Board Governance Policy #7

Director Code of Conduct and Ethics and Conflict of Interest Policy

Owner	Chief Legal and Corporate Affairs Officer	
Reviewing Body & Date of Review	Governance and Nominating Committee	October 23, 2025
Approving Body & Date of Review	Board of Directors	October 23, 2025
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1.0 Purpose

The purpose of this Director Code of Conduct and Ethics and Conflict of Interest Policy (the "**Board Code**") is to establish clear expectations for ethical behaviour, integrity and accountability specific to the Board of Directors in their governance and oversight role. While the Board of Directors (the "**Board**") of Meridian Credit Union Limited ("Meridian" and together with its subsidiaries "**MCU**") has adopted a Code of Ethics and Business Conduct Policy (the "**General Code**") that applies to all Directors and employees of MCU, this Board Code supplements the General Code by addressing responsibilities, fiduciary duties and potential conflicts of interest unique to Board service and is aligned with applicable laws and regulations, including to the *Credit Unions and Caisses Populaires Act, 2020* (the "**Act**") and the Ontario Regulation 105/22, and MCU's values.

2.0 Scope

The Board Code applies to all members of the Board.

3.0 Policy

3.1 Director Code of Conduct and Ethics

3.1.1 Director's Banking Relationship with MCU

Directors will not directly, nor indirectly through their family members, raise either:

(a) their own personal or commercial MCU banking arrangements, or
(b) an unsatisfactory personal Member service experience;

with other members of the Board, or with Management outside of the regular channels, in a manner that questions the application of this Board Code. Directors should resolve any

discontent in this regard through the proper channels, for example through established processes for resolving Member service issues at the Management level.

3.1.2 Directors Seeking Political Office – Policy & Process

(a) Directors may participate in political activities including membership in a political party, supporting a candidate for elected office or seeking elected office, or participating with a Registered Third Party, as defined by Elections Canada. However, any political activity must be clearly separated from activities related to their association with MCU. This is especially true with respect to any political fundraising activities for a candidate, Party or Registered Third Party wherein Directors must not leverage their position on the Board to solicit donations for any candidate, Party or Registered Third Party.

(b) If a Director intends to seek elected public office at the federal, provincial or municipal level, or is offered an appointment by a government to the board of an agency, or commission, they must notify the Board Chair and the Corporate Secretary of Meridian. The Board Chair and Corporate Secretary will assess, and escalate to the Governance and Nominating Committee if necessary, whether the proposed activity is consistent with the conflict of interest provisions set out in the Board Code. See Section 3.2(b)(ii) for prohibited activities.

3.1.3 Directors Requesting Charitable Donations or Sponsorships

In order to ensure standard operating procedures that reflect well on the Director and MCU, the following rules apply:

(a) If a Director signs or is a party to a request for charitable support from Meridian, that request is to be submitted through Meridian's Corporate Secretary to the Board for decision, regardless of the amount or the cause. The reason for this diversion from Meridian's Commitment to Communities Program and process is to avoid any sense that a Director could use his or her considerable influence within MCU to get preferred treatment for his/her/their favourite charity.

(b) If a Director has not signed or is not a party to a request for charitable support from Meridian but has nevertheless identified that the potential exists for a conflict of interest, that request is to be processed in accordance with Meridian's Good Neighbour Program. To effect this:

(i) the Director, if he/she/they are materially involved in the charity, declares a conflict of interest at the charity and makes sure that he/she/they are not part of the application process (i.e. does not sign the application for a donation); and
(ii) such a Director would refrain from raising the charitable request at any level within Meridian or the Board allowing the process under Meridian's Good Neighbour Program to follow its course.

(c) If a Director, or a person with whom the Director is related or connected, has a request that is not associated with MCU business, such Director shall seek advice from the Board Chair in order to determine if the request is appropriate and, if so deemed, the Director may contact Meridian's Corporate Secretary with such request.

3.1.4 Improper Conduct

No Director shall engage in any improper behaviour or make a comment of improper nature, or any other derogatory comment, that is known or ought reasonably to be known to be unwelcome.

3.2 Director Conflicts of Interest

A conflict of interest could arise where a Director has a personal, financial or other interests that could improperly influence their decisions or actions on behalf of MCU. A Director's fiduciary duty to MCU carries with it an obligation to avoid such situations In particular:

(a) General – Directors are expected to have no relationship, activity or personal financial interest that might impair or affect their judgment or influence their decisions made in their capacity as directors or place them in a conflict of interest or perceived conflict of interest situation.

