Board Governance Policy #4

Duties of Directors, Board and Committee Chairs

Owner	Chief Legal and Corporate Affairs Officer	
Reviewing Body & Date of Review	Governance and Nominating Committee	May 20, 2026
Approving Body & Date of Review	Board of Directors	May 20, 2026
Review Cycle & Date of Next Review	Every Three Years	May 2029

1.0 Purpose

The Duties of Directors, Board and Committee Chairs Policy (the "Policy") sets out the duties, responsibilities, and expectations of Directors, the Board Chair, and Committee Chairs (collectively, the "Directors and Chairs") of Meridian Credit Union ("MCU"). The Policy is intended to clearly articulate fiduciary and governance duties, support effective oversight of MCU's business and affairs, and ensure alignment with the Credit Unions and Caisses Populaires Act, 2020 (the "CUCPA"), MCU By-Laws, and the principles-based expectations of the Financial Services Regulatory Authority of Ontario ("FSRA").

2.0 Scope

This Policy applies to all Directors of MCU, including those serving as Board Chair or Committee Chair, and should be read together with MCU's By-Laws, Board and Committee mandates, and other applicable governance policies.

3.0. Core Fiduciary Duties of Directors

Directors are fiduciaries of MCU and are accountable to MCU's members for the stewardship of the credit union.

Each Director shall:

- act honestly and in good faith with a view to the best interests of MCU;
- exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;
- act collectively through Board decisions and support decisions once made;
- manage and disclose conflicts of interest and recuse themselves where required;
- maintain the confidentiality of MCU information; and
- comply with all applicable laws, regulations, and FSRA guidance.

4.0. Expectations and Standards of Conduct

Directors are expected to act ethically and with integrity, demonstrate sound judgment and strategic thinking, engage constructively in deliberations, respect differing viewpoints, commit to ongoing learning and development, and contribute to an effective, collegial Board culture.

Directors are expected to attend all regularly scheduled board and applicable committee meetings and to maintain a level of attendance sufficient to support effective oversight, which is generally expected to be no less than 75%.

5.0. Board Chair – Role and Responsibilities

The Board Chair is the effective leader of the Board and is accountable to the Board for ensuring its overall effectiveness in fulfilling its governance responsibilities. The Board Chair is elected and confirmed in accordance with the CUCPA, MCU By-Laws, and Board policies.

The Board Chair is responsible for leading the Board in fulfilling its fiduciary and oversight responsibilities; promoting a clear understanding of the roles of the Board, Committees, and Management; fostering a culture of open, respectful, and effective dialogue; chairing Board and member meetings including the Annual General Meeting; ensuring the Board functions independently of Management including through regular in camera sessions; overseeing Board agendas and meeting effectiveness; supporting effective Committee functioning; maintaining effective communication with the Chief Executive Officer (including meeting regularly); and representing MCU, together with Management where appropriate, in regulatory and external stakeholder engagements. Details of the responsibilities are outlined in Appendix A.

The Board Chair shall be assessed annually in accordance with the Board and Director Evaluation Policy with reference to the Board Chair Duties, as well as against annual priorities approved by the Board.

5.1 Interim Arrangements for the Board Chair

Absence and removal of Board Chair

- In the event of absence, the Board Chair shall select another director to perform the duties and responsibilities of the Board Chair and should the Board Chair be unable to do so, the Governance & Nominating Committee Chair shall select such director.
- In the event of long-term absence, the Governance & Nominating Committee shall recommend Board approval of an interim Board Chair
- In the event that the Board approves the suspension or removal of the Board Chair, or the Board Chair is unable to fulfill his/her duties, the Board will determine the candidate who will assume the role of Board Chair until the next election following the Annual General Meeting.

5.2 Succession and Election Process and Term of Board Chair

The Board Chair is elected by the Board following the Annual General Meeting, in accordance with the By-Laws. The term of office is two (2) years, subject to annual confirmation by Board resolution. The term limit is a maximum of three (3) two-year terms.

On an annual basis, and in order to encourage a rotational approach to Board leadership, the Board will elect or confirm, as applicable, a Board Chair, balancing the benefits of experience and continuity with the need to refresh leadership and provide opportunities for emerging skills. The Board of Directors elects the Board Chair, as described in Appendix B.

Succession planning for the Board Chair forms part of the Governance & Nominating Committee's ongoing oversight of Board effectiveness and leadership development. The Board has identified the leadership skills and personal attributes which the Board Chair should possess, and which are described in Appendix C.

