applicable legislation or regulatory guidance;
 - ii. A candidate is an elected member of a municipal, provincial or federal government.
 - iii. A candidate is a director, officer, employee or advisor of a financial services regulatory authority that directly regulates one or more of Meridian's businesses on a consolidated basis; or
 - iv. A candidate is a director, officer, employee or agent of an entity that is engaged in, or has the potential to be engaged in, offering products or services that are the same as or similar to, and that directly compete with those offered by Meridian on a consolidated basis.

Please note that a conflict of interest that exists at the time of submitting the application will disqualify the Candidate even if it is anticipated that the conflict will be resolved by the time of the election. It is the responsibility of all Candidates, before submitting an application, to have obtained all approvals from their employer or other stakeholders. Candidates will be asked to attest to this in their Candidate Undertaking (page 12).

The Returning Officer is under no obligation to explain the reasons for the Committee's rejection of an application.

3. From amongst the valid applications, the Nominating Committee, assisted by its advisor, will identify the **Qualified Candidates**. In order to be a Qualified Candidate, you must i) meet the Director eligibility requirements outlined on page 22 and 23, ii) meet the Director Selection Criteria outlined on pages 24 and 25, and iii) have one or more of the skills and expertise that would best complement the current Board and that are listed on page 25.
4. The Returning Officer, on behalf of the Committee, will inform those candidates who have been determined not to be Qualified Candidates that they will not be considered in the Nomination process.
5. The Committee's external advisor will conduct preliminary interviews of selected Qualified Candidates on behalf of the Committee.
6. The Nominating Committee, assisted by the external advisor, will select a short list of Qualified Candidates for interviews with the Committee.
7. Qualified Candidates will be notified if they have been selected for an interview by February 10, 2021.
8. **The Nominating Committee will conduct Candidate interviews via Microsoft Teams Video Conference on February 24 and February 25, 2021.** If a Qualified Candidate is not available to participate in the interview on the above dates, the Qualified Candidate will have ceased to participate in the nomination process.

UPON COMPLETION OF QUALIFIED CANDIDATE INTERVIEWS:

9. Upon completion of its interviews, the Nominating Committee will make a determination as to the best-Qualified Candidates to fill the available positions on the Board. The Committee will then place their recommendation behind those identified Candidates.
10. The Returning Officer, on behalf of the Nominating Committee, will advise each interviewed Candidate (without an explanation of the reasons) whether they are recommended by the Committee.
11. Recommended Candidates will be subject to a background check and must provide Candidate statements for the Candidate Brochure and ballot. In order to meet publication timelines, Candidates who do not respond to the background check request within 48 hours of its receipt may be disqualified.
12. The election of Directors by Members will be conducted via electronic voting during the period of March 29 through April 20, 2021. The Candidate Brochure and electronic ballot will clearly indicate which Candidates are recommended.
13. Formal campaigning by Candidates is prohibited. Please refer to Section 9.0 of the **Nomination and Election Policy** for details.
14. The results of the election will be announced at the Annual General Meeting on April 27, 2021. There will not be nominations from the floor, nor will any voting for Directors take place at the Annual General Meeting.

Board of Directors

Meridian Credit Union's Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Meridian related organizational and community related activities. In addition, Directors new to the credit union system must be willing to attend credit union system conferences and participate in Director education as outlined below.

The information found below identifies and briefly describes Meridian's committees, Director education requirements and a summary of meetings and estimated commitment of time that one might expect when they become a Director of Meridian.

We hope that the information below will assist you in clarifying your obligations should you become a Director. However, if you have any questions regarding the information, or wish to learn more about Meridian's governance structure/practices, please contact Meridian's Returning Officer or via email at ReturningOfficer@meridianCU.ca.

1. Board

The Board consists of 12 Directors, each elected by the Membership for a term of three years, subject to a term-limit of 15 consecutive years in office. As part of its oversight responsibilities, the Board is responsible for the overall strategic stewardship of Meridian Credit Union, establishing objectives, policies and performance standards and measuring their achievement; has ultimate accountability for determining the Credit Union's risk appetite; and hiring and delegating authority to the President & CEO.