(b) Prohibited Relationships and Activities – Without limiting the generality of the foregoing:
   (i) no Director shall have a conflict of interest as defined under applicable legislation or regulatory guidance;
   (ii) no Director shall be an elected member of a municipal, provincial or federal Government;
   (iii) no Director shall be an employee, officer, advisor or Member of the Board of a primary financial services regulatory authority that regulates one or more of MCU's businesses, including but not limited to, the Financial Services Regulatory Authority of Ontario; Financial Transactions and Reports Analysis Centre of Canada; the Office of the Privacy Commissioner of Canada; and the Canada Revenue Agency;
   (iv) no Director shall directly provide services to MCU or be involved in the day-to-day activities of MCU;
   (v) no partnership or corporation from which a Director receives compensation shall be permitted to act, for compensation, in a professional capacity, in respect of business matters related to MCU;
   (vi) a Director shall not act as a trustee with respect to a deposit with MCU or any other business or transaction with MCU unless the beneficiary is a related person of the Director; and
   (vii) no Director shall engage in any other activity or business prohibited by the General Code.

(c) Identification of Other Potential Conflicts of Interest – In accordance with the Act (Section 111 (1)), a Director is deemed to be in a conflict of interest situation if he/she:
   (i) is a party to a material contract or proposed material contract with MCU;
   (ii) is a director or an officer of an entity that is a party to a material contract or proposed material contract with MCU;
   (iii) has a material interest in a person or entity that is a party to a material contract or proposed material contract with MCU; or
   (iv) is a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with MCU.

   See Appendix "A" for material contract guidance.

(d) Personal Relationships - In order to ensure that no relationship presents a real or perceived conflict of interest, Directors who are related to other directors or employees of MCU, or who are in or have entered into an intimate relationship with other directors or employees, shall disclose the relationship to the Board Chair or if involving the Board Chair, to the Governance and Nominating Committee Chair.

(e) Restricted Party Transactions – Under the Act, a Director is deemed to be "restricted party". Where a "restricted party" has borrowing transactions with MCU, either personally or through a business where the director is an owner, approval of such transactions is required at the Board level. The Board may delegate this authority to a Board Committee.

   When a Director ceases to serve as a Director of Meridian, "restricted party" status continues for 12 months after the cessation of service.

(f) Other Board Appointments – A Director must disclose and consult with Meridian's Corporate Secretary prior to accepting any external board appointments to ensure compliance with this Board Code; the General Code and other governance policies.

(g) Required Disclosure

(i) If the Director finds her/him/themself in a conflict of interest situation as identified in this Board Code, the Director shall disclose, in writing, to Meridian's Corporate Secretary, who will assess whether a conflict of interest exists, taking into consideration the criteria set out in the Board Code. In case of disagreement, the matter shall be escalated to the Governance and Nominating Committee for a final determination.

(ii) If the Director finds her/him/themself in a conflict of interest situation as identified in paragraph 3.2 (c) above, disclosure by a Director shall be made:
(A) at the Board/Board Committee meeting at which the proposed contract in issue is first considered;
(B) if the Director was not then interested in a proposed contract, at the first meeting after the Director becomes so interested;
(C) if the Director becomes interested after a contract is made, at the first meeting after the Director becomes so interested; or
(D) if a person who is interested in a contract later becomes a Director, at the first meeting after he/she/they becomes a Director.

(iii) At the commencement of every Board and Board Committee meeting, it will be standard practice for the applicable Chair to ask Director's present whether they have any conflicts to declare. The record will reflect the responses.

(iv) Code of Conduct at Meetings Where Conflict of Interest Identified

(A) A Director to whom paragraph 3.2(c) above applies shall not be present at any meeting while the contract is being discussed or vote on any resolution to approve the contract unless the contract is,

(1) an arrangement by way of security for money lent to or obligations undertaken by the Director for the benefit of MCU;
(2) a contract relating primarily to the Director's remuneration (i.e. honorarium or per diem for Board/Board Committee work but not in a professional capacity) for acting on behalf of Meridian or an entity controlled by it;
(3) a contract for indemnity regarding Directors' liability or for insurance for such liability; or
(4) a contract with a subsidiary of Meridian.

(B) A Director to whom paragraph 3.2 (c) above applies shall not take part in the discussion on any resolution to approve an investment or a transaction in relation to which disclosure is required, and the Director shall recuse her/him/themself from any portion of a meeting of the Board at which it is being considered. The minutes of such meeting shall record the recusal absence of the Director for such portion of the Board meeting.

(C) A Director referred to in paragraph 3.2(g)(ii) shall not attempt in any way to influence the voting on any resolution to approve an investment or a transaction in relation to which disclosure is required.

