Board Governance Policy #10
Director Nomination and Election Process Policy

Owner	Chief Legal and Corporate Affairs Officer	
Reviewing Body & Date of Review	Governance and Nominating Committee	May 20, 2026
Approving Body & Date of Review	Governance and Nominating Committee	May 20, 2026
Review Cycle & Date of Next Review	Annual Review Cycle	May 2027

1.0 Purpose

The Board of Directors (the "**Board**") of Meridian Credit Union ("**Meridian**") has adopted this Director Nomination and Election Process Policy (this "**Policy**") to establish a transparent, fair, and consistent framework for the nomination and election of directors to the Board of Meridian. It outlines the roles, responsibilities, and procedures that govern the recruitment, assessment, and election of qualified persons to the position of director, in accordance with the *Credit Unions and Caisses Populaires Act, 2020* (the "**Act**"), its regulations, the Financial Services Regulatory Authority ("**FSRA**") rules, Meridian's By-Law No. 1 and principles of good governance. This policy supports Meridian's commitment to Board renewal, diversity, and accountability, and ensures that Members are provided with a clear and equitable process for participating in the election of Board Directors.

2.0 Guiding Principles

2.1 The Board acknowledges the importance of its role in ensuring effective succession planning and in having policies to enable the recruitment, nomination, evaluation, selection and election processes to occur in a consistent and fair manner.

2.2 The Board is responsible for establishing a Governance and Nominating Committee to oversee the nomination and election process. During the Nomination Period (as herein defined) through to the completion of the nomination process, the Governance and Nominating Committee shall conduct its nominating functions independently from the Board, notwithstanding its broader governance mandate.

2.3 Meridian aims to have a Board composition of qualified candidates that is also reflective of the communities served by Meridian and aligned with Board Policy with regards to Diversity, Equity and Inclusiveness (as defined in Board Governance Policy #1 s. 9.4).

3.0 Role of the Governance and Nominating Committee

3.1 Oversees the director nomination and election process outlined in this Policy.

3.2 May engage external advisors, as needed or deemed appropriate, to assist the Committee, at its request, with the recruitment, review of applications, interview and/or background checks of the candidates.

3.3 May engage the CEO as follows: (1) obtaining CEO input in the development of Director Selection Criteria; (2) providing anonymized summaries of the Qualified Candidates who will be

interviewed by the Committee; and (3) inviting the CEO to meet with Recommended Nominees prior to the AGM.

3.4 If a member of the Governance and Nominating Committee identifies a real or perceived conflict of interest in respect of a candidate, the member shall l disclose the nature and extent of the conflict, in writing, to the Committee Chair. The Committee Chair will ensure that the conflict is recorded in the minutes of Committee meeting. Further, the Committee member shall not participate in any discussions, deliberations or decision, including voting, relating to the candidate's recommendation. The Committee Chair shall ensure the minutes reflect the steps taken to manage the conflict.

4.0 Role of the Returning Officer

4.1 The Returning Officer is appointed by the Board and provides ongoing administrative and functional assistance to the Governance and Nominating Committee and to candidates in order to ensure the integrity and effectiveness of the nomination and election process, including by:

a) maintaining a pool of candidates who have been identified by Directors and Management as potential candidates for future elections, as required;
b) providing information to and assisting candidates in understanding the nomination and election processes, as required;
c) receiving applications and conducting initial reviews;
d) making recommendations and providing advice to the Governance and Nominating Committee regarding the validity of applications, including the basis for rejected them, and candidate eligibility; and
e) supporting and assisting the Governance and Nominating Committee throughout its processes, including communicating with candidates on behalf of the Committee or its Chair.

5.0 Candidate Recruitment

5.1 Candidate recruitment may be undertaken through such processes as:

a) Ongoing identification of potential qualified candidates by Directors and Management of Meridian;
b) Placement of appropriate signage in Meridian's branches and offices;
c) Publication on Meridian's website and social media;
d) Advertisement in professional associations (e.g. Women on Board) and governance educational institutions (e.g. ICD); and
e) Committee advisor searches.