6.0. Committee Chairs – Role and Responsibilities

Each Committee Chair serves as the effective leader of their Committee and is accountable to the Board through the Board Chair. Attributes of the Committee Chair are described in Appendix D. Committee Chairs are responsible for leading the Committee in fulfilling its approved mandate; overseeing effective Committee meeting practices and workplans; working with Management and the Corporate Secretary to develop

agendas and materials; facilitating focused and constructive discussion; ensuring appropriate use of in camera sessions; reporting Committee outcomes and recommendations to the Board (Tip Sheet – Appendix E); and escalating issues to the Board Chair as appropriate.

7.0. Committee Appointments

Individual Directors shall:

- Generally, be appointed to two committees; and if appointed as a Committee Chair may not necessarily be appointed to additional committees.
- Complete the annual Expression of Interest for Committee and Committee Chair appointments.

Board Chair shall:

- In consultation with the President & CEO and the Corporate Secretary, recommend Committee and Committee Chair appointments to the Board, taking into consideration the skills required of the committee, continuity, succession and the results of the Expressions of Interest submitted by Directors.
- Not be the Chair of any Committee.
- Be a voting member of the Governance & Nominating, and Human Resources Committees and serve as a non-voting, ex-officio member of the other Board Committees.

8.0. Communication Protocol

Communication between Directors and Management is conducted in a respectful and timely manner, recognizing the Board's reporting relationship with the CEO as its sole employee; accordingly, the CEO is the primary point of contact for the Board through the Board Chair, Committee Chairs liaise with Management through their respective Executive Sponsors, and the Corporate Secretary serves as the principal governance advisor to the Board, its Committees, and Directors and, where practicable, coordinates advance questions on meeting materials to support effective oversight and meeting efficiency.

9.0. Indemnification and Insurance

Directors are entitled to indemnification and directors' and officers' liability insurance as permitted under the CUCPA, MCU By-Laws, and Board-approved arrangements.

10.0. Review of this Policy

This Policy shall be reviewed by the Governance Committee and approved by the Board at least every three years, or more frequently if required due to legislative, regulatory, or governance changes.

This Policy consolidates and replaces prior policies relating to the Duties of Directors, Duties of the Board Chair, Duties of Committee Chairs, and Director Meetings.

APPENDIX A: SPECIFIC RESPONSIBILITIES OF THE BOARD CHAIR

1. Providing leadership to the Board, including by:
   (i) promoting a clear understanding among directors of the Board's duties and responsibilities, and of the respective roles of the Board, Management, and Members;
   (ii) fostering effective working relationships and cooperation among directors;
   (iii) recommending to the Board the Chairs and members of Board Committees, in consultation with the Corporate Secretary; and
   (iv) leading the MCU director development program, including individual director development plans, in consultation with the Governance Committee Chair and the Corporate Secretary.

2. Overseeing the Board's timely and effective discharge of its duties and responsibilities, as set out in the Bylaws and the Board's Mandate.

3. Governing the conduct of the Board, including by:
   (i) scheduling meetings of the Board and working with the Corporate Secretary to coordinate the Board's meeting schedule;
   (ii) chairing Board meetings and establishing procedures to ensure meetings are conducted efficiently, effectively, and in a focused manner;
   (iii) setting Board meeting agendas, with the assistance of the CEO and the Corporate Secretary;
   (iv) overseeing the timely distribution of Board materials in a clear and manageable format and ensuring the appropriate flow of information from Management to the Board;
   (v) supporting the Board in achieving its objectives by assigning specific tasks to directors; and
   (vi) managing meetings to ensure balanced participation, clarity of decisions and actions, and appropriate follow-up on Board decisions.

4. Ensuring the Board's independence from Management, including by ensuring appropriate procedures are in place for regular in-camera meetings of the Board and, where appropriate and in consultation with the Board, engaging external advisors as necessary to support the Board in fulfilling its duties.

5. Supporting the work of Board Committees, including by:
   (i) working with Board Committees to assist them in carrying out their mandates; and
   (ii) overseeing matters delegated to Committees and monitoring Committee activities to ensure outcomes are reported to the Board.

6. Being available to directors to address concerns that cannot be effectively resolved during meetings of the Board.

7. Chairing annual general meetings of Members, in accordance with the By-laws, and providing leadership in fostering effective communication and relationships between MCU, its Members, and other stakeholders, including reporting to Members through the Annual Report and at annual general meetings.

8. Maintaining effective communication with Management to ensure Management is aware of the concerns and needs of the Board and Members.

