

# BOARD OF DIRECTORS

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Nomination Package  
2024

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## Our Story

Cornerstone Credit Union is a full-service financial institution, located in Saskatchewan, that's owned and led by you, our member. The advice and solutions we offer are driven by your goals and needs because you're our most important stakeholder. It's the reason our doors opened over 75 years ago, and why more than 35,000 people continue to choose us today.

## Who We Are

Cornerstone Credit Union is a regional credit union, with 15 branches located across eastern Saskatchewan, focused on becoming the primary financial institution for the people of our region. We are all about our members. We listen and care about each person's story and present financial solutions throughout their life's journey.

Just as our members are at the centre of everything we do – all our 285 employees are too. We were built by and for the people who live here. It's why we are dedicated to giving back and supporting the community and causes that matter to our members. We show our support not only financially but also with the support of our employees and directors being involved in various community organizations and community projects.

Cornerstone fosters a diverse & inclusive workplace environment that welcomes, respects and values employees and directors of all backgrounds and demographic characteristics.

### Purpose:

To empower you to succeed in life and business.

### Vision:

We strive to use our profits to improve the financial well-being of the members, employees and communities we serve.

### Values:

**MemberFirst:** We are about people; we listen to understand each person's story.

**Integrity:** We can be trusted to do the right thing.

**Accountability:** We take ownership of our actions and responsibilities.

**Leadership:** We encourage continuous learning and simplifying what we do.

**Cooperation:** We live the co-operative principles; we genuinely care about you and our communities.

## Board of Directors

The Board of Directors of Cornerstone Credit Union is elected via electronic voting prior to the Annual General Meeting. The announcement of the candidates elected by the general membership takes place at the Annual General Meeting.

The Board of Directors, comprised of twelve members, is the legal body vested with the responsibility to provide good governance by establishing policy and direction for the Credit Union in accordance with the Credit Union Act, 1998; the Credit Union Regulations, 1999; Standards of Sound Business Practices; and the supplemental Bylaws as set out by the general membership.

## Qualifications of Directors

No person is eligible to be a director who:

- a) Is less than 18 years of age;
- b) Is of unsound mind and has been found by any court in Saskatchewan or elsewhere to be of unsound mind;
- c) Is not an individual;
- d) In the case of a director elected or appointed by members, is not a member of the credit union;
- e) Is an employee of the credit union or of Credit Union Deposit Guarantee Corporation;
- f) Has been convicted in the preceding five years of a criminal offence that is punishable by a term of imprisonment of five years or more of an offence against this Act;
- g) Has the status of a bankrupt;
- h) Is a professional Advisor to the Credit Union;
- i) Is a person who has failed to comply with Division 6 of Part X of the Credit Union Act, 1998;
- j) Is a person or a member of any class of persons that may be prescribed in the regulations;

Each nominee and Director shall:

- k) Have been a member of the credit union for a minimum of one (1) year as at the closing date for nominations.
- l) Use the credit union as his/her primary institution;
- m) Not be involved in legal proceedings against the Credit Union or any of its affiliates or subsidiaries.
- n) Not be a spouse of a person involved in legal proceedings against the Credit Union or any of its affiliates or subsidiaries.
- o) Not have any loans or credit in arrears (in excess of 90 calendar days) with the credit union at present or in the previous year or have any judgment registered against them;
- p) Not be an employee of the credit union within 24 months of the closing date for nominations;
- q) Not be a board member or employee of a business selling competitive products or services except as a representative of the credit union.

Nominees authorize and must consent to undergo at the credit union's expense a Personal Credit History Assessment from Equifax (obtained by credit union) and a Criminal Records Background Check (obtained by credit union) via Sterling Talent\*\* operating as MyBackCheck.com.

Nominees are welcome to arrange an appointment to meet with a representative from the People & Governance Committee or Chair of the Board, to find out more about being a director. Call: Carissa Arvay @ 1.306.621.2750 or e-mail: carissa.arvay@cornerstonecu.com to set up an appointment.

