



**The Place to Belong; The Place to Bank**

**2019 ANNUAL GENERAL MEETING**

**DIRECTOR CANDIDATE**

**NOMINATION AND INFORMATION  
PACKAGE**

# NOMINATION AND INFORMATION PACKAGE

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THANK YOU!...for your interest in serving on the Board of Directors of Healthcare and Municipal Employees' Credit Union. HMECU and all Credit Unions provide its member owners with a distinct values-based and community-owned and controlled alternative. Unlike the private, public, or voluntary sectors, all Credit Unions around the world are guided by the same principles, one being the principle of democratic member control. Credit Unions are operated democratically and owned by their customers as members. As a member of our Board, you'll have an opportunity to help lead an organization that is committed to building strong relationships aimed at improving financial health, enriching people's lives and building healthier communities in the areas we serve.

✓	Item #	Checklist for the Board of Director Nomination Package
	1	Nominees are encouraged to arrange an appointment to meet with our President and CEO or a representative of the Board, to find out more about being an HMECU Board member. Call Jennifer Swing, Executive Assistant at 905-575-8888 ext 211 or e-mail <a href="mailto:jswing@hmecu.com">jswing@hmecu.com</a> .
	2	Review pages 4, 5 and 6 to be sure that you and your nominators qualify. These rules are set out in the Credit Unions and Caisses Populaires Act, 1994 of Ontario which governs all Credit Unions in the province.
	3	You will need 2 members of HMECU to endorse your nomination. Nominators themselves must also meet the qualification criteria as if they were seeking to be nominated (per Section 91 and 92 of the Act). Refer to pages 5 and 6 for these requirements. The nomination form is found on page 7.
	4	Nominees must obtain a Volunteer Police Criminal Record Check, at their own expense, to be submitted with the completed Director Candidate Nomination Package. Please check with your local police service for details and time frames regarding this process.  Incumbent Directors must obtain a Volunteer Police Criminal Record Check, at their own expense, after serving 2 terms (6 years)
	5	Nominees authorize the Credit Union to obtain a personal Credit Bureau check as part of the nomination eligibility process upon submission of the Director Candidate Nomination Package, as indicated on page 8.
	6	Once the nomination form is complete, we need you, as the Nominee, to review, complete and sign the Nominee Statement on page 8. This document ensures you have read and understand all of the information provided in this package and confirms that you qualify to be a member of our Board.
	7	Next, carefully review and complete the Experience and Skills Form and Board of Directors Applicant Expertise/Experience Assessment on pages 9 through to 12.
	8	For your information, we include a summary of general background information about the Board, Committees, meetings, time commitments and more on pages 13-16.
	9	The original copy of the Nomination Package, once completed, along with the Volunteer Police Criminal Record Check, must be received by the close of business on March 8, 2019, to the Attention of Jennifer Swing, Executive Assistant, C/O 209 Limeridge Road East, Hamilton, ON, L9A 2S6.  Please keep a copy of the Nomination Package for reference.
	10	Upon receipt of the Director Nomination Package, the President and CEO will contact any nominee who has not previously contacted him/her.
	11	All qualified nominees are encouraged to attend the Annual General Meeting (AGM) to confirm their acceptance of their nomination and will be given the opportunity to address the membership for 2 minutes prior to the voting taking place.

**PREFERRED DIRECTOR CRITERIA AS PER THE BOARD GOVERNANCE**  
**POLICIES OF**  
**HEALTHCARE AND MUNICIPAL EMPLOYEES CREDIT UNION**

A Director:

- ◆ should understand the principles behind and share the vision of the Credit Union, and have the ability to reflect the values and commitments of the Credit Union, as well as acting in the Credit Union's best interest at all times.
- ◆ should demonstrate the ability to bring a perspective of social, external business or financial issues to Board deliberations.
- ◆ should understand corporate governance and the fiduciary duties, role and responsibilities of the Board as a whole and as an individual Director of a Credit Union, including the willingness to ask probing questions and be an active participant in Board discussions and debates within the governance framework.
- ◆ must commit to regular attendance at Board/Committee meetings, and to full preparedness and willingness to contribute to meeting content.
- ◆ should understand the importance of Credit Unions in their communities.
- ◆ should demonstrate the ability to provide leadership and be an effective communicator.
- ◆ should 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.
- ◆ must demonstrate personal integrity and high ethical standards.
- ◆ must not be deemed a Disqualified Individual as reference by section 92. (1) of the Credit Unions and Caisses Populaires Act, 1994, on page 5 and 6 of the package.
- ◆ must obtain a Volunteer Police Criminal Record Check at his/her own expense and authorize the Credit Union to obtain a personal Credit Bureau check as part of the nomination eligibility process.
- ◆ must be willing to commit to continuous learning and undertake appropriate Director training and development initiatives.
- ◆ should have the ability to understand and assess implications of financial statements and auditors reports.
- ◆ must agree to abide by the additional time commitment, including travel time and work load associated with being a Director of the Credit Union.
- ◆ shall possess basic computer skills and be able to receive, print and communicate via electronic means.

## DIRECTOR QUALIFICATIONS AS LEGISLATED IN SECTION 91 OF THE CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994

### *Qualifications of Directors*

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

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

## DIRECTOR DISQUALIFICATIONS AND OTHER REQUIREMENTS AS LEGISLATED IN SECTION 92 OF THE CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994

### *Disqualified Individuals*

**92.** (1) The following individuals are disqualified from being Directors of a Credit Union:

1. One whose membership in any Credit Union has been terminated, other than voluntarily.
2. One who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as Director.
4. One who is unable to obtain a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance.
5. One who is more than 90 days in arrears in the payment of a debt owed to the Credit Union unless the Credit Union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act (Canada)*.
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a Director, of an offence described in subsection (3) and who has not received a pardon for the offence.
8. One whose membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as Director, for professional misconduct.

9. An employee of the Credit Union or a league in which the Credit Union is a member or his or her spouse, parent or child.

10. A professional advisor who provides services to the Credit Union in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a Director.

11. An employee of the Corporation.

12. A public servant employed under Part III of the *Public Service of Ontario Act, 2006* whose employment duties include regulating Credit Unions.

13. One who has not met the training requirements or qualifications for Directors established by the Credit Union.

14. One who has not met any reasonable condition or qualification set out in the by-laws of the Credit Union. 2007, c. 7, Sched. 7, s. 58 (1).

### **Exception**

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

### **Type of Offence**

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

- (a) is related to the qualifications, functions or duties of a Director of a body corporate;
- (b) involves theft or fraud;
- (c) involves a contravention or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the Credit Union; or
- (d) involves a contravention or failure to comply with the *Securities Act*. 2007, c. 7, Sched. 7, s. 58 (1).

**HEALTHCARE AND MUNICIPAL EMPLOYEES' CREDIT UNION LIMITED**

**NOMINATION FORM**

I, \_\_\_\_\_, \_\_\_\_\_, and  
*Print 1<sup>st</sup> Nominator's Full Name                      Address and Phone Number*

\_\_\_\_\_, \_\_\_\_\_  
*Print 2<sup>nd</sup> Nominator's Full Name                      Address and Phone Number*

both members in compliance with Section 91 and 92 of the Act (see pages 5 and 6) hereby nominate

\_\_\_\_\_ for election  
*Nominee's Full Name                      Address and Phone Number*

to the Board of Directors of Healthcare and Municipal Employees' Credit Union.

\_\_\_\_\_  
*1<sup>st</sup> Nominator's Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*2<sup>nd</sup> Nominator's Signature*

\_\_\_\_\_  
*Date*

I, \_\_\_\_\_, accept the above noted nomination and will stand  
*Print Nominee Name*

for election and if elected will serve as a Director of the Credit Union pursuant to all of the information, regulations and requirements outlined in this nomination package.