9. Providing advice, guidance, and mentorship to the CEO, including by:
   (i) providing ongoing feedback, advice, and counsel to the CEO on matters relating to the Board-CEO relationship; and
   (ii) ensuring clear CEO performance objectives are established and aligned with the achievement of strategic priorities.

10. Representing MCU, together with the CEO, to Members and external stakeholders, including by:
    (i) receiving and responding to questions or complaints from Members or external parties relating to MCU's operations, strategic direction, or management; and
    (ii) serving, with the CEO, as a representative of MCU in dealings with federal and provincial governments and the Financial Services Regulatory Authority of Ontario (FSRA).

11. Reviewing and approving the CEO's expenses, following approval by the Chief Financial Officer.

12. Proactively advising Committee Chairs of matters requiring consideration at the Committee level.

13. Participating in quarterly All Chairs conference calls.

14. Performing such other duties as may be assigned by the Board from time to time.

APPENDIX B – BOARD CHAIR ELECTION AND SUCCESSION PROCESS

Oversight of Board Chair nomination, election, and succession processes is exercised by the Governance & Nominating Committee in accordance with its Board-approved mandate.

The following process for the Board Chair election and succession will be followed:

(a) The Corporate Secretary will be responsible for managing the election process which shall include an Expression of Interest form for completion by Board members. The Corporate Secretary will compile the information received into a package to be distributed to the Board, so that all directors will have the opportunity to review those candidates who have expressed interest in pursuing this position, and to consider their qualifications against the written description of duties.

(b) If there is only one candidate for Board Chair, the Corporate Secretary will declare the candidate elected by acclamation. If there is more than one candidate, the Corporate Secretary will invite the candidates to briefly address the Board as to why they should be elected as Board Chair. Voting is conducted by written ballot; ballots are distributed, collected and counted by the Corporate Secretary's delegate, and the results are announced by the Corporate Secretary. In the event of a tie vote, candidates are given further opportunity to address the Board, and the ballot process is repeated until the tie vote is broken and the Board Chair is elected.

APPENDIX C – ATTRIBUTES OF THE BOARD CHAIR

Fit with culture, purpose, and values

- Fits well with the company culture (both current and target)
- Embraces company purpose (including ESG and DE&I elements)
- Values are aligned with those of the company

Personal qualities and strength

- Honesty, reliability, and commitment to the role
- Strength of character, a professional approach, effective communication skills, tact, and diplomacy
- Exceptional listener
- Influencing skills to help shepherd discussion on difficult issues with a goal of gaining consensus and alignment at the Board table

Courage

- Courage to fully challenge and question the CEO and the Board at critical junctures and moments in time in a respectful, constructive manner
- Provide strength and support to others while being resilient themselves, allowing the organization to recover and move on from challenging times.
- Courage to provide constructive feedback and coaching to other Board members to ensure they are living the Board rules of engagement

Trust, respect, and inclusion

- The credibility, stature, and ability to earn trust and command respect
- Recognizes the knowledge, expertise, experience of each Board member and ensures all Board members contribute to the discussion and the decision-making process

Intellect, emotional intelligence, and experience

- Has the right level of intelligence and experience required to lead Board work and to effectively undertake the key tasks of the Board Chair role
- An excellent facilitator who can make everyone feel confident and safe enough to share their views, challenge the views of others and then reach a joint decision
- Ability to influence others, without dominating
- Sensitivity to highly confidential matters
- Knowledge and experience of internal and external governance best practices.

Understands the role of the Board Chair

- Fulsome understanding and appreciation of the role and how it differs from being an individual director
- Thorough appreciation as to how the role of the Board differs from that of management
- Appreciation that the authority of the Chair is through influence as opposed to direct authority
- Style is effective in ensuring that all appropriate topics get raised, discussed, views are aligned, and that responsibility then rests with management to consider and execute
- Deliberate in fostering relations and engagement amongst directors.

Performance management

- Appreciation that the Board Chair is responsible for the performance of the Board and oversight of the Board Committees

- Is committed to the development and performance management of individual Directors, including providing candid, constructive feedback on strengths and areas for development
- Gets the best from every Director, and from the CEO, and supports the ongoing learning, development and performance management of each Director and the CEO
- Performance DNA and bias for action.

Understands the business

- Curious and a "student" of the business
- Possesses a high level of commercial and financial acumen
- Tenure on Meridian board a consideration.

