



Member Savings
Credit Union Limited

BOARD of DIRECTORS

Candidate Information Package

November 2016

Nomination and Information Package

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Thank you for your interest in serving on the Board of Directors of Member Savings Credit Union. Member Savings 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 and enriching people's lives.

Review and Completion of the Board of Director Nomination Package

1. Please review pages 5 and 6 to be sure that you and your nominators qualify. These rules are set out in the Credit Union and Caisse Populaires Act, 1994 of Ontario which all Credit Unions in the province are governed by.
2. Next you'll need to ask two members of Member Savings (in good standing with the Credit Union) to endorse your nomination. The nomination form is found on page 7.
3. Once the nomination form is complete, we'll need you, as the Nominee, to review, complete and sign the Nominee Statement on page 8. This document ensures that you read and understand all of the information provided in this package and confirms that you qualify to be a member of our Board.
4. Next, we ask that you carefully review and complete the Board of Directors Applicant Expertise/Experience Assessment and the Experience and Skills questionnaire on pages 9-12.
5. For your information, we include a summary of general background information about the Board, Committees, meetings, time commitments and more.
6. Once completed, the original copy of the Nomination package must be received by the close of business on December 23rd, 2016 to the Attention of the Chair of the Nominating Committee, c/o Member Savings Credit Union, 55 Lake Shore Blvd. East, Toronto ON M5E 1A4.
7. One final note: All qualified nominees will be given the opportunity to address the membership at the Annual General Meeting for two minutes prior to the voting taking place.

Please be advised that all nominees must authorize the Credit Union to obtain a police criminal records search and a personal Credit Bureau check as part of the nomination eligibility process.

Nominees are welcome to arrange an appointment to meet with our CEO, Sharon Kent or a representative of the Board, to find out more about being a Director of Member Savings. Call: 416-864-6662 or e-mail: sharon@membersavings.ca

Roles and Responsibilities of Directorship

The following is an excerpt from the Board's Governance Policy:

Guiding Principles

In carrying out its duties and responsibilities as described in this policy, the board will:

- Demonstrate its commitment to cooperative principles.
- Recognize the important contribution that stakeholders, including members and employees, make to the success of the credit union.
- Respect members' needs and interests.
- Respect the dignity and self-worth of all members and employees.
- Respect the communities we serve.
- Demonstrate leadership and integrity in all of our business practices.

Roles

The role of the Board of Directors is to provide effective governance and stewardship, leaving management to run the day-to-day operations of the credit union. There are five key responsibilities of the board:

- Establishing strategic direction and regularly reviewing that direction to ensure it responds to the changing business environment in which the credit union operates.
- Hiring and delegating authority to the CEO.
- Monitoring performance.
- Communicating with members and other stakeholders.
- Monitoring and ensuring appropriate and effective governance of the credit union.

Responsibilities of the Board

In order to ensure that the board is in a position to be held accountable by its members for good governance and the achievement of member value, the board:

- a) Establishes strategic direction and performance expectations.
- b) Hires and delegates authority to the CEO.
- c) Monitors the credit union's performance.
- d) Communicates effectively with members and stakeholders.
- e) Monitors and ensures effective governance.

The board approves policies and procedures relating to effective governance, the conduct of its business, and the fulfillment of the responsibilities of the board. This includes governance policies related, but not limited to:

- The conduct of Directors
- Compliance and board meeting procedures
- Board agenda formulation
- Director recruitment, evaluation and selection
- Director orientation, assessment, and training and development
- Evaluation of board performance
- Board committee formation and membership, management reporting

Eligibility Criteria For Directors From The Credit Unions And Caisses Populaires Act, 1994

Qualifications of directors

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

- a) He or she is a member of the credit union.
- b) He or she is at least eighteen years of age.
- c) 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.

Disqualified individuals

The following individuals are disqualified from being directors of a credit union:

- a) One whose membership in any credit union has been terminated, other than voluntarily.
- b) One who a court has decided is of unsound mind.
- c) 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 a director.
- d) One who is unable to obtain a bond of an insurer licensed under the Insurance Act to write surety and fidelity insurance.
- e) 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.
- f) One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the United Nations Act (Canada).

- g) 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.
- h) 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.
- i) 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.
- j) 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.
- k) An employee of the Corporation.
- l) A public servant employed under Part III of the Public Service of Ontario Act, 2006 whose employment duties include regulating credit unions.
- m) One who has not met the training requirements or qualifications for directors established by the credit union.
- n) 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.



Member Savings Credit Union Limited

Nomination Form

I, _____, _____, and

Print 1st Nominator's Full Name

Address and Phone Number

_____,

Print 2nd Nominator's Full Name

Address and Phone Number

As both members in good standing with the Credit Union hereby nominate

_____ ,

Nominee's Full Name

Address and Phone Number

for election to the Board of Directors of Member Savings Credit Union Limited.