\_\_\_\_\_  
*Nominee's Signature*

\_\_\_\_\_  
*Date*

**HEALTHCARE AND MUNICIPAL EMPLOYEES' CREDIT UNION LIMITED BOARD OF DIRECTORS NOMINEE STATEMENT**

**I, \_\_\_\_\_, STATE AS FOLLOWS:**

1. I am a member of HEALTHCARE AND MUNICIPAL EMPLOYEES' CREDIT UNION LIMITED, (hereinafter called the "Credit Union") and, I wish to stand for election to the position of Director of the Board of HMECU.
2. I have been a member of the Credit Union for at least one (1) continuous year, I am 18 years of age or older and I am a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada,
3. I have not been disqualified from becoming or acting as a Director pursuant to the Credit Unions and Caisses Populaires Act, 1994 (see section 92 attached), nor am I a Director of another Credit Union or other deposit taking financial institution.
4. (check one):
  - A Volunteer Criminal Police Record Check (Nominee's expense) is included with this package.
  - or**
  - I, (if an incumbent Director), am not required to provide a Volunteer Police Criminal Record Check, and have had no criminal convictions since my last Volunteer Police Criminal Record Check.

A Credit Bureau file (at the Credit Union's expense) and Police Criminal Record Check (Nominee's expense) will be required and referred to by the Nominating Committee of the Board, relating to the qualifications of a Board Member nominee as it relates to Section 92 of the Credit Union Act (1994). The undersigned consents to the obtaining of such information.

Signed before me in the City of \_\_\_\_\_, in the Province of Ontario.

This \_\_\_\_\_ day of \_\_\_\_\_ year \_\_\_\_\_.

\_\_\_\_\_  
Nominee Signature

\_\_\_\_\_  
Print Nominee's Name

\_\_\_\_\_  
Print Nominee's Address

\_\_\_\_\_

(\_\_\_\_\_)\_\_\_\_\_  
Nominee's Telephone Number

\_\_\_\_\_  
Nominee's Email Address

In the presence of

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Nominee's Account Number





### Nomination Package - Experience and Skills Form

The following information will provide the Board’s Nominating Committee with a detailed summary of your relevant education, business and governance skills and experience. In addition, the information is used for Director development, recruiting and succession planning in order to address the short and long term needs of the Board.

**1. Which Credit Union employer group do you represent if any?**

(check one) Healthcare \_\_\_\_\_ Government \_\_\_\_\_ Other \_\_\_\_\_

Actively Employed with: \_\_\_\_\_

Current Position is: \_\_\_\_\_

Or Retired From: \_\_\_\_\_

Last Employer and Position was:  
\_\_\_\_\_

**2. List any post secondary education in progress or completed (college, university or other).**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. List previous board or committee experience (include brief summary of duties/responsibilities).**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4. List any management, financial, human resource or other relevant skills and experience you bring to the HMECU Board.**

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**5. List relevant risk management or policy development skills and experience you bring to the HMECU Board, if any.**

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**6. Please provide a brief statement on your interest, telling us why you want to be a Director of the Board of HMECU.**

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## BOARD OF DIRECTORS APPLICANT EXPERTISE/EXPERIENCE ASSESSMENT

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

Please indicate your level of expertise/experience in the following table by indicating:

E - Expert  
S - Strong  
G - Good  
B - Basic  
N/A – no relevant experience

To assist you in answering, please refer to the following definitions:

Expert: You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field.

Strong: You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities.

Good: You understand the basic fundamentals and concepts that are encountered in this skill area.

Basic: You have some knowledge of the competency.

N/A: You have no familiarity with the topic or area.