6.0 Nomination Process

6.1 *Notice of Nomination Period* –The nomination period shall allow a minimum of fifteen (15) calendar days for the receipt of applications (the "**Nomination Period**"). The Returning Officer shall give notice of the Nomination Period to f Meridian's Members of record and the notice shall be posted on Meridian's website and shall include:

a) an announcement that an election of directors is to take place, specifying the number of positions which are to be filled, and instructions relating to the submission of an application; and
b) the beginning and end dates of the Nomination Period.

6.2 *Validity of Applications* – To be valid, applications received from the Membership must be in the form prescribed by the Nomination Committee, contain the information and accompanying documents outlined in the application package, and be received by the end of the Nomination Period. The Governance and Nominating Committee has full and unfettered discretion to reject an application, based on the recommendation of the Returning Officer pursuant to his/her duties under s. 4.0 above, including on the following basis:

a) the information provided by the applicant is incomplete, false, or misleading, or the application has not been received within the Nomination Period;
b) the applicant is not a Member "In Good Standing" as such status is defined in section 1.01(m) of Meridian's By-Law No. 1;
c) a real or perceived conflict of interest (collectively, a "**Conflict of Interest**") exists, in accordance with s. 6.3 below, that would prevent the applicant, if elected, from properly discharging their duties as a Director; or
d) the applicant is an individual that, if elected, may not act honestly, in good faith, and in the best interests of Meridian; or
e) the applicant does not comply with Meridian's legal or regulatory requirements including, but not limited to, eligibility requirements of Directors set out in section 83 of the Act and is not a disqualified individual pursuant to section 84 of the Act and section 29.(1) of O. Reg 105/22.

The Committee Chair and/or the Returning Officer will notify the applicant of the rejection of the application within 48 hours of the Committee's decision.

6.3 *Conflicts of Interest* - In considering the validity of an application pursuant to s. 6.2 above, the Returning Officer will assess whether a Conflict of Interest exists, taking into consideration the criteria set out below. If the Returning Officer determines that a Conflict of Interest does exist, the Returning Officer will report such finding to the Committee, who, in turn, will factor such finding into its determination of validity pursuant to s. 6.2 above. A Conflict of Interest includes, but is not limited to, the following circumstances:

a) a conflict of interest as defined under applicable legislation or regulatory guidance;
b) an applicant is an elected member of a municipal, provincial or federal government;
c) an applicant is an employee, officer, advisor or member of a board of a financial services regulatory authority that directly regulates one or more of Meridian's businesses on a consolidated basis;
d) an applicant 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 competes with, those offered by Meridian's businesses on a consolidated basis; or
e) a real, perceived or potential conflict of interest that exists at the time of submitting the application, unless such conflict will be resolved, with a high degree of certainty in the opinion of the Returning Officer, by the time of the election.

For greater certainty, it is the responsibility of all applicants, before submitting an application, to have obtained all approvals from their employer(s) or other stakeholders in order to address any Conflict of Interest.

6.4 *Qualified Candidates*

a) Qualified Candidates are individuals who the Governance and Nominating Committee has determined, in accordance with Meridian's By-law No. 1, i) meet the Director eligibility requirements outlined in this Policy and applicable legislation, ii) satisfactorily meets the Director attributes and knowledge outlined in Appendix A, and iii) would best complement the current Board based on the skills and expertise gap analysis approved by the Board and outlined in the application package as "Board Selection Criteria".
b) Only Qualified Candidates, as confirmed by the Governance and Nominating Committee, may become a Nominee (as defined herein) and have their name placed on a ballot for election.
c) The Committee will inform those candidates who have been determined not to be Qualified Candidates.

6.5 *Interview of Qualified Candidates*

a) The Governance and Nominating Committee will interview only Qualified Candidates. The Committee may be assisted in interviewing Qualified Candidates by external advisors.
b) All reasonable travel and accommodation costs, which have been pre-approved by the Returning Officer, will be reimbursed for any Qualified Candidate who is required to travel more than 300 kms to be interviewed.

6.6 *Recommended Nominees*

a) After completing the interviews, the Governance and Nominating Committee will discuss their assessment of all Qualified Candidates. The Governance and Committee will select the best Qualified Candidates to be recommended to the Members for election to the Board ("**Recommended Nominees**") and may recommend one additional back-up nominee to become a Recommended Nominee in the event that one of the selected Recommended Nominees should withdraw from the nomination and election process.
b) The Governance and Committee, or their delegate, informs each of the Qualified Candidates, individually, whether or not the Governance and Nominating Committee has selected them as a Recommended Nominee (subject to the results of background and reference checks).