2. Committees

The Board has established five standing committees, as follows:

- Governance Committee
- Audit & Finance Committee
- Risk Committee
- Nominating Committee
- Human Resources Committee

Each committee is assigned responsibilities to assist the Board to carry out its mandate. Descriptions of each committee may be found on our website here:

<https://www.meridiancu.ca/About-Meridian/Corporate/Governance/Board-Committees.aspx>.

MEETINGS/TIME COMMITMENT

- Meridian's Board and Committees meet quarterly, or at additional times as required. Board and Committee meetings take place clustered over a three to four-day period in the same week.
- It is expected that, in addition to the actual time spent at a Meridian Board or Committee meeting, a Director will fully review all materials provided prior to attending each meeting.
- Materials for all Board and Committee meetings are distributed by the Corporate Secretary in electronic format generally one week prior to the scheduled meeting. Elected Directors are expected to be able to receive and communicate via electronic means.
- While travel time to and from meetings will vary with each Director, it is another factor to be considered.
- Generally, a time commitment of approximately 200 hours per year is typical for a Director.
- All Directors sit on an average of two Committees. Attendance at all Board and Committee meetings is monitored and reported to the Board.
- While occasional conference calls are held to deal with special issues between regularly scheduled meetings, for the most part Directors are expected to attend meetings in person (all meetings are currently held remotely due to COVID-19 measures). Under exceptional circumstances the Chair may allow participation in a meeting via telephone conference.

The following meeting summary shows the approximate time commitment for each Director during the course of a year:

<p>Board & Committee Meetings (held quarterly)</p>	<p>Board and committee meetings generally occur quarterly, and are clustered together over a 3 – 4 day period during the same week, although additional meetings may be held in between the quarterly meetings. A Board dinner is also held each quarter. Location of the meetings is at Meridian’s Toronto Corporate Office, in Etobicoke. All meetings are currently held remotely. The Board and Committee meetings for the 2021-2022 Board Year have been scheduled as follows:</p> <ul style="list-style-type: none"> • The week of May 24, 2021 • The week of August 23, 2021 • The week of November 22, 2021 • The week of February 14, 2022
<p>Orientation Program</p>	<p>For newly elected Directors; usually held in May following the election and no later than two months after having been elected. Allow one or two full days for orientation.</p>
<p>Governance Committee</p>	<p>Meets approximately 4 times during the year (allow 3–4 hours/meeting).</p>
<p>Audit & Finance Committee</p>	<p>Meets approximately 5 times a year (allow 4–5 hours/meeting).</p>
<p>Nominating Committee</p>	<p>Meets approximately 4 times per year (allow 2–3 hours/meeting) plus a concentrated period during February when Candidate interviews are conducted.</p>
<p>Risk Committee</p>	<p>Meets 4 times per year, with the potential for conference call meetings in between (if required). (Allow 4-5 hours/meeting).</p>
<p>Human Resources Committee</p>	<p>Meets approximately 5 times per year with greater emphasis during the period October through February (allow 3–4 hours/meeting).</p>
<p>Annual General Meeting</p>	<p>Usually held during the 3rd or last week in April during the evening (3–4 hours). In 2021, it will be held on Tuesday, April 27.</p>
<p>Strategic Retreats</p>	<p>The Board Strategic Retreat is typically held over two days in the Spring. The 2021 dates are to be confirmed.</p>

EDUCATION

Director training and development programs are extremely important in understanding the roles and responsibilities of being a Director of a Credit Union. **Meridian's regulators require Directors to be at certain levels of competency within a specified time period.** A self-assessment is used to determine these levels and where the competency level is below the required level, development opportunities are identified for the Director.

Directors are required to additionally commit to a specific number of hours of continuing education in a year. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to consider additional opportunities for development wherever possible. In addition, other in-house training sessions are developed for which attendance is expected.