1st Nominator's Signature

Date

2nd Nominator's Signature

Date

I, _____, accept the above noted nomination and will stand for election and
Print Nominee Name

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



Member Savings Credit Union Limited

Board of Directors Nominee Statement

I, _____, STATE AS FOLLOWS:

I am a member of MEMBER SAVINGS CREDIT UNION LIMITED, (hereinafter called the "Credit Union") and, I wish to stand for election to the position of Director of the Board of Member Savings.

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.

I have not been disqualified from becoming or acting as a Director pursuant to the Credit Unions and Caisse Populaires Act, 1994 (see section 92 attached), nor am I a Director of another Credit Union or other deposit taking financial institution.

A Credit Bureau file (at the Credit Union's expense) and Police Criminal Record Report (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 _____.

In the presence of

Nominee Signature

Witness Signature

Print Nominee's Name

Print Witness's Name

Print Nominee's Address

(_____) _____
Nominee's Telephone 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.

<p>1. Which is your current occupation or employment status?</p> <p>Actively Employed with: _____</p> <p>Current Position is: _____</p> <p>Or Retired From: _____</p> <p>Last Employer and Position was: _____</p>
<p>2. List any post secondary education in progress or completed (college, university or other).</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>3. List previous board or committee experience. (include brief summary of duties/responsibilities)</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>4. List any management, financial, human resource or other relevant skills and experience you bring to the Member Savings Board.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

5. List relevant risk management or policy development skills and experience you bring to the Member Savings Board if any.

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

Board of Directors Applicant Expertise/Experience Assessment

Member Savings 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.

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

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.membersavings.ca.

General

Directors of Member Savings 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 Member Savings Committees, Director education requirements and a summary of meetings and estimated commitment of time which one might expect as a Director. We hope that the information below will assist you in clarifying your obligations should you become a Director. If you have any questions regarding the information, or wish to learn more about the Credit Union's Governance structure/practices, please contact our CEO.

Board & Committees

Full Board

The Board of Directors consists of seven (7) 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, measuring their achievement and hiring and delegating authority to the CEO.

Board Committees

The Board has established four 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 Committee:** The Audit Committee provides the Board with reports on matters related to accounting and financial reporting practices, risk management, internal and external control procedures. The Audit Committee is charged with a number of statutory responsibilities, as required under the Credit Union Act. It 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. **Finance Committee:** The Finance Committee is responsible for reviewing the annual business plan and operating budget prepared by Management and making their recommendation to the Board of Directors.

C. Nominating/Governance 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.

D. Human Resource Committee: The Human Resource Committee is established to assist the Board in fulfilling its obligations relating to employee compensation, leadership succession and human resources policies and practices to attain the strategic goals of the credit union. It also performs other human resources related duties as determined by the Board from time to time.

E. There may also be ad-hoc committees appointed by the Board to perform specific functions for specific periods on an as required basis.

Meetings/Time Commitment

The Board of Directors normally meets on the fourth (4th) Thursday of each month unless otherwise noted. Additional board meetings may be scheduled as required. Committees meet on an as required basis and meeting dates are determined at least seven days in advance.

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 secure password protected Board Admin intranet web site. The Board package is generally available one week prior to the scheduled board meeting. 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 two 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 1:00 pm and are usually held on the 4th Thursday of every month with the exception of July and August (allow 2.0 hours per meeting). The location of the meetings is at the LCBO Head Office at 55 Lake Shore Blvd East, Toronto ON M5E 1A4
ORIENTATION PROGRAM	Newly elected Directors are required to complete the Board Orientation Program within six months following election to the Board.
AUDIT COMMITTEE	Meets at least quarterly prior to a scheduled Board meeting. (allow 1 hour per meeting).
FINANCE COMMITTEE	Meets typically once per year in October. (allow 1.5 hours per meeting).
NOMINATING/GOVERNANCE COMMITTEE	Meets approximately once per year in January. (allow 1.5 hours per meeting).
HUMAN RESOURCE COMMITTEE	Meets typically once or twice per year. (allow 2 hours per meeting).
ANNUAL GENERAL MEETING	Usually held on the 3rd Tuesday of January at the LCBO Corporate Office beginning at 4:00 p.m. (allow 2 hours).
PLANNING SESSIONS	Typically done biannually and generally involves a full day session.

Education

Member Savings considers training and development programs for our Directors extremely important to assist them in understanding their roles and responsibilities. In 2012, the Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual Director competencies which 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.

In addition, other in-house training sessions are developed for which attendance is expected. 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 along with a meeting compensation 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, Directors are also reimbursed for all other out of pocket expenses incurred to attend credit union functions. Expense reports are submitted at board meetings for review and approval.

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

PLEASE FULLY COMPLETE AND RETURN PAGES 7, 8, 9, 10 and 12
to the
Attention of the Chair of the Nominating Committee,
C/O Member Savings Credit Union Limited
55 Lake Shore Blvd East, Toronto ON M5E 1A4
by the close of business on December 23rd, 2016

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.

Thank you once again for your interest in serving as a Director of Member Savings Credit Union Limited.