6.7 *Qualified Candidates who are not Recommended Nominees*

a) Qualified Candidates who are not Recommended Nominees may inform the Governance Nominating Committee that they wish to place their name in nomination on the ballot for election ("**Non-Recommended Qualified Candidate**"). To do so, Qualified Candidates must notify the Returning Officer within 48 hours of the Governance and Nominating Committee's communication to them that they are not a Recommended Nominee.
b) The Governance and Nominating Committee will be advised of all Qualified Candidates who have informed the Returning Officer within the 48-hour period that they wish to be a

Non-Recommended Qualified Candidate and the Governance and Nominating Committee will confirm placement of their name on the ballot for election.

6.8 *Background Checks and Reference Checks*

a) Except as provided below, all Recommended Nominees and Non-Recommended Qualified Candidates (collectively, the "**Nominees**" and each a "**Nominee**") must undergo a background check and reference check conducted by or on behalf of the Returning Officer in order to have their name placed on the election ballot.
b) Background checks may include but are not limited to criminal record check; public safety verification; credit inquiry; and verification of credentials, employment and education. The Returning Officer will assess the results and advise the Governance and Nominating Committee of any findings that may affect eligibility or suitability. A Nominee may be disqualified if the background check reveals information that, in the opinion of the Governance and Nominating Committee, would impair the Nominee's ability to fulfill their fiduciary duties. For further clarity, incumbent directors are subject to background checks.
c) Reference checks may include discussions with individuals who have worked with the Nominee in a professional, volunteer or governance capacity with the purpose to gather insights into the candidate. Incumbent directors are not subject to reference checks.

6.9 *Reporting to the Meridian Board of Directors*

At the conclusion of the Nomination Process, the Chair (or the Returning Officer on behalf of the Chair) will submit a report by email to the Board of Directors, with a copy to the President & Chief Executive Officer, as to whether there will be a contested election or election by acclamation, with the names of the Recommended Nominees and Non-Recommended Qualified Candidates, if any, who are standing for election.

7.0 Director Election Process

Campaigning by candidates is prohibited. See Appendix "B" for Campaigning Rules.

7.1 *Contested Election Process:*

a) If the number of Recommended Nominees and Non-Recommended Qualified Candidates (collectively, the "Nominees") exceeds the total number of vacancies on the Board to be filled, than an election will be held in accordance with Meridian's By-law No. 1, Section 4.04, paragraph (c).
b) Upon receiving the list of all Nominees from the Governance and Nominating Committee, the Returning Officer will put in place a process to make available voting information for all Members eligible to vote in the election, in a reasonable time prior to the voting period and in accordance with Meridian's By-law No. 1, Section 4.04.
c) The Returning Officer will put in place a process to ensure electronic in-branch and on-line voting is effective and ensures one vote per Member. The electronic/online ballot will clearly indicate which Nominees are Recommended Nominees by the Governance and Nominating Committee.
d) The results of the electronic/online voting at the end of the election period will be verified by the Returning Officer.

e) Should the positions being filled have unequal terms associated with them, the Governance and Nominating Committee will determine which Nominee will be awarded the shortest term.
f) Ballots will be destroyed 60 days after the results of the election are announced at the AGM.
g) The results of the election will be (1) communicated, in writing, on a strictly confidential basis, to the Nominees and to the Board, by the Returning Officer, as soon as practicable prior to the AGM, (2) at announced to the Members at the AGM by the Returning Officer.
h) All Nominees shall sign a form prior to their name being placed on the election ballot, agreeing to keep confidential the results of the election until after the results have been announced at the AGM.