REMUNERATION

Directors are paid an annual retainer in recognition of the significance of the accountabilities and responsibilities associated with governing Meridian, and in recognition of the time required for Directors to fulfill their responsibilities. Directors who hold a Board Chair or Committee Chair position receive an additional retainer aligned with the responsibilities and time commitment required of the position. These payments are taxable as personal income. Reasonable expenses are reimbursed as per Board policy.

Part B: The Application

Candidate Checklist and Key Dates

ALL CANDIDATES

December 14, 2020 by 5:00pm: Deadline to submit a complete and valid application via email to the Returning Officer at Returning.Officer@meridianCU.ca.

- Cover letter and resume that includes disclosures outlining the following (pages 22-25):
 - Experience, expertise and qualifications of the Candidate;
 - Candidate's past and present service as a director;
 - Any formal director education/training accreditations;
 - Candidate's professional or other affiliations or memberships; and
 - Candidate's involvement in community activities.
- A signed Schedule A: Candidate's Undertaking (pages 12-13);
- A completed Schedule B: Applicant Competency Assessment (pages 14-15); and
- A completed Schedule C: Declaration of Interests (pages 16-21).
- If desired, a completed Part D: Voluntary Disclosure (pages 27-28).

December 2020: Candidates will be notified if their application is complete and valid.

QUALIFIED CANDIDATES

January 2021: Candidates will be notified if they are Qualified Candidates. The Committee advisor may conduct preliminary interviews with selected Qualified Candidates.

February 10, 2021: Qualified Candidates are informed if they have been selected for an interview by the Committee.

INTERVIEWED CANDIDATES

February 24 & 25, 2021: The Nominating Committee interviews selected Qualified Candidates via Microsoft Teams Video Conference.

March 1, 2021: Interviewed Candidates are informed if they are being recommended for election.

March 2, 2021: Deadline for Recommended Candidates to confirm if they will stand for election.

CANDIDATES FOR ELECTION

March 5, 2021: Deadline to respond to background check request.

March 5, 2021: Deadline to provide Candidate Statements for Candidate Brochure and ballot.

March 29-April 20 2021: Online Director Election

April 27, 2021: Annual General Meeting: Results of Director election announced.

Schedule A: Candidate Undertaking

Please read the following carefully and sign on page 13 below:

The undersigned hereby applies to be a Candidate for nomination and/or election to the Board of Directors of Meridian Credit Union Limited (“Meridian”) or (the “Credit Union”). If, as a Candidate; you feel you are unable to attest to a certain issue noted below, please feel free to provide a written explanation of the reasons behind the inability to attest.

I do, or solemnly undertake to:

- a.** stand for election, if named a Recommended Candidate, and, if elected, to serve as a Director;
- b.** observe the provisions of the *Credit Unions and Caisses Populaires Act*, (“the Act”), as applicable, including those outlined on pages 22 and 23.
- c.** observe the Credit Union’s By-Laws, and the rules relating to the elections and the conduct thereof. Links are included in Reference Documents on page 26;
- d.** comply with the duties and obligations of Directors, including the Directors’ Code of Conduct adopted by the Board from time to time. Links are included in Reference Documents on page 26;
- e.** provide full financial disclosure to the Credit Union, as required by the Board from time to time;
- f.** in the event that my spouse is engaged in business activities as described under 1a(iv) of Meridian’s eligibility requirements (page 23), disclose the details of same to validate my eligibility;
- g.** submit my resignation from the Board in the event the Board has determined that as a Director, I have ceased to meet the eligibility and qualification requirements, as set out in the **Act**, regulatory guidance and the Credit Union’s By-Laws.

