

2023 BOARD OF DIRECTORS CANDIDATE NOMINATION PACKAGE

The Nominating Committee of Buduchnist Credit Union Limited, carrying on business as BCU Financial, requires the following before the candidate can stand for nomination:

Candidate Nomination Form (attached)
Candidate Undertaking Form (attached)
Candidate Resume/Curriculum Vitae
Candidate Statement of Intent Essay Form (attached)
Candidate Statement of Director Competencies (attached)

To be eligible, applicants must submit all the required documents electronically or in person to BCU Financial no later than Thursday, April 06, 2023.

Nomination Packages are to be submitted to:

BCU Financial
Attn: Nadia Kuz (Chair, Nominating Committee)
nadia.kuz@bcufinancial.com

BCU Financial
Attn: Nadia Kuz (Chair, Nominating Committee)
2280 Bloor Street West
Toronto, ON M6S 1N9

Potential candidates should familiarize themselves with the following information relevant to this position:

Credit Unions and Caisses Populaire Act:
<https://www.ontario.ca/laws/statute/94c11>

Proceeds of Crime (Money Laundering) and Terrorist Financing Act:
<http://laws-lois.justice.gc.ca/eng/acts/P-24.501/>

BCU web-site:
<http://www.bcufinancial.com>

BCU Privacy Policies and Statement:
<http://www.bcufinancial.com/privacy-policy/>

*Financial Services Regulatory Authority
(formerly Deposit Insurance Corporation of Ontario & Financial Services Commission of Ontario):*
<https://www.fsrao.ca/>
https://www.dico.com/design/0_0_Eng.html
<http://www.fsco.gov.on.ca>

Central 1 Credit Union:
<https://www.central1.com/>

Credit Union Central of Canada:
<https://www.ccu.com/>

2023 BOARD OF DIRECTORS CANDIDATE NOMINATION FORM

NAME _____

DATE OF BIRTH (DD/MM/YY) _____ MEMBER # _____

ADDRESS _____

EMAIL _____ TEL _____

OTHER CONTACT: _____

CANDIDATE'S SIGNATURE: _____

NOMINATION INFORMATION

*A candidate's nomination must be signed by two (2) members of BCU Financial who are, themselves, qualified for election to the Board.**

We nominate the above member of BCU Financial for the elected position

of _____.

1. Nominator Name _____ MEMBER # _____
(please print clearly)

Nominator's signature

1. Nominator Name _____ MEMBER # _____
(please print clearly)

Nominator's signature

The Nominating Committee shall review each nomination to determine whether it meets the requirements of the Credit Unions and Caisse Populaires Act and Buduchnist Credit Union By-laws.

**To be considered for candidacy, the candidate and nominators must:*

- be members of BCU Financial for a minimum of two (2) years;*
- be Canadian citizens;*
- be members in good standing of BCU Financial*

Additionally, the candidate must give consent to the Nominating Committee to request and review any criminal, fraud, credit and other related background checks about the candidate and related corporations.

2023 BOARD OF DIRECTORS CANDIDATE UNDERTAKING FORM

Before a person is placed in nomination as a candidate for election as a director or committee member of Buduchnist Credit Union Limited, that person shall deliver the undertaking found below:

I, _____ agree to be considered to be a candidate and, if nominated, to stand for election and, if elected, to serve as a director/committee member of Buduchnist Credit Union Limited; and

- to observe the provisions of the Credit Unions and Caisses Populaires Act;
- to comply with the directors' conflict of interest guidelines adopted by the directors;
- to comply with the Credit Union's privacy policies and procedures;
- to observe the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act;
- to give consent to the Nominating Committee to request and review any criminal, fraud, credit and other related background checks in my name and any related corporations;
- to observe all the rules relating to the elections and conduct thereof;
- to participate in such skill tests, evaluations and training programs as may be prescribed from time to time by the regulations, the Board, the Financial Services Regulatory Authority of Ontario (FSRA) including the latter's multi-stage process of certification for Members of the Board of Directors of Ontario's Credit Unions, requiring online studies, classwork, and testing), and any other governing bodies of which the Credit Union is a member, and to withdraw my candidacy in the event that I fail to meet the minimum standards established for same;
- to provide such personal and financial information as may be required to comply with the risk management policies of the Credit Union as established from time to time;
- to attend an interview with the Nominating Committee, if such is requested;
- to provide information about my active participation on a voluntary basis, in community organizations within the Credit Union's bond of association;
- to provide a resume and prepare a statement of intent and reasons for seeking election to the Credit Union Board or Committees not exceeding, in aggregate, four hundred (400) words, and setting forth the candidate's biographical information, occupation, Credit Union affiliation, experience and qualifications.

NAME _____ MEMBER # _____
 (please print clearly)

Date *Candidate's signature*

Date *Witness' signature*

2023 BOARD OF DIRECTORS CANDIDATE STATEMENT OF INTENT

Please provide a brief essay indicating your active, voluntary participation in or with community organizations within the Credit Union's bond of association and why you wish to serve on the Board of Directors of BCU Financial.