7.2 *Director Acclamation Process*

a) When the list of Recommended Nominees has been determined and after it is determined by the Returning Officer that the number of total Nominees is equal to the number of vacancies to be filled and that the election has resulted in an acclamation and that no vote is required (Meridian By-law No. 1, Section 4.04, paragraph (b)), the following process will be put in place:
    i. the Returning Officer advises the Chair of the Governance and Nominating Committee that no vote is required.
    ii. the Chair of the Governance and Nominating Committee advises the Governance and Nominating Committee of this outcome. The Board is advised by the Governance and Nominating Committee Chair of the names of those elected by acclamation.
    iii. as required by section 4.03(e) of By-law No. 1, in the case of an acclamation of all candidates where there are terms of office of varying length, the Governance and Nominating Committee will determine and assign terms to the candidates in its sole and unfettered discretion. In accordance with section 4.04(b) of By-law No. 1, if the number of candidates is equal to the number of vacancies to be filled, the candidates shall be declared by the Returning Officer at the next AGM to be elected by acclamation for a three (3) year term, unless a shorter term is otherwise specified.
    iv. the results of the election by acclamation will be announced by the Returning Officer at the AGM.

8.0 Public Announcement and News Release of Results

Following the AGM, a news release will be issued that congratulates the elected Directors and announces those featured as elected by acclamation or by contested election.

9.0 Review of this Policy

The Governance and Nominating Committee is responsible for this Policy and will annually review this Policy and recommend any changes to the Board of Directors for their approval.

Review History

Committee Approved	Board Approved	Amendments
May 20, 2026	May 20, 2026	No material changes to processes or responsibilities Update "Nominating Committee" to "Governance and Nominating Committee" throughout the Policy Clarification of the independence of the Committee when carrying out nominating responsibilities Clarification of reporting conflicts of interest for Committee members
August 11, 2025	August 21, 2025	No material changes to processes or responsibilities Reorganized policy sections for clarity and reflection of current practices Section 3.o: added information on CEO engagement Section 6.6: Aligned language with By-law to refer to Recommended Candidates as "Recommended Nominees" Section 6.8: Added clarification regarding expectations of Background Checks and Reference Checks Section 7.1e : amended to state that if positions filled had unequal terms, rather than a draw at the AGM of who would have the shortest term, the Nominating Committee will determine who is awarded the shortest term Section 7.1f: amended that votes are destroyed 60 days after the AGM (rather than a resolution of the Board) "Director Attributes and Knowledge" moved to Appendix A "Campaign Rules" moved to Appendix B
October 9, 2024	November 22, 2024	No material changes; nor any changes to processes or responsibilities. Policy Name to "Director Nomination and Election PROCESS Policy" 5.2 to include advertising on professional assoc./educational institutions. 6.3 Strengthened wording regarding only Qualified Candidates can have their name placed on a ballot; 6.4 Additional wording to confirm that Committee interviews only Qualified Candidates 7.0 Additional wording to confirm that the Committee selects the Qualified Candidates; clarification of "Board Attributes and Skills" and "Board Selection Criteria" 7.1 Align with new revised Attributes and Knowledge 8.3 Clarification on wording to confirm that existing Directors who are qualified Candidates may interact with Meridian employees only for the purpose of undertaking their Director duties (e.g. attend a Board meeting). 11 Change report to go to CEO, and not to full ELT Other minor grammatical amendments

Appendix "A"

Director Attributes and Knowledge

A. Each Director is expected to:

1. Demonstrate a high standard of personal values and ethics, including integrity, accountability, commitment and courage;
2. Demonstrate excellent business and professional judgment;
3. Think strategically and problem solve;
4. Demonstrate mature and cooperative leadership;
5. Have a strong understanding of fiduciary duty;
6. Have strong communication skills, including the ability to listen and speak their mind independently and respectfully;
7. Demonstrate a willingness and ability to commit the required time to the role and actively participate in meetings;
8. Commit to ongoing training and education for Board skills and duties;
9. Align with Meridian's purpose and values, and demonstrate a willingness to act in Meridian's best interest at all times;
10. 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 senior executive or governance experience with organizations that operate in a competitive environment, 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. Directors should demonstrate an understanding of the following areas of knowledge:

Area of Knowledge	Definition
Audit and Compliance	Knowledge of the role of an independent audit function including the control environment. Knowledge of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements.
Credit Union and Financial Services Expertise	Knowledge of credit union and/or cooperative operations; banking, mortgages, lending, and investing; and key customers/stakeholders, Cooperative Principles and subsidiary oversight.
Environmental, Social and Governance	Knowledge and understanding of ESG principles, risks and disclosures and how they integrate across broader board responsibilities. Knowledge of community impact, labour practices, consumer protection, and financial inclusion Knowledge of sustainability and environmental management within the financial services industry.
Financial Acumen	Expertise and knowledge in financial literacy, accounting, treasury, understanding financial statements, forecasting, budgeting, strategic planning, financial risk assessment, and resource allocation.
Information Technology/Cybersecurity /Digital	Knowledge of system information technology and systems development; use and leveraging of current and emerging technology including artificial intelligence to further MCU's business goals and digital transformation. Knowledge of information technology risks, including cyber risks. Knowledge of developing, implementing and overseeing data strategy; leveraging and analyzing data to increase the performance of MCU.
Marketing, Brand Development and Customer Insights & Experience	Knowledge of delivering value to Members, engagement, brand positioning, innovation and marketing technology. Experience in marketing, brand development and customer insights.
Mergers & Acquisitions/Capital Markets	Knowledge and experience in mergers and acquisitions; understanding of capital markets

Area of Knowledge	Definition
Regulatory/Compliance/Legal	Knowledge and understanding of the regulatory environment, fiduciary responsibility, policy development and policies to meet legal, regulatory and legislative requirements specific to MCU. Experience in government relations or public relations.
Risk Management (including financial risks and non-financial risks)	Knowledge and understanding of an independent risk management function, including risk management models and methods. Understanding of scenarios and modeling Advanced knowledge of financial risks including credit risk, capital risk , liquidity risk, funding risk, capital risk; Anti-money laundering (AML), anti-terrorism funding (ATF), Understanding of securitization principles and how it contributes to the funding objectives of MCU. Knowledge of operational risk, third party risk, business continuity risk and risks related to the credit union business model.
Talent Management	Knowledge and understanding of remuneration and rewards design; leadership development and workforce planning and strategy and experience in regulatory requirements related to MCU's people function.
Strategy	Demonstrate strategic acumen, business insights, evaluating business strategy; knowledge in transformation; implementing strategic direction core values and strategic goals and objectives in the credit union or financial services industry.

Appendix "B"

Campaigning Rules

1. Campaigning by candidates is prohibited. The only written communication that may be used regarding a director candidate's candidacy in connection with the election is the information provided to Meridian by the candidate for the purpose of a Candidate Statement of Interest. Such written communication may only be distributed by Meridian.
2. The following further defines Meridian's guidelines:
   a) Candidates may not use social media to announce or promote their candidacy;
   b) Director candidates are not permitted to use traditional media (brochures, newsletters, flyers); or disseminate campaign materials including messaging via mass electronic distribution; advertising; rallies etc., to promote their candidacy in the election;
   c) Director candidates may not organize public meetings to promote their candidacy;
   d) Director candidates must not solicit or participate in interviews with the media in connection with the election or place any advertisements or statements regarding their candidacy in the election in any newspaper, website, or other publication or media, or permit anyone to do so, on the director candidate's behalf;
   e) Director candidates are not permitted to campaign on Meridian property, including ATM vestibules or inside branches. This includes physically positioning ones-self on Meridian premises to speak to those entering or attending at Branches. If third parties, beyond the control of the director candidate or Meridian choose to ignore this restriction, the director candidate may be asked to show evidence they have not encouraged the support and have made a strong attempt to discourage it; and
   f) Director candidates are not permitted to partake in activities that would reflect negatively on the professionalism of the credit union.
3. No director candidate shall interfere with or permit any person on their behalf to interfere with the duties of Meridian employees. To minimize any potential conflict of interest, direct contact during the election between director candidates and employees including existing directors who are candidates is limited to Meridian's Returning Officer. For further clarity, existing directors who are qualified candidates may make contact with employees during an election period, for the purposes of their required director duties (e.g. attend a Board meeting). Direct contact means in person, by telephone, or by email/text or similar. Assistance provided during the election will be limited to administrative or informational details.
4. All director candidates are expected to abide by these guidelines. The contravention by any director candidate of these guidelines may be grounds for the Nominating Committee to disqualify the candidate, as it determines under the circumstances.