For items h) through l), notwithstanding the requirements under the Act, I hereby attest that:

- h.** I have not been held liable in a civil proceeding in connection with financial or business misconduct, fraud or mismanagement of an entity;
- i.** I have no conflicts of interests that could create a material risk that I will be unable to discharge the duties of a Director with integrity and in the best interests of the Credit Union;
- j.** I have obtained approval from my employer or other stakeholders before submitting this application, to ensure that no conflict would exist from their perspective should I be elected;
- k.** I have never been convicted or, or am currently charged with an offence, under the Criminal Code of Canada, provincial/territorial legislation or any other jurisdiction outside of Canada (including impaired driving but not minor traffic offenses);
- l.** I have never had a civil judgment or disciplinary action taken against me by any professional or self-regulated body; and
- m.** I have never (under the laws of any province, territory or country) been petitioned into bankruptcy or made a voluntary assignment into bankruptcy.

(Note: All Candidates on the ballot for election will be subject to a background check with respect to these attestations).

Schedule A: Candidate Undertaking (continued)

Furthermore, I hereby consent to:

- a.** the collection, use and disclosure of credit and/or personal information to, or from Meridian;
- b.** the collection, use and disclosure of credit and/or personal information to or from any background check firm and/or credit-reporting agency;
- c.** the completion of a background check which may include a credit check, education, credential and employment verification, criminal/police check and social media review to be administered by an external firm for the purpose of determining eligibility of the proposed Candidate for election to the Board; and
- d.** Meridian, the Nominating Committee, and/or an external advisor retained by either Meridian or the Nominating Committee, searching all available and relevant public records including sources on social media such as Facebook, Google and LinkedIn, and thereby obtaining personal and business information about me, and to the Committee using any such information so obtained, but only for the purpose of evaluating my suitability as a Director and the likelihood that I would, if elected, perform my duties as a Director to the level expected of such a Director;

In addition, I acknowledge that I must be available during January and February 2021, in order to undergo the evaluation process by the Nominating Committee and/or its advisor. The advisor may conduct preliminary interviews in January and the Nominating Committee will conduct interviews with the finalists via Microsoft Teams video conference on February 24 and 25, 2021.

DATED AT _____ (City, Province)

THIS _____ DAY OF _____ 2020.

Candidate's Signature

Candidate's Email Address

Please tell us how you learned about this Board opportunity:

- meridianCU.ca**
- Meridian online banking site**
- Meridian branch**
- other**

Schedule B: Candidate Competency Assessment

Meridian is committed to the principle of a high quality Board of Directors, and expects that each Director brings to the Board a certain level of knowledge and experience, demonstrates certain key attributes and adheres to certain principles. The following self-assessment will assist the Nominating Committee in determining the degree of competency that you bring as a Candidate.

Please indicate your level of expertise/experience by indicating:

E – Expert

S – Strong

G – Good

B – Basic

N/A – no relevant experience

To assist you in answering please refer to the following definitions. More information on the competences can be found on the [FSRA website](#).

Expert: You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field. **“You Can Teach It”**

Strong: You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities. **“You Can Do It”**

Good: You understand the basic fundamentals and concepts that are encountered in this skill area. **“You Can Explain It”**

Basic: You have some knowledge of the competency. **“You Know About It”**

NA: You have no familiarity with the topic or area.

Please Note: If you are elected to the Board, you will be expected to complete a more comprehensive self-assessment of specific competencies within two months of election. This assessment is used to help determine your training and self-development needs in order to meet regulatory requirements as to a Credit Union Director competencies. Further information on the Director Training self-assessment tool can be found on the [FSRA website](#).