*Please Note: It is a Board policy requirement that if elected to the Board, you will be expected to complete a more comprehensive self-assessment of specific competencies within 3 months of election. This assessment is used to help determine your training and self-development needs in order to fulfill the Director training and qualifications requirements as established by the Credit Union.*

Competency/Area	Rating
<b>1. Audit and Compliance</b> Performance and regulatory standards; examination & auditing procedures	
<b>2. Board &amp; President and CEO Performance</b> Setting and evaluating criteria and standards of performance of the Board, Directors and the President and CEO	
<b>3. Credit Union Operations</b> Cooperative business model; key components of operations (people, physical and technical infrastructure), operational risks	
<b>4. Financial Literacy / Expertise</b> Reading and interpreting financial statements and financial performance indicators	
<b>5. Governance and Ethics</b> Board roles and responsibilities; structure; decision making powers; Board policies and processes; Committees (mandates; structure; process)	
<b>6. Leadership</b> Leadership traits; skills and effective professional and personal attributes	
<b>7. Regulatory Environment with Respect to Financial Services &amp; Credit Union Sectors</b> Governing legislation and guidance; regulators	
<b>8. Risk Management Oversight; Enterprise Risk Management</b> Financial and operational risks; risk management and monitoring	
<b>9. Strategic Planning</b> Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation	
<b>10. Information Technology</b> Hardware; software; networking; banking systems; databases; web-enabled services	
<b>11. Partnering / Mergers and Acquisitions</b> Merger strategies; issues, benefits and challenges	
<b>12. Executive Recruiting &amp; Human Resource Management</b> Recruitment; hiring criteria and practices; performance evaluation, union negotiations, privacy legislation	
<b>13. Other competencies; areas of expertise</b>  <hr/> <hr/>	<hr/> <hr/>

## BACKGROUND INFORMATION FOR CANDIDATES

A summary of recent history, evolution and key facts of the Credit Union can be found on our web site at [www.hmecu.com](http://www.hmecu.com)

### General

HMECU Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Credit Union related organizational and community related activities, meetings and conferences. Directors are also required to participate in Director education as outlined below.

The information found below identifies and briefly describes HMECU Committees, Director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a Director of HMECU. We hope that the information below will assist you in clarifying your obligations should you become a Director. However, if you have any questions regarding the information, or wish to learn more about the Credit Union's Governance structure/practices, please contact our President and CEO.

### Committees

#### 1 Full Board

The Board of Directors consists of 9 Directors, each elected by the Membership for a term of three years, subject to a term-limit of 15 consecutive years in office. The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring and delegating authority to the President and CEO.

#### 2 Board Committees

The Board has established 3 *standing Committees which are assigned responsibilities to assist the Board to carry out its mandate.*

*The current Committees and their mandates are as follows:*

- A. **Audit and Risk Committee:** The Audit and Risk Committee provides the Board with reports on matters related to accounting and financial reporting practices, risk management, and internal and external control procedures. The Audit and Risk Committee is charged with a number of statutory responsibilities, as required under the Credit Union Act. It also reviews and recommends the annual financial statements to the Board. It is responsible to ensure effective management of operational risk as well as capital, liquidity management and internal control systems are at acceptable levels.
- B. **Executive Committee:** *The Chair of the Board will be the Chair of the Executive Committee. The balance of this Committee is the Board Secretary and Vice-Chair. Committee has the responsibility to ensure effective corporate governance, including its structure, and the establishment of Committee mandates so that the Board's responsibility to the Membership is fulfilled. It is responsible to assess the performance of the Board and its Committees.*

- C. *Nominating Committee: The Nominating Committee is responsible to oversee the Director Nomination, Evaluation, Selection and Election processes for Board Candidates, as well as the oversight of activities associated with the Annual General Meeting of Members, including the development of the Annual Report.*
- D. *There may be ad-hoc committees appointed by the Board to perform specific functions for specific periods on an as required basis.*

### **Meetings / Time Commitment**

Board meetings are held monthly. It is expected that, in addition to the actual time spent at a Board or Committee meeting, a Director will fully review all materials (e.g., Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are uploaded to the Credit Union's secure, password protected Board Admin intranet web site, as well as in paper format, if requested, which can be picked up at the Credit Union's head office. The Board package is available generally the Friday prior to the scheduled meeting. Meetings take place the 4<sup>th</sup> Thursday of every month unless otherwise noted. Elected Directors are expected to be able to receive, print and communicate via electronic means. While the amount of time required for this task will vary for each individual, it is not unusual for a Director to spend approximately 2 – 4 hours preparing for a Board meeting or for some Committee meetings.