## Director Roles and Responsibilities

As an elected representative, directors are responsible to represent the interests of the credit union's members. As a member of the board of directors, directors are collectively responsible to provide decision-making and oversight as it relates to governance of the credit union. Each director contributes to the success of the credit union in carrying out the duties outlined, to the best of their ability.

- The decision-making function involves formulation of strategic goals, establishing governing policies and approving certain significant actions and items.
- The oversight function includes duty to supervise management's decisions, to gain assurance of the adequacy of controls and information, and to gain assurance of the effective implementation of governing policies.

The key responsibility areas of a director fall in the following categories:

### **Strategic Planning and Thinking:**

- Understand and keep up to date on the emerging trends in the financial services industry and with economic and credit union issues in order to provide informed and thoughtful input on strategic and business plans, and form an independent judgment on those plans.
- Understand the principles, structure and business affairs of the credit union and its relation with strategic and regulatory partners.
- Lead the development of the vision, purpose and value statements for the organization.
- Act as a change agent, keeping the credit union relevant and progressive by regularly revising the purpose.
- Provide oversight and participate in the establishment of short and long-term strategic plans. Approve objectives, strategies, annual business plans and performance targets that form the strategic plan and move the credit union towards its mission.
- Oversee the effective achievement of the credit union's business plan.

### **Human Resource Oversight:**

- Select and supervise the Chief Executive Officer to ensure the retention of a qualified and competent CEO and his/her continual leadership development.
- Evaluate, on a formal basis, the effectiveness of the CEO's performance in managing the operations of the credit union and ensure compensation and incentive plans are linked to the achievement of the objectives considered to be important to the success and stability of the credit union.
- Evaluate, on a formal basis, the effectiveness of the CEO's performance in managing the operations of the credit union and ensure compensation and incentive plans are linked to the achievement of the objectives considered to be important to the success and stability of the credit union.
- Review the CEO and senior management succession plan.
- Participate in the recruitment of board members in support of director succession and required board competencies.
- Participate in the ongoing development of individual directors and the board as a whole through a periodic assessment process.
- Seek assurance that the credit union's organizational culture aligns with corporate vision, mission, values and strategic direction.
- Seek assurance that credit union members receive service that aligns with corporate strategic direction.
- Seek assurance that the desired performance based work environment and compensation philosophy enables Cornerstone Credit Union to recruit and retain qualified human resource talent.

### **Financial Oversight:**

- Possess enough knowledge of accounting and finance to be able to understand, interpret, evaluate and contribute to discussions about financial results, internal controls and reporting issues.
- Approve financial statements of the credit union and monitors financial performance.
- Ensure the engagement of audit processes which inform the board of adherence to policies and sound business practice. Closely review and where prudent implement recommendations of regulators, auditors and industry professionals which prevent or remedy deficient business practices.
- Seek assurance from management that the credit union has effective internal controls and measures that safeguard the assets of the credit union.

**Risk Oversight:**

- Possess enough knowledge of enterprise risk management to be able to understand and assess the credit union's framework, and regularly revise acceptable levels for major risks as required to support strategic objectives.
- Approve and oversee the risk appetite framework that guides the risk taking/opportunity seeking activities of the credit union including liquidity, credit, market, regulatory, strategic, operation and other applicable risks.
- Establish, communicate and control the credit union's risk tolerances by approving policies that set standards for the nature and level of risk the credit union is willing to assume.
- Ensure adequate reporting structures and systems are in place to facilitate the monitoring of significant risks.

**Legal and Regulatory Oversight:**

- Demonstrate high ethical standards of integrity, and conduct oneself in accordance with key elements of the governance structure.
- Develop knowledge and understanding of legislation and regulations that apply to the operations of the credit union to ensure compliance with federal and provincial requirements established within the Credit Union Act and Bylaws.
- Approve and adopt policy, which determine the purpose, governing principles, functions and activities and courses of action of the credit union. Review policies as necessary to ensure continued relevance to meet standards of sound business practice and the changing needs of members and the credit union's operating environment.
- Maintain confidentiality and ensure no misuse of the position of director or improper use of information acquired directly or indirectly, to gain a personal advantage, or to the detriment of the credit union.
- Appoint committees, delegate duties and responsibilities to them and monitor their performance in relation to assigned mandate.