COMPETENCY AREA	RATING
<p>1. Audit and Compliance: Knowledge and understanding of monitoring and auditing processes to ensure compliance with regulatory standards.</p>	
<p>2. Board & CEO Performance: Knowledge of tools and methodologies for setting and evaluating criteria and standards of performance of a board, directors and CEO.</p>	
<p>3. Credit Union Operations: Knowledge of how a credit union's infrastructures inter-relate to enable effective and efficient operations while managing risk and regulatory requirements.</p>	
<p>4. Financial Literacy/Expertise: Level of financial knowledge to interpret financial statements and financial performance indicators as well as monitoring corrective actions.</p>	
<p>5. Governance and Ethics: Level of knowledge and understanding re: critical elements of good governance and ethics, including board role and responsibilities.</p>	
<p>6. Leadership: Attributes of leadership to motivate, influence and support others to accomplish organizational goals.</p>	
<p>7. Regulatory environment with respect to financial services & credit union sector: Familiarity with governing regulatory environment and policies to meet legal, regulatory and governance requirements.</p>	
<p>8. Risk Management Oversight; Enterprise Risk Management: Knowledge and understanding of the management framework for identifying, measuring and monitoring significant risk and events.</p>	
<p>9. Strategic Planning: Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation.</p>	
<p>10. Securitization: Knowledge and understanding of securitization strategies, programs, risk management and best practices.</p>	
<p>11. Entrepreneurial Experience Experience as or involved with start-up of new venture or enterprise; business ownerships or management of small/medium sized business.</p>	
<p>12. Information Technology: Degree of understanding of technology and social media, and overall familiarity with various forms of electronic channel and communication methods.</p>	
<p>13. Cyber Security Knowledge in the areas of threat prevention, detection methods, and understanding the core aspects of crisis management when dealing with the remediation of events.</p>	
<p>14. Partnering or Mergers and Acquisitions: Experience/involvement in development/planning/or implementation of a partnership or Merger/acquisition.</p>	
<p>15. Human Resource & Pension Management: Recruitment; hiring criteria and practices; Executive compensation programs; Executive performance evaluation; pension plan administration.</p>	
<p>16. Other areas of expertise/experience. Please specify.</p>	

Schedule C: Declaration of Interests

Please print

(Definitions follow)

Name: _____

Member Number(s): _____

Name of Spouse: _____

1. Is Spouse (please see definition) financially dependent on me? Yes No

2. Names of Children and other Relatives financially dependent on me or my spouse and who live in my home [include dates of birth]:

3. "Close family members" (please see definition) being those who are expected to influence or be influenced by me (whether or not they are financially dependent):

a) Names of children of self or spouse/domestic partner [include dates of birth]:

b) Names of dependents of self or spouse/domestic partner [include dates of birth]:

c) Names of other individuals who live in the same household as self [include dates of birth]:

d) Names of other individuals who have strong financial ties to self or spouse/domestic partner [include home address(es)]:

4. Names of Corporations, whether or not they are Members of Meridian, in which I beneficially own, directly or indirectly, more than 10 per cent (10%) of the voting shares, and the affiliates of said corporations: *(please state percentage)*:

5. **Names of Corporations, Partnerships or Unincorporated Associations, whether or not they are Members of Meridian, in which I, or any one of my spouse, children and other relatives (*identified above*) beneficially own 50 per cent (50%) or greater of the voting shares and their subsidiaries:** (please state percentage)

6. **Names of Corporations, whether or not they are Members of Meridian,** in which I or any one of my spouse, children and other relatives named above own shares which **carry more than 50 percent (50%)** of the votes for the election of directors:

7. **Names of Corporations or Unincorporated Associations, whether or not they are Members of Meridian, for which I serve as a Director or Officer:**

8. **Names of Partnerships, whether or not they are Members of Meridian, in which I am a Partner:** (*please state percentage interest and percentage interest of other partners*)

9. **Names of Trusts or Estates which are Members of Meridian and in which I have a substantial beneficial interest:**

10. **Names of Trusts which are Members of Meridian and for which I act as Trustee** (including accounts on which I act as attorney for property):

11. **Names of non-relative Members for whom I have provided financial assistance,** including a guarantee or co-signature for loans from the credit union:

12. **You must include detailed disclosure below if you:**

- A. Are a party to a material contract or proposed material contract with the Credit Union;
- B. Are a director or an officer of an entity that is a party to a material contract or proposed material contract with the Credit Union;
- C. Have a material interest in a person who is a party to a material contract or proposed material contract with the Credit Union; or
- D. Are a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the Credit Union.

Please provide details here if any of the above applies.