4.0 Contravention of this Board Code and the General Code

(a) Meridian treats any contravention of this Board Code and the General Code as a serious matter. Any suspected or alleged contravention will be investigated in a manner that is fair to the Director, and such matter will be treated with the utmost confidentiality.

(b) If a Director becomes aware, or has reasonable grounds to suspect, that a contravention of this Board Code or the General Code by another Director has occurred or is about to occur, he/she/they must promptly advise the Board Chair and the Corporate Secretary of Meridian for further investigation. If a Director believes that his/her/their own actions have, or may have, contravened this Board Code or the General Code, he/she/they must also promptly advise the Board Chair and the Corporate Secretary of Meridian for further consideration. If the concern is regarding actions of the Board Chair, the Director will advise the Governance and Nominating Committee Chair and the Corporate Secretary of Meridian who will take appropriate action according to the protocol described under Appendix "B".

(c) To ensure confidentiality and impartiality, the Director accused of the contravention should not be confronted by the Director making the accusation.

4.1 Ethical Conduct and Conflict Management Protocol

The procedure for dealing with suspected or alleged contraventions of the Board Code or the General Code, any other potential ethics or conflict management or any governance issue relating to Board members is described in the accompanying protocol as Appendix "B".

5.0 Exceptions

There are no exceptions to the Board Code.

6.0 Roles and Responsibilities for Approving and Monitoring this Board Code

5.1 Monitoring

The Board Chair serves in the role of "manager" for the other Board members and the Chair of the Governance and Nominating Committee serving in the role of "manager" for the Board Chair.

Under its Mandate and Terms of Reference, the Governance and Nominating Committee is responsible for managing ethics or conflict management or any governance issue relating to Board members.

5.2 Approving this Board Code

This Board Code will be reviewed by the Governance and Nominating Committee, and thereafter approved by the Board of Directors, every three (3) years or more frequently in the event that substantive revisions are required or appropriate.

APPENDIX "A"

MATERIAL CONTRACT GUIDANCE

A Director has a "material" loan contract with MCU if he/she/they are a significant borrower from MCU. An individual is a significant borrower if he/she/they or any (either alone or in total) of his/her/their "connected persons" (as defined in s. ~~73~~ 79(3) of Ontario Regulation 105/22 (the "**Regulations**") under the *Credit Unions and Caisses Populaires Act, 2020* (the "**Act**")) have loan balances, excluding residential mortgage loans, outstanding from MCU in an aggregate amount greater than $500,000.

A Director has a "material" interest in a person or entity if the Director or the person or entity are "connected persons" (within the meaning of s. ~~73~~ 79(3) of the Regulations under the Act), or if the person or entity is a "restricted party" (within the meaning of s. 92 of the Regulations under the Act) by virtue of a relationship with the Director or if the Director is a debtor or creditor of the person or entity in an amount exceeding $50,000.

An entity, excluding non-share capital corporations, has a "material" loan contract with MCU if the entity has loan balances outstanding from MCU exceeding the greater of $2,000,000 or 25 per cent of the entity's total indebtedness for borrowed money plus equity.

An entity which is a non-share capital corporation has a "material" loan contract with MCU if the entity has loan balances outstanding from MCU in excess of $750,000.

An individual or entity is deemed to have a "material" interest in a contract or proposed contract with MCU if the individual or entity has any loan from MCU that is more than 90 days in arrears.

An individual or an entity has a "material" contract to provide goods or services to MCU if the value of the contract exceeds $50,000 or if the value of the goods or services they supply to MCU exceeds 10 per cent of their total annual billings.

APPENDIX "B"

ETHICAL CONDUCT AND CONFLICT MANAGEMENT PROTOCOL

This protocol sets out the process that will be followed in the event of any suspected or alleged contravention of the Board Code or the General Code, any other potential ethics or conflict management matter or any governance issue relating to Board members (the "Matter").

STEP 1 – INVESTIGATION

(a) Upon being apprised of a potential Matter, the Board Chair (or the Governance and Nominating Committee Chair, as applicable), will advise the Governance and Nominating Committee and the Corporate Secretary, and confirm the process outlined below unless otherwise instructed by the Governance and Nominating Committee:

(i) The Corporate Secretary may consult with legal counsel or other experts, as deemed appropriate.

(ii) The Corporate Secretary will notify in writing the Director within 24 hours of the decision to investigate, and specify the nature of the Matter and the arrangements proposed for investigation. The Corporate Secretary shall provide ongoing communication with the Director on the process.