Potential

- Growth mindset
- Is, or has shown the potential to be, an outstanding board chair

Chair / CEO Relationship

- Meet an extremely high bar when it comes to Board Chair/CEO dynamic and relationship
- Appreciates and values the importance of this relationship and mutual respect between the Chair and the CEO
- Critically examines the combined Chair/CEO combination and partnership required
- Effective in providing advice, counsel and mentorship to the CEO whilst at the same time challenging the CEO (could also include providing candid, constructive feedback on strengths and areas for development)

Leadership

- Leads with integrity, openness, transparency and is a role model for other Directors
- Versatile leadership style, knowing when to lead from behind, the side or the front as appropriate
- Comfortable with uncertainty, ambiguity, disruption, and continuous change
- Ability to push the Board outside of its comfort zone and to be uncomfortable
- Not the loudest voice, but the most thoughtful, and with low ego
- Ability to create and engage a highly diverse, challenging, courageous and bold Board
- An eye for exceptional talent; retention, recruitment, and engagement

Relationship Skills

- Great relationship skills, can effectively represent, facilitate, and influence all stakeholders

Communication skills

- Good communicator at all levels of board, management, employees, members, and stakeholders
- Media savvy, experience in crisis management

Board meetings

- The ability to respect the integrity of the process and set the tone for the meeting, to understand the issues and the larger context within which individual issues are being discussed, to pivot in the moment, to summarize discussion and identify issues, to direct the meeting as well as to "watch" the conduct of the meeting itself, to initiate and monitor discussion and debate, to draw out the best from each director, to build consensus and to accept accountability for meeting outcomes.

High quality decision making

- Ability to set the Board agenda to prioritize key issues, knows when to act and what judgement to use in difficult circumstances, balancing the needs of all stakeholders and the best interests of the organization
- The ability to make informed decisions and to bring leadership to the Board, including during times of organizational stress or risk, and particularly when an issue arises in the public domain
- Make courageous decisions in the best interests of the organization, when necessary, which are not always popular
- Data and fact driven decision making
- Decisiveness on critical aspects.

Stakeholder management

- Appreciates triple bottom line (profit, people, planet)
- Values all stakeholders
- Effective in stakeholder engagement (including Federal and Provincial Governments and FSRA)
- Relationship builder with strong external network, leveraging it when appropriate to add value both to the board and the company.

Strategy and transformation

- Strategic thinker with a high level of market, member, and stakeholder awareness
- Generative mindset around solving for opportunities, risks and situations that arise
- Effective in supporting management and the Board in the development of strategy, and to sustain alignment in the execution and on-going refresh of strategy
- Leads in the development of a clear vision for the Board and supports Management and the Board in the development of the strategy for the Company
- Capable of transforming the Board and its culture in line with strategy

Capacity

- Committed and has the capacity to meet the increasing demands of the role.

APPENDIX D – ATTRIBUTES FOR COMMITTEE CHAIRS

The following attributes support effective performance of Committee Chair duties. These attributes are intended to inform succession planning, development, and evaluation processes.

Leadership and Judgment

- Demonstrates integrity, independence of judgment, and sound decision-making.
- Facilitates constructive dialogue, consensus-building, and respectful challenge.

Governance and Regulatory Acumen

- Understands fiduciary obligations under the CUCPA and regulatory expectations of FSRA.
- Maintains an appropriate distinction between governance and management roles.

Meeting Effectiveness

- Sets clear expectations for preparation, conduct, and participation.
- Guides discussions to ensure focus on material governance, risk, and strategic matters.

Relationship Management

- Fosters effective working relationships among Directors, Management, and advisors.
- Communicates clearly, listens actively, and manages conflict constructively.

APPENDIX E – COMMITTEE CHAIR REPORT TIP SHEET

TIP 1 – BRING THE BOARD UP TO SPEED

- Communicate the key aspects of the work that the Committee has been doing since the last report.
- Advise the Board of the significant matters that the Committee addressed at its meeting.
- Present specific recommendations to the Board for approval.
- Provide the Board with a chance to give input and ask questions.

TIP 2 – FOCUS ON KEY COMMITTEE MESSAGES

- While the written Committee reports are standardized for consistency and ease of review, each oral report should be as unique as the Committee.
- Be concise and focus on the material items dealt with at the meeting.
- Provide depth of the Committee discussion on substantive matters.
- Emphasize any matters that require Board actions or approval.
- Do not report on housekeeping items or include a laundry list of Committee activities at the meeting – this is already included in the written report.

TIP 3 – SPARK DISCUSSIONS AND QUESTIONS FROM THE BOARD

- Committee reports should form the basis for discussion.
- Be prepared to answer questions and take the Board's concerns back to the Committee.
- Turn to the Executive Sponsor of your Committee for more specific, technical responses.