



**BOARD CANDIDATE
INFORMATION KIT**

2018 ELECTIONS

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Letter from the Chair of the Nominating Committee

Dear Prospective Board Candidate:

Thank you for your interest in serving as a Director of Alterna Savings. We value the dedication and commitment of our members, particularly those who choose to participate in our nomination and election process.

This package provides you with all the information you need to understand and complete the nomination process. Interested candidates are strongly encouraged to attend our online information session which will take place October 12th. More detailed information on this session is available in this document and at www.alterna.ca. Further, a recording of the information session will be subsequently available on the Alterna website.

In short, the Nominating Committee's role is to ensure a fair and transparent process, ensure members are fully informed, and to consider the qualifications of candidates in order to recommend to members those candidates whose election would ensure highest quality board and ideal skill composition. The Committee will also be screening for consistency with the Director Core Competencies established by the Deposit Insurance Corporation of Ontario (DICO).

Details about the Committee's mandate, the criteria and the recommendation process are included in this document.

Should you have any questions about the enclosed information, you may contact Sean Tyler, Corporate Secretary at board.candidate@alterna.ca. To ensure fairness and transparency of the process, Alterna communicates with prospective candidates in writing only.

We believe deeply in the value of the cooperative based banking alternative for the communities we serve and with this in mind, I thank you for your interest in this important process.

Sincerely,



Marianne Johnson
Chair of the Nominating Committee

Nomination, Election Process and Timing

Key Activities	Dates
1. Nominating period opens.	September 28, 2017
2. Information session and question and answer period for interested Board candidates will be held online. To register please visit our website or click here . A recording of the presentation and the question and answer period will be available on the Alterna website the following week.	October 12, 2017 at 6:00pm-7:30pm
3. Deadline to submit the Official Nomination Form and other required material.	November 15, 2017 at noon EST
4. Formal interviews of candidates by Nominating Committee held via video conferencing.	January 15 to 18, 2018
5. Nominating Committee determines which candidates are recommended and informs in writing each candidate of its decision.	January 23, 2018
6. Each candidate will send his or her video (maximum of 2 minutes) and photo to board.candidate@alterna.ca.	January 31, 2018
7. The following is posted on Alterna's website and is available in the branches: <ul style="list-style-type: none"> • Notice of Annual Meeting • Nominating Committee Report with recommendation of candidates • Each candidate's photograph, video, biography and contribution statement. "Member since YYYY" will appear below the candidate's name on the biography and contribution statement. 	March 1, 2018
8. In branch and electronic voting begins.	March 2, 2018
9. In branch and electronic voting ends.	April 16, 2018
10. Annual General Meeting to be held in Toronto <ul style="list-style-type: none"> • The results of the election are announced. 	April 16, 2018
11. The Nominating Committee asks each candidate to respond to a questionnaire about their experience with the nomination process and any suggestions for improvements.	By end of April 2018
12. The Nominating Committee may call each candidate for a debriefing.	By end of April 2018

Important Information for Board Candidates

Positions Available

This year, members will be electing candidates to fill 2 positions for a three year term.

Board Structure and Process

The Board currently has three standing committees: a Governance Committee; a Finance and Audit Committee; and a Nominating Committee. Our website at www.alterna.ca provides more information about the role of each Committee.

Time Commitment

Below is an estimate of the amount of time necessary to fulfill your role as a Director. Each Director is expected to prepare for and attend Board meetings and to sit on at least two of the Board Committees. In addition, Board members are expected to attend additional retreats or meetings as required from time to time. Candidates should expect to dedicate 4 to 6 hours per week to Alterna business during their first year.

Item	Minimum Estimated Time (not including travel)
Quarterly Committees and Board Meetings	On a quarterly basis, the Committees meet one after another, followed by the Board meeting. These meetings normally take place on Thursday evenings and during the day on Fridays in mid-March, June, September and early December. The schedule is subject to change depending on business needs and at the call of the chair. The meetings are held in person, alternating between Ottawa and Toronto.
Read Committee / Board Package	4 – 8 hours per meeting.
Board Planning Sessions	The Board may schedule additional planning sessions as required.
Electronic Meetings	E-meetings: Number varies - 1 to 5 per month. Directors should make every effort to monitor their e-mail daily.
Training and Development, Community Involvement	Directors are expected to attend education / training sessions and participate in community activities.

Remuneration

Directors receive a \$20,000 annual honorarium and allowance for connectivity. These payments are taxable as personal income. Directors also receive a Director Training allowance.

2017-2018 Ideal Director Profile

Alterna Savings expects each Director to meet certain individual qualifications and the Board as a whole to possess knowledge and experience relevant to its mandate and operations. In general, Directors shall have the ability to act in the best interest of Alterna Savings as a whole, and independently of any particular interest arising as a result of any previous, existing or future relationship with Alterna Savings, its members, or suppliers. Board members must have the ability to operate “as a team” at the Board level and to be able to “speak with one voice” once a full discussion has been undertaken and a decision has been made by the Board in accordance with its governance policies. The overarching requirement is for the ideal Director candidate to have significantly developed business judgment and financial acumen and to demonstrate an ability to understand complex business issues, analyze them objectively and reach sound decisions efficiently and effectively in a time frame appropriate to the circumstances.