## Director Key Effectiveness Skills

Directors are expected to develop and practice key effectiveness skills as listed below:

**Decision-Making & Communication:**

- Actively participate in board discussions and decision-making, and keep this information confidential until all matters have been publicly disclosed.
- Ask relevant questions and obtain satisfactory answers before making decisions. Be willing to raise tough questions in a manner that encourages open discussion and the full exploration of alternatives.
- Be open to other's opinions and willing to listen. Approach others assertively and supportively, within an atmosphere of collaboration.
- Value team and board performance over individual performance, possess respect for others, and have a desire and willingness to reach consensus.
- Support a strong, unified and respectful board that speaks with one voice. Every director must publicly support the actions decided by a majority vote of the board unless the actions are unethical or illegal.

**Preparedness:**

- Faithfully attend board and committee meetings, and demonstrate willingness to spend time preparing for those meetings by carefully reviewing the agenda and all available information before the meetings. It is important to follow up on any questions that the material may raise.
- Proactively seek additional relevant information from other sources when necessary to enhance understanding or to assess the accuracy and validity of the information provided.
- Follow through on any assigned responsibilities.
- Participate in opportunities for self-development that will enhance one's contributions as a director of the credit union.
- Regularly assess one's performance as a director and that of the board, and take appropriate action to ensure effective personal and team performance.

**Judgement:**

- Understand that directors are legally and morally responsible for activities of the credit union and exercises due care, diligence and skill in accordance to that of a reasonably prudent person in comparable circumstances.
- Make sound, well informed and independent decisions, taking into account the credit union's business objectives and risk appetite.

**Leadership:**

- Establish and build effective working relationships and networks with a variety of key stakeholders that strengthen the credit union and enhance its image.
- Work toward a standard of excellence and exercise the responsibilities in a proactive manner with a readiness to probe when it is appropriate to oversight. Periodically review the adequacy and frequency of information to fulfill the Key Responsibility Areas.

**Strategic Orientation & Agility:**

- Understand the business implications of strategies on the organization, the system, the marketplace and the financial services industry. Be able to adjust and adapt to new ideas and processes.

## Competencies and Personal Attributes

Competency Groups	Competency List	Definitions
Knowledge	Knowledge of Board and role	Understands basic responsibilities, accountabilities and liabilities of a director, including the appropriate role of management and board. Demonstrated experience with boards and/or committees and modern governance practices.
	Knowledge of Business	Understands Cornerstone's core business and the financial services industry.
Analytical & Technical Skills	Financial Acumen	Can read, interpret and assess the implications of financial reports.
	Group Decision Making Orientation	Can identify and diminish group think tendencies and recognize decision making biases in board discussion.
	Change Management	Understand the dynamics of change management, and be an advocate for change.
	Conceptual Thinking	Makes connections between apparently separate issues, seeing patterns, trends, or relationships and developing mental frameworks to explain and interpret information.
Thinking	Strategic Thinking	Experience and ability to think strategically. Ability to relate external business and environmental conditions to Cornerstone's operations.
	Independent Thinking	Maintains own convictions despite undue influence, opposition or threat.
	Open-minded, Information Seeking	Values the diverse opinions and builds innovation on the foundation of other people's views.
	Objectivity	Draws conclusion by impartial evaluation of other perspectives and views without prejudice or bias.
Personal Style	Ambiguity Tolerance	Retains a positive outlook when the group is unable to resolve an issue or reach a conclusion and is willing to take a measured risk even when the outcomes are uncertain. Is able to balance the need to acquire more information with the cost of acquiring it.
	Effective Judgment	Applies common sense, measured reasoning, knowledge and experience to come to a conclusion.
	Initiative	Grasps opportunities and pro-actively ensures that neither issues nor people are forgotten or overlooked.
	Integrity	Trustworthy and conscientious and can be relied upon to act and speak with consistency and honesty.
	Self-Awareness	Accurately assesses strengths and weaknesses of self and of others and can manage them successfully.
	Bias to Learn	Invests time learning about the organization, its issues and people, and the industry in which Cornerstone operates.
Social Style	Orientation to Resolve Conflict	Ensures conflict is resolved with justice and fairness in order to restore healthy relationships.
	Communication	Gives and receives information with clarity, attentiveness, understanding a perception, and where appropriate with a sense of humor.
	Influence & Impact	Ability to influence Board members and stakeholders (management, members) in negotiating and impacting at the credit union level.
	Political Astuteness	Experienced level of acumen/savvy at Board/member/credit union levels.
	Team Player	Ability and willingness to work co-operatively in a team environment.
Commitment to Cornerstone	Personal Commitment	Demonstrated interest in the success of Cornerstone and ability to be an ambassador for Cornerstone. This includes a willingness to conduct the majority of financial business with Cornerstone and to assist with business and membership development.
	Values Fit	Understands and agrees with Cornerstone's mission and values, codes of conduct and commitment to corporate social responsibility.