NAME _____ MEMBER # _____
(please print clearly)

_____ *Date*

_____ *Candidate's signature*



2023 BOARD OF DIRECTORS CANDIDATE STATEMENT OF DIRECTOR COMPETENCIES

The Nominating Committee is looking for the following Director competencies: Leadership; Financial Literacy; Audit, Risk Management and Compliance; Credit Union Operations; Corporate Governance; Strategic Planning. A description of these core competencies can be found in Appendix A. Please describe your competencies as they relate to the aforementioned required areas and how your skills and competencies will enhance the Board of Directors of BCU Financial.

NAME _____ MEMBER # _____
(please print clearly)

_____ Date _____ Candidate's signature

APPENDIX A: CORE COMPETENCY DESCRIPTIONS

The following are core competency descriptions, according to the 2018 Deposit Insurance Corporation of Ontario (DICO) Guidance Note: Director Training and Qualifications for Complex Credit Unions:

1. AUDIT AND COMPLIANCE

Directors must have an understanding of the risks facing the credit union, the ways in which management addresses and mitigates those risks and ensure that the financial statements accurately reflect the activities of the credit union. These functions are assessed through the activities which are carried out by a combination of internal and external auditors which involves systematically reviewing key risks and ensuring that any identified weaknesses or deviations from policy and legislative requirements are rectified by management.

To achieve this competency, directors should demonstrate an appropriate level of 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 AND CEO PERFORMANCE

The Board is required to conduct an assessment of its performance and that of the CEO. The Board is ultimately responsible for the success and viability of the credit union through the skills and capabilities of its directors. It supervises the affairs of the credit union through its oversight responsibilities and appoints a CEO to manage the day to day operations. An objective evaluation and assessment of the Board and the CEO are important requirements to ensure that responsibilities are effectively undertaken and that any deficiencies are appropriately and quickly identified and addressed. Directors contribute as board members in ensuring that the compensation package of the CEO rewards only prudent risk taking behaviour that promotes the ongoing viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the 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

It is important that directors have a good understanding of the nature of the co-operative business model and that of the credit union and sector, the way the credit union functions and the financial, human and technological resources the credit union uses in delivering its services.

To achieve this competency, directors should demonstrate and appropriate level of knowledge and understanding of how the 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 literacy involves understanding financial reports and statements, accounting standards and assumptions and legislative requirements in order to effectively oversee the financial performance and condition of the credit union. A critical element of the success and viability of the credit union is the development of an annual business plan and budget which are approved by the Board. Directors are required to understand how these are developed and the types of analysis required to effectively monitor results and variances.

To achieve this competency, directors should demonstrate an appropriate level of financial knowledge and understanding and can interpret financial reports and statements, and monitor corrective action to ensure financial goals and regulatory requirements are met.

5. GOVERNANCE AND ETHICS

Governance includes understanding and contributing to the development and articulation of strategic plans, goals, policies and processes which govern and guide the way the credit union is directed and managed. Directors are expected to provide prudent, independent and objective oversight to effectively guide and monitor the implementation of strategic initiatives, oversee risk management activities and to participate with the Board as a whole in communicating a cohesive approach and position. Effective corporate governance is an essential element in the safe and sound functioning of a credit union. Structures, policies and processes only work in practice where there are knowledgeable and competent individuals, with a clear understanding and strong commitment to their roles. Ethical actions are those that are made in accordance with established laws, rules, and organizational values that are supported by reasoned and objective evidence without any bias of self-interest.

Directors are expected to perform their responsibilities in a prudent and objective manner with due regard to the best interests of the credit union. To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.

6. LEADERSHIP

Leadership encompasses the ability to influence discussions while building consensual solutions. Effective leaders recognize the importance of all participants in deliberations and the importance of constructive discussion and debate. Leaders are effective communicators. Leadership involves approaching initiatives from a strategic perspective, championing new initiatives and working towards their achievement to deliver quality services to the depositors and shareholders and improve the longer- term viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encouraging on-going education to further develop competencies.

7. REGULATORY ENVIRONMENT

Credit unions operate in a regulated environment and are governed by the Act (including Regulations), DICO By-laws, other legislation and its by-laws. The Act sets out how credit unions are structured and the special nature of the credit union governance structure, business powers and lending and investment restrictions and limitations. Further clarification and guidance is provided in DICO By-laws including Bylaw #5 covering sound business and financial practices.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the regulatory environment, policy development and the policies required to meet legal, regulatory and governance requirements.

8. RISK MANAGEMENT OVERSIGHT

The Board is responsible for the oversight of the credit union's risk management practices, including Enterprise Risk Management. Risk management involves identifying, measuring and managing significant risks and events that may impact an organization's objectives. It encompasses policies, procedures and controls and how risks are managed.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the risk management framework for identifying, measuring and managing significant risks and events that may impact the credit union's objectives.

9. STRATEGIC PLANNING

Strategic planning is part of a regular process that helps determine or confirm the credit union's overall longer- term direction or vision. It includes an analysis of results, existing plans and strategies and an assessment of the current business and operating environment. Strategic planning initiates the annual business planning process. Directors are expected to contribute to strategic planning by understanding the strategic planning process and strategy formulation. This includes having a good knowledge of the credit union's business and operating environment, and being prepared for planning deliberations. It also requires collaboration and teamwork in developing an appropriate and effective strategic plan, and monitoring implementation of the plan.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the strategic planning process and contribute to the development of the strategic direction, core values and the strategic goals and objectives for the credit union.