While travel time to and from meetings will vary with each Director, it is another factor to be considered. All Directors will sit on at least one Committee.

Attendance at all Board and Committee meetings is tracked and reported to the Board. While occasional conference calls are held to deal with special issues between regularly scheduled meetings, for the most part Directors are expected to attend meetings in person. Under exceptional circumstances, the Chair may allow participation in a meeting via telephone conference.

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

MONTHLY BOARD MEETINGS	Board meetings begin at 5:00 pm and are usually held on the 4 <sup>th</sup> Thursday of <u>every month</u> (allow 2.0 hours per meeting).  The location of the meetings is at the Credit Union's head office at 209 Limeridge Rd. East Hamilton
ORIENTATION PROGRAM	Newly elected Directors are required to complete the Board Orientation Program within 90 days following election to the Board.
AUDIT AND RISK COMMITTEE	Meets approximately 6-8 times a year (allow 1.5 hours per meeting).
EXECUTIVE COMMITTEE	Meets approximately 10-12 times a year (allow 1.5 hours per meeting).
NOMINATING COMMITTEE	Meets approximately 3-4 times per year (allow 1.5 hours per meeting)
STRATEGIC PLANNING COMMITTEE (ad-hoc)	Struck biennially by the Board and usually meets 2 to 3 times prior to a Board Planning Session (allow 1.5 hours per meeting)
BUILDING COMMITTEE (ad-hoc)	Struck as required by the Board. The committee would meet as required and is usually dependant on the size and scope of the project being overseen by the committee. (allow 1.5 hours per meeting)
HONORARIA COMMITTEE	Struck once per year. The committee would meet 1-2 times per year and is charged with reviewing the annual Director compensation.
ANNUAL GENERAL MEETING	Usually held during the 2nd week in April during the evening (allow 2.5 hours).
PLANNING SESSIONS	Currently done biennially and generally involves a 1 and a half day meeting, usually on a Friday evening and Saturday in the Fall. (allow 10 hours in total)

## Education

HMECU considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a Credit Union. In 2012, the Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual Director competencies which will require various programs to be completed within certain time frames. A copy of this directive can be obtained upon request or by visiting [www.dico.com](http://www.dico.com).

In addition, other in-house training sessions are developed for which attendance is expected. The Board regularly holds educational sessions prior to its scheduled meetings. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to consider additional opportunities for development wherever possible.

### **Remuneration**

Directors are paid an annual honorarium in recognition of the significance of the accountabilities and responsibilities associated with governing the Credit Union, and in recognition of the time required for Directors to fulfill their responsibilities. As well, reasonable expenses incurred while attending offsite meetings, educational courses and conferences are reimbursed as per Board policy.

**REMINDER:** Please ensure you have followed all of the steps outlined under the **Checklist for the Board of Director Nomination Package** on page 3 and that the forms are properly signed and dated.

**PLEASE FULLY COMPLETE THE DIRECTOR CANDIDATE NOMINATION & INFORMATION PACKAGE AND RETURN IT AND YOUR VOLUNTEER POLICE CRIMINAL RECORD CHECK to the**

**Attention of Jennifer Swing, Executive Assistant,  
C/O 209 Limeridge Road East, Hamilton, ON, L9A 2S6  
by the close of business on March 8, 2019.**

A listing of our branch hours can be found at [www.hmecu.com](http://www.hmecu.com) or by calling  
905-575-8888

More information regarding credit union Director Roles and Responsibilities as well as general information on how Ontario credit unions are regulated can be found on the Deposit Insurance Corporation of Ontario web site.

[www.dico.com](http://www.dico.com)

Thank you once again for your interest in serving as a Director on the Board of HMECU.