The ideal profile of an Alterna Director is comprised of two integrated elements.

- 1) **Deposit Insurance Corporation of Ontario (DICO) Competencies:** DICO has established 9 generic competencies which are applicable to the Directors of all credit unions in Ontario. DICO expects credit unions to set appropriate minimum competency levels and time frames for achieving those levels that reflect the size and complexity of the institution. Alterna Savings has determined that candidates should have a strong competency in each of the 9 required DICO competency areas, or the ability and time to acquire strong competency within 12 months of election. Information on these competencies is provided at page 9 and Appendix D.
- 2) **Alterna Savings – 2018 Specific Skills and Abilities:** In addition to the general experience and DICO competencies requirements outlined above, Alterna Savings has established specific skills and abilities that are particularly relevant to our organization. These skills and abilities are enumerated at page 9. Please also refer to the Director Qualifications Policy in Appendix C for further information.

Alterna Savings conducts an annual skills analysis for its Board of Directors in order to assess priority areas for candidate skills and experience. Based on this assessment, in the 2018 candidate nomination process, preference will be given to those Candidates whose specific additional skills and experiences best complement the existing skill sets on the Board of Directors in the following areas:

- 1) Commitment to Cooperative Enterprise
- 2) Technology and Payments
- 3) Financial Expertise
- 4) Governance Experience

Such individuals must also be self-directed, collaborative Directors who demonstrate highly developed interpersonal skills, and an ability to work collegially while maintaining independence of perspective. Directors must be prepared to commit the required time and energy to serve as a Director for Alterna Savings including a commitment to maintain up-to-date knowledge of industry standards and global trends impacting Alterna Savings.

2017-2018 Ideal Director Profile (Continued)

Alterna Savings' Board of Directors is committed to enhancing diversity in all dimensions. Candidates are encouraged to outline additional skills and experiences that might be valuable to Alterna Savings.

Instructions

The deadline for receipt of your Nomination Documents is November 15, 2017 at 12:00 noon Eastern Standard Time.

Your material may be sent by the following methods:

- e-mailed to board.candidate@alterna.ca (preferred method);
- handed in at any Alterna Savings, Nexus Community Savings, or Peterborough Community Savings branch; or
- mailed to the attention of:

Sean Tyler
Corporate Secretary
Alterna Savings
165 Attwell Drive
Toronto, ON M9W 5Y5

No matter which method of delivery is used, nomination documents must be received by 12:00 Noon Eastern Standard Time on November 15, 2017. **This is a firm deadline and there will be no extension and no exception. Please note incomplete Nomination Documents will be disqualified.**

Official Nomination Form - Board of Directors - 2018 Elections

Each Board candidacy must be supported by two other members using this form.

As members of Alterna Savings, we are pleased to nominate:

Candidate's Name	
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to stand for election to the Board at the 2018 Annual Meeting of Alterna Savings.

Nominator Name	Signature of Nominator	Member #
1.		
2.		

Acceptance of Nomination

I accept this nomination as a candidate for election to the Alterna Savings Board.

Signature of Candidate¹	Member Number	Date

Candidate Information:

E-mail address: _____

Telephone (day): _____ (evening): _____

Included with this Nomination Form are the following documents:

- Completed Areas of Expertise / Experience Assessment (page 8)
- Completed Skill / Capability Assessment (page 12)
- Completed Conflict of Interest Disclosure (page 13)
- Biography (maximum 300 words) *Please submit in Word format*
- Contribution statement (maximum 300 words) *Please submit in Word format*
- Full, detailed curriculum vitae (resume) for the Nominating Committee including the names and coordinates for 3 references, preferably relating to your experience as Board member

¹ By signing this form, you declare that:

1. You meet the Board Candidate Eligibility Requirements outlined on page 14 of this document.
2. You agree to submit to a background, credit and criminal record check.
3. You also agree to respect the requirements of the Election Policy outlined on page 15, which Policy takes effect once you submit your documents.
4. You understand the requirements of the Director Qualifications Policy outlined on page 19 of this document.

Areas of Expertise / Experience Assessment

Please assess yourself against our Board Skills Matrix. This includes the DICO-required board competencies (**please refer to the DICO Director Training and Qualifications Application Guide in Appendix D for specific definitions of each competency level**) and our own list of the thirteen Alterna Board-required Areas of Expertise. For each of the areas, please use the following DICO rating scale:

- **Expert:** Expert understanding and provides expert analysis and advice on complex issues
- **Strong:** Significant understanding and expertise of the competency and participates fully in board analysis discussion and debate on more complex issues
- **Good:** Good understanding of the fundamentals and sufficient knowledge and experience to apply concepts to less complex issues
- **Basic:** Some knowledge; understands terminology and can identify the skills / attributes associated with the competency

For each competency, please provide a brief description of your rationale for the rating you have given yourself.

DICO's Required Competencies:				
(please refer to the attached DICO guide and check the box that best describes your experience level)				
	EXPERT	STRONG	GOOD	BASIC
1. Audit and Compliance Rationale for my self-rating:				
2. Board and CEO Performance Rationale for my self-rating:				
3. Credit Union Operations Rationale for