(iii) The Governance and Nominating Committee has oversight accountability regarding the ethics or conflict management relating to Board members, and as part of the investigation, the Director will be given opportunities to address the Governance and Nominating Committee and may address the Board.

(iv) The investigation may include relevant documents, electronic evidence as well as separate individual interviews with the Director and with others deemed necessary to obtain needed information. All individuals are expected to cooperate with the investigation process. To maintain confidentiality, the investigation will be limited to only those individuals who are deemed crucial to the investigation.

(v) The Director who is being investigated will not be a party to any of the discussions relating to the investigation and should avoid any informal discussions that might influence fellow Board members on the Matter. The Director who is being investigated is expected to cooperate with any investigation carried out.

(vi) The investigation will be carried out in a timely manner. There are several factors that may influence the timing of the investigation. These include but are not limited to the scope of the investigation, document review, availability of potential witnesses, etc.

(vii) Once the investigation has been completed, the Corporate Secretary will review the findings with the Board Chair and/or the Chair of the Governance and Nominating Committee, in consultation with the Audit & Finance Committee Chair, as applicable. If the Matter is regarding the actions of the Chair of the Governance and Nominating Committee (or the Chair of the Audit & Finance Committee, as applicable) another member of the Governance and Nominating Committee (or the Audit & Finance Committee, as applicable) will be consulted.

(viii) If the group identified in step (vi) above determines from the investigation that the information presented does not support a finding, the Governance and Nominating Committee (or Audit & Finance Committee meeting as outlined in paragraph (b) below) will hold a meeting to decide the course of action to be taken against the Director. Such meeting will exclude the Director, if such Director is a member of the Governance and Nominating Committee (or the Audit & Finance Committee, as applicable).

(b) In the event of a contravention of the General Code that is either:

(i) a misappropriation or misdirection of funds, securities or other property of MCU; or

(ii) a contravention of the Act, the Regulations under the Act or the By-laws, by the Board, a director, or a member of Management;

MCU's Audit & Finance Committee Chair will be notified and after the process outlined in clause (a) above has been undertaken and a contravention of the Code confirmed, the Audit & Finance Committee Chair will inform the Audit & Finance Committee and deal with the contravention in the manner prescribed by section 37(1) of Ontario Regulation 105/22 of the Act.

(c) Under exceptional circumstances (such as a criminal investigation of a Director or other matters that could bring MCU into disrepute) the Governance and Nominating Committee may take expedited action (i.e. not comply with the paragraphs above) and by resolution directly recommend to the Board the suspension or removal of the Director.

STEP 2 – DETERMINING A COURSE OF ACTION

(a) A meeting of the Governance and Nominating Committee (or in the case of (b) above the Audit & Finance Committee) will be held to consider the report and recommendations from the investigation and to determine what action should be taken. A determination of the action to be taken shall be made with consideration to the nature, magnitude and seriousness of the Matter, including each of the following:

- Whether the Matter constitutes an ethics violation and such violation is also a violation of a law or regulation;
- The seriousness of the harm caused to the reporter or other individuals;
- The seriousness of the harm caused to the financial integrity of MCU;
- The seriousness of the harm caused to the reputation of MCU;
- The potential threat posed to the reporter or other individuals in the future;
- The potential threat posed to the reputation of MCU in the future;
- The level of the Director's acceptance of responsibility for his/her/their actions;
- The level of the Director's commitment to addressing the issues which led to the Matter; and
- The level of the Director's demonstrated insight, capacity and willingness to change.

(b) One of the following actions may be taken:

i. **Reprimand.** This action may be taken in those cases where the Governance and Nominating Committee finds that the Director has accepted responsibility for the Matter, there has been no violation of a law or regulation, there has been no serious harm to an individual or disrepute to MCU, and that the reprimand is adequate to ensure that the Matter will not be repeated.

   a. The Reprimand may include advice and assistance on how the Director's conduct can be improved or the offer of training or other form of support, as deemed necessary by the Governance and Nominating Committee.
   b. The Governance and Nominating Committee may determine that a remedy is required to address a violation of the Board Code or General Code involving a conflict of interest (see Schedule A which outlines possible remedies).

ii. **Voluntary Resignation.** This action may be taken in those cases where the Governance and Nominating Committee finds that a reprimand is not appropriate under the circumstances, and there is no appropriate remedy to address the Matter or no assurance that the conduct will not be repeated. At the discretion of the Board, on the recommendation of the Governance and Nominating Committee, the Director may be provided with the opportunity to voluntarily resign, rather than be subject to removal by the Board, with consideration to the nature, magnitude and seriousness of the Matter.

iii. **Removal.** This action may be taken in those cases where the Governance and Nominating Committee finds that the Director has failed to perform his/her/their duties as a Director, violated a law or regulatory requirement, brought serious harm to an individual(s), and/or brought serious

disrepute to the reputation or financial integrity of MCU, and/or impairs the functioning of MCU's governance framework. This action may also be taken if the Director fails to take the necessary steps required under i. or ii. Above. In addition, if it has been determined from the investigation that the law has been broken, the matter may be referred to the appropriate law enforcement authority.