Acknowledgement

I HEREBY:

- acknowledge that this declaration is given for the purposes of assisting Meridian in complying with statutory and regulatory requirements relating to transactions with Restricted Parties, Connected Persons, Conflicts of Interest and Related Parties;
- warrant that the information provided herein is complete and accurate in all material respects as of the date it is given; and
- undertake to bring to the attention of the Meridian any subsequent information which would necessitate the completion of a new Declaration.

DATED AT _____ (City, Province)

THIS _____ DAY OF _____ 2020.

Signature

Definitions

Restricted Party (“RP”)

A person or entity is “restricted” in relation to Meridian, if they are or have been within the last 12 months:

- A. a director or officer of Meridian;
- B. a spouse of a director or officer of Meridian;
- C. a “**Relative**” of a person described in [A] or [B] above, if the relative **lives in the home** of the above and is **financially dependent** on the person described in [A] or [B];
- D. a corporation in which a person described in [A] beneficially owns, directly or indirectly, **more than 10% of the voting shares**; or
- E. a corporation controlled by a person described in [A] [B] [C] or [D] above.

Spouse

A spouse is defined by the Family Law Act as

Section 1.1 “either of two persons who,

- (a) are married to each other, or
- (b) have together entered into a marriage that is voidable or void, in good faith on the part of a person relying on this clause to assert any right.”

Section 29 “as defined in subsection 1.1, and in addition includes either of two persons who are not married to each other and have cohabited,

- (a) continuously for a period of not less than three years, or
- (b) in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the Children’s Law Reform Act.”

Relative:

Means a relative by blood, marriage or adoption.

Connected Persons (“CP”)

1. In relation to a Member, another person or entity is a “connected person”, if they or it is one of the following:

- A. a corporation in which the Member holds or beneficially owns, directly or indirectly, at least 35 per cent (35%) of the voting securities,
- B. an “**Affiliate**” of a corporation described in [A],
- C. a person or entity that has a 50 per cent (50%) interest in a partnership in which the Member also has a 50 per cent (50%) interest,
- D. a partnership in which the Member is a partner,
- E. a trust or estate in which the Member has a substantial beneficial interest,
- F. a trust or estate in respect of which the Member serves as a trustee or in a similar capacity,
- G. a person or entity on whose financial resources the Member depends to repay a loan to Meridian,
- H. a person or entity who provides security to Meridian for a loan to the party.

Affiliate means when one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.

2. In relation to a Member who is an individual, another individual is a connected person of the Member if that other individual is one of the following:

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

Conflicts of Interest ("Conflict")

Applies when a Director or Officer:

- A. is a party to a material contract or proposed material contract with Meridian;
- B. is a director or officer of an entity that is a party to a material contract or proposed contract with Meridian;
- C. has a material interest in a person who is a party to a material contract or proposed material contract with Meridian; or
- D. is a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with Meridian.

Related Party ("RLT.PTY")

A person or entity is related to Meridian in connection with the preparation of its financial statements if:

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

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

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

Parents and siblings are by virtue expected to have influence or be influenced by the individual unless otherwise proven.

Family members outside of the immediate family are normally not expected to influence or be influenced by the individual.

Possible examples of where non-immediate family members would be considered under the definition of "close members of the family" include situations where they: are dependents of the individual; live in the same household; or have strong financial ties.

Control is the power to govern the financial and operating policies of Meridian so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Meridian, directly or indirectly, including any director (whether executive or otherwise) of Meridian.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

Part C: Appendix

Individual Director Qualification Requirements, Disqualifications & Eligibility

Individual Director Qualification Requirements

(as extracted from the *Credit Union and Caisses Populaires Act* – Section 91)

91. Only a natural person who meets the following criteria is eligible to be a director of a credit union:

1. He or she is a member of the credit union.
2. He or she is at least eighteen years of age.
3. He or she is a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada. 1994, c. 11, s. 91

Individual Director Disqualifications

(as extracted from the *Credit Unions and Caisses Populaires Act* – Section 92)

92. (1) The following individuals are disqualified from being directors of a credit union:

1. One whose membership in any credit union has been terminated, other than voluntarily.
2. One who has been found under the *Substitute Decisions Act*, 1992 or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as director.
4. One who is unable to obtain a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance.
5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union unless the credit union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act* (Canada).
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
8. One whose membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as director, for professional misconduct.
9. An employee of the credit union or a league in which the credit union is a member or their spouse, parent or child.
10. A professional advisor who provides services to the credit union in their professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director.
11. An employee of the Authority. "Authority" means the Financial Services Regulatory Authority of Ontario.
12. A public servant employed under Part III of the *Public Service of Ontario Act*, 2006 whose employment duties include regulating credit unions.
13. One who has not met the training requirements or qualifications for directors established by the credit union.
14. One who has not met any reasonable condition or qualification set out in the By-laws of the credit union. 2007, c. 7, Sched. 7, s. 58; 2009, c. 33, Sched. 2, s. 21 (2), 2019, c. 7, Sched. 16, s. 49 (See page 26 for link)

Exception

(2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because he or she provides, without remuneration, services to the credit union or league that are ordinarily provided by an employee. 2007, c. 7, Sched. 7, s. 58 (1).

Type of offence

(3) An offence referred to in paragraph 7 of subsection (1) is an offence that,

- A. is related to the qualifications, functions or duties of a director of a body corporate;
- B. involves theft or fraud;
- C. involves a contravention or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the credit union; or
- D. involves a contravention or failure to comply with the *Securities Act*. 2007, c. 7, Sched. 7, s. 58 (1).

Director Eligibility Requirements

Excerpted from Meridian By-Law #1, unless indicated otherwise. A person is eligible for election to the position of director if the person meets the following director eligibility requirements:

(a) as of the last day of the Nomination Period, the person:

- (i) is a Member (as defined in By-law No. 1) of the Credit Union;
- (ii) all of the persons or entities of the Member Connection associated with the member, have been members In Good Standing continuously for a period of time equal to the lesser of the preceding 6 months and the period of actual membership;
- (iii) is not disqualified from becoming or acting as a director pursuant to the Act;
- (iv) is not a director, officer, employee, or agent of an entity (other than any other entity for which an exception has been made by the Board from time to time) that is engaged in, or has the reasonable potential to be engaged in, business activity materially and directly competing with the then existing or proposed business activities of the Credit Union;
- (v) is not a spouse of a person described in sub-paragraph (iv) above;
- (vi) if an incumbent director, has not failed, without in the opinion of the Board reasonable cause, to attend 3 consecutive regular meetings of the directors within the preceding 12 months; or
- (vii) is free of any real or perceived conflict of interest that might reasonably be expected (based on a legal opinion) to prevent him or her from acting in the best interests of the Credit Union as a whole, and independently of any particular interest arising as a result of any previous, existing, or future relationship with the Credit Union, its members, customers, competitors, or suppliers.
- (viii) was not an employee of Meridian Credit Union for at least twenty-four (24) months. (From Board Governance Policy #10 Director Nomination and Election)

(b) the person is eligible and has been nominated in accordance with the Director Nomination and Election Policy, if applicable.

Director Selection Criteria

Qualified Candidates

The Nominating Committee will interview selected qualified candidates that

- i) meet the Director eligibility requirements outlined on page 23,
- ii) meet the Director Selection Criteria outlined below, and
- iii) have one or more of the skills and expertise that would best complement the current Board and that are not listed in order of importance on page 25 (“Qualified Candidates”).