## Committees of the Board

The Board of Directors annually appoints the following committees. Each committee has assigned responsibilities and is specialized in that area, bringing forward recommendations to the Board of Directors for the final decision making.

### Risk Committee

The purpose of the Risk Committee is to ensure an independent review of the credit union's operation on areas deemed necessary to maintain the adequacy of internal controls and adherence to requirements of the Credit Union Act, 1998; the Credit Union Regulations, 1999; the Credit Union Insurance Business Regulations, and the Standards of Sound Business Practice.

The Committee is responsible to ensure that the credit union's enterprise risk management framework is appropriate to optimize liquidity, market, credit, legal and regulatory, operational, and strategic risk for the protection and creation of shareholder value.

### Finance & Audit Committee



The Finance & Audit Committee is established to ensure an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to requirements of The Credit Union Act, 1998, The Credit Union Regulations, 1999, The Credit Union Insurance Business Regulations, the Standards of Sound Business Practice and International Financial Reporting Standards.

The Committee is committed to close oversight and risk control of the credit union's financial operations and to the accuracy, integrity, security, prudence and legality of its financial transactions and records.

### **Conduct Review Committee**

The purpose of the Conduct Review Committee is to ensure that all proposed related party transactions with the credit union are fair to the credit union and that the relationship has not affected the exercise of the best judgment of the credit union.

Related party transactions will be reviewed and monitored by the Conduct Review Committee for compliance with legislation, Standards of Sound Business Practice and with credit union or committee policies and procedures.

### **People & Governance Committee**

The People & Governance Committee is established to ensure that an appropriate governance system is in place and that governance practices evolve with the needs of the credit union. This includes ensuring the board's own development and renewal. The Committee works to create a framework to hold the board accountable to the credit union and oversees the governance infrastructure to ensure responsibilities of the board and board committees are being met and regulatory requirements are fulfilled.

The Committee is also responsible for the following:

- Employment and performance management of the CEO: Oversight of the annual CEO Performance Management process and outcomes, including CEO coaching, compensation, learning and leadership development.
- Succession planning for the CEO and Executive Management team.
- Organizational culture and compensation.

## **Present Board of Directors**

### **Composition:**

There are twelve (12) directors elected within three districts.

District will be defined as follows:

- District 1: shall encompass the business area historically or traditionally served by branches in the communities of Tisdale, Rose Valley, Wynyard, Kelliher, Ituna and Yorkton.
- District 2: shall encompass the business area historically or traditionally served by branches in the communities of Emerald Park, Indian Head, Kipling, Montmartre, Vibank and Arcola.
- District 3: shall encompass the business area historically or traditionally served by branches in the communities of Melville, Grenfell and Wolseley.