(c) If the Governance and Nominating Committee proposes to recommend to the Board removal or voluntary resignation of the Director by way of resolution, the director will have the right to address the Governance and Nominating Committee (or Audit and Finance Committee) and Board at a meeting called for that purpose.

(d) After due consideration of the Governance and Nominating Committee's recommendation, the Board may, by a resolution passed by a majority of Directors (not including the Director), approve the removal of the Director, in accordance with the By-laws, to be effective on the date the Board so determines.

(e) The Board will report the findings of the investigation and the proposed course of action to the Director within 24 hours of the meeting at which the report of the investigation was considered.

Schedule A

Possible Actions for Avoiding Conflicts

The following is a non-exhaustive list of actions that may be taken to remedy or avoid a conflict of interest. Directors of MCU should be familiar with the range of actions that can be taken to remedy or avoid a conflict of interest. Not every remedy will be sufficient to respond to a conflict of interest and Directors should consult with the Board Chair or the Corporate Secretary on appropriate actions. This is not an exhaustive list.

Disclosure of Interests

A minimum first step in avoiding or responding to a conflict of interest is to disclose the interest. Financial assets or investments which are directly or indirectly connected to the content of a Director's work should be disclosed. Other areas referenced in the Board Code where a conflict of interest may arise (e.g. outside activities, gifts) should be disclosed to the Board Chair and the Corporate Secretary.

Abstaining

A Director who has reasonable grounds to believe that he/she/they has a conflict of interest in a matter may, if present at a meeting considering the matter:

(i) Disclose the general nature of the conflict of interest; and
(ii) Abstain from voting on the matter.

Recusal

Recusal is not the same as abstaining where the Director will not vote but may have participated in discussions on a matter. Recusal means that a Director does not participate in deliberations or debates, make recommendations, give advice, consider findings, or in any other way assume responsibility for or participate in the work or decision making relating to the matter where there is potential conflict of interest.

Approval

Where a conflict of interest has been disclosed by the Director but there is a compelling case for the Director to continue, despite the conflict, the Director may continue by obtaining written approval from the Governance and Nominating Committee.

Resignation of other office

Where a conflict of interest exists concerning a Director's appointment, office or position with another organization, the conflict may be removed if the Director resigns from the other office or position.

Divestiture

Where a Director owns or has a substantial interest in real or personal assets and ownership of those assets presents a conflict of interest, the conflict may be removed by divesting the assets, or selling them to a third party. Divestiture is most appropriate before holding a position or becoming involved with a business activity where a conflict may be created. Divestiture as a remedy will be inappropriate if, for example, a gain, profit, reward, change in value or benefit has already been realized and, in such instances, other remedies such a blind trust or a management agreement may need to be considered.

Blind Trust or Management Agreement

Where a Director has significant assets that are likely to place him/her/them in a conflict of interest then the Director may consider entrusting those assets to an independent trust for management. The trust or management agreement should have the following characteristics:

(i) The provisions of the trust should be approved by the Board Chair or Corporate Secretary.
(ii) The trustees must be persons who are at arm's length with the Director and approved by the Board Chair and the Corporate Secretary;
(iii) The Director does not control any of the management decisions affecting the trust assets; and
(iv) The trust may allow the trustee to provide the Director with a written report on the value of the assets, but not the nature of the assets.

Confidentiality or Post-Service Agreements

MCU may employ confidentiality agreements with Directors to govern the use of confidential information after the Director ceases to serve on the Board of MCU. Factors which will be considered in determining whether such an agreement is implemented:

(i) Are the importance of the confidential information held or accessible to the director in the course of performing his or her duties to MCU; and
(ii) The degree to which an outside group or entity could gain a commercial advantage or cause loss or damage to MCU by hiring the individual.

Return

An improper gift or benefit should be returned to the person offering it as soon as practicable. If there is no opportunity to return an improper gift or benefit or where the return may be perceived as offensive for cultural or other reasons, the gift or benefit must immediately be disclosed and turned over to the Board Chair or the Corporate Secretary who will make a suitable disposition of the item.