Director Selection Criteria

A. Each Director should have:

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

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

1. **Audit and Compliance:** Knowledge and understanding of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements;
2. **Board & CEO Performance:** Knowledge and understanding of tools and methodologies for assessing the Board's performance and also for monitoring the performance and development of the CEO to determine strengths, deficiencies and areas for improvement;
3. **Credit Union Operations:** Knowledge and understanding of how a credit union's infrastructures inter-relate and how they enable the effective and efficient delivery of services while managing risk and regulatory requirements;
4. **Financial Literacy:** Financial knowledge and understanding to interpret financial reports and statements and monitor corrective actions to ensure financial goals and regulatory requirements are met;
5. **Governance and Ethics:** Knowledge and understanding of the critical elements of good governance and ethics;
6. **Leadership:** Knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encourage on-going education to further develop competencies;
7. **Regulatory Environment:** Knowledge and understanding of the regulatory environment, policy development and policies to meet legal, regulatory and governance requirements;
8. **Risk Management Oversight:** Knowledge and understanding of the risk management framework for identifying, measuring and managing significant risk and events that may impact the credit union's objectives; and
9. **Strategic Planning:** Knowledge and understanding of strategic planning processes and the ability to contribute to the development of the strategic direction, core values and strategic goals and objectives for the credit union.

The Committee's primary focus is to recruit Candidates who meet the criteria outlined above. In its determination of Qualified Candidates, the Committee will also seek to add one or more of the following skills and expertise that would best complement the current Board and that are not listed in order of importance:

1. Broad executive experience, including knowledge gained, in a financial services organization with multi-line businesses (includes leasing experience)
2. Experience with digital transformation, payments transformation and business disruption, especially within financial services
3. A seasoned HR professional with experience in executive compensation and benefits, cultural change and workforce planning
4. Experience in strategic differentiation with social purpose
5. Audit / Finance / Business combinations – senior credentials and experience
6. Start-up / entrepreneurial experience
7. Board governance & leadership experience.

Broad diversity will be taken into account to ensure representation of our Membership today and tomorrow.

Meridian's Board has adopted a Statement of Intent which states that Meridian recognizes and embraces the benefits of diversity in Board members. Meridian welcomes applications from individuals belonging to Black, Indigenous, and Persons of Colour (BIPOC) or other racialized communities, people with disabilities, and people of any sexual orientation, gender identity, or expression.

Reference Documents

- [Credit Unions and *Caisses Populaires Act*](#)
- [FSRA Director's Handbook](#)
- [Meridian Credit Union By-law #1](#)
- [Meridian Policy: Duties and Obligations of Directors](#)
- [Meridian Policy: Director Nomination and Election](#)
- [Meridian Policy: Director Code of Ethics and Conflict of Interest](#)

Part D: Voluntary Equal Opportunity Disclosure

Meridian's Board has adopted a Statement of Intent which states that Meridian recognizes and embraces the benefits of diversity in Board members. Meridian welcomes applications from individuals belonging to Black, Indigenous, and Persons of Colour (BIPOC) and other racialized communities, people with disabilities, and people of any sexual orientation, gender identity, or expression.

The below form provides applicants with an opportunity to self-identify regarding diversity. Please note that should you choose not to provide the below information, it will not, in any way, impact your application.

1. What is your gender?

- Female
- Male
- Other
- Prefer not to say

2. Do you identify as a member of the LGBTQIA+ community?

- Yes
- No
- Prefer not to say

3. Please indicate which group or groups you belong to:

- Black (including Black African, Canadian, American, West Indian, etc.)
- East Asian (Chinese, Japanese, Korean, etc.)
- Indigenous/Aboriginal (North American Indian, Metis, Inuit, etc.)
- Latin/Latina/Hispanic (Central American, South American, etc.)
- West Asian/North African, Middle Eastern (Iranian, Egyptian, Afghan, Arab, etc.)
- South Asian (East Indian, Sri Lankan, Pakistani, etc.)
- Southeast Asian (Vietnamese, Cambodian, Filipino, etc.)
- White (Caucasian)
- Prefer not to say
- Other

4. Are you a person with a disability(ies)?

- Yes
- No
- Prefer not to say

I understand that Meridian is collecting this information to help the Credit Union realize their equity, diversity, and inclusion goals. I further understand that my equity self-identification data will not be released without my explicit knowledge and consent and that I may withdraw this consent, via email, at any time.

All information will be treated as strictly confidential and in accordance with any applicable data protection legislation as amended, re-enacted, or consolidated from time to time.

DATED AT _____ (City, Province)

THIS _____ DAY OF _____ 2020.

Signature