The present structure is:

District 1	Six (6) Directors
District 2	Three (3) Directors
District 3	Three (3) Directors

### **Meetings:**

Directors can expect that the time commitment required to adequately fulfill their role will fall in the range of 16 to 20 days per year. This includes regular and committee meetings, the strategic planning session plus training and development:

Regular Board Meetings:	5 - 6 full days – includes travel
Committee Meetings:	2 to 6 half days
Meeting preparation:	Range of 2 to 4 hours per month
Board/Director Development:	Range of 2 to 6 days

The meeting schedule is determined well in advance of the beginning of the year. The needs of all directors will be considered when the schedule is established, however the schedule must meet the needs of the majority of directors. Regular meetings are typically held every two months with location rotating between the Yorkton & Emerald Park branches. There may be times when the Board meeting is held virtually. Meetings typically require a full day commitment which includes travel time. Committee meetings are held virtually. A board/committee package is prepared for every meeting and made available at least one week in advance of the meeting on a secure board website for the Director's reference. The package contains confidential information, therefore the credit union provides a technology allowance to ensure Director's are well equipped to function effectively. Directors are trained on security protocol to protect information.

Directors are encouraged to attend all board of directors meetings. Directors shall not miss more than two regular board meetings over the course of one year, unless excused for good cause by the board. The majority of the scheduled board meetings must be attended in person.

#### **Remuneration:**

The primary objective of Cornerstone Credit Union is to serve the members. Directors receive remuneration for their leadership role in achieving this objective. Any reimbursement is designed to offset expenses, not to directly provide a benefit. It is the general policy of the credit union, that directors and committee members be reimbursed for expenses incurred in connection with their duties and that directors and committee members be reimbursed for all reasonable and justifiable expenses incurred, while participating in credit union related business.

#### **Director Honorarium:**

Each board member shall be paid a \$500.00 honorarium per month for preparation time for board and committee meetings. Such honorarium shall be paid by twelve (12) monthly installments.

#### **Per Diem Allowances:**

Directors and committee members will be paid a per diem allowance for attending board and committee meetings, as well as any authorized credit union meeting. (i.e: Director training seminars, special meetings, and any other credit union related meetings).

Full day meetings (based on 8 hours)	\$400 *Full day rate based on 8 hour day
Half day meetings (based on 4 hours)	\$250
Travel time	\$50/hour
Annual Meeting	No per diem

A loss of pay provision is established to ensure Directors are not financially restricted from the opportunity to participate and be involved in system meetings and board training. This payment will be limited to no more than three (3) times in a calendar year.

T-4 revenue statements will be issued to Directors and committee members.

As a director you are also eligible for benefits coverage through Cornerstone Credit Union.

#### **Travel and Out of Pocket Expenses:**

- a) Transportation
- b) Hotel Accommodation
- c) Meals
- d) Public Relations – Business Development
- e) Other Expenses
- f) Companion Expenses: If a director or management's spouse/companion attends an approved system meeting, conference, convention or seminar, the following will be paid for by the credit union up to \$150 per event.

**Director Training:**

Upon successfully becoming a director of Cornerstone Credit Union, an orientation program will be provided to all new directors.

It is the policy of the Board of Directors to provide opportunities for personal and professional self-development for Board members. Cornerstone Credit Union has a Director Development policy that includes the completion of a self-assessment which is used to prepare a personal development plan for each director. Directors are expected to complete 12 hours of learning and development each year. Cornerstone Credit Union sets a budget each year to fund director development activities.

All new Directors will be enrolled in the Credit Union Director Achievement (CUDA) program. This program is the foundation for all Director Development. Expectations are that each Director will complete CUDA modules Level A and B within the first three-year term on the Board, and Level C by the end of the second term. Some CUDA courses are available online. There are also CUDA camps scheduled at various locations throughout the year. These camps are usually scheduled during the week, and are two to three days in length.

Attending meetings, conferences and educational sessions will provide training and improve understanding of both broad and technical issues which will assist in the development of the credit union.

**Other:**

Directors assume liability in the performance of their role as director. The credit union provides liability insurance coverage for each director.

**Timelines:**

	<b>Start Date</b>	<b>End Date</b>	<b>Time Length</b>
<b>Call for Nominations</b>	January 22	February 9	3 weeks
<b>Review Candidate Info</b>	February 12	March 1	3 weeks
<b>Advertise Candidates</b>	March 4	March 22	3 weeks
<b>Election</b>	March 25	April 3	10 days
<b>AGM</b>	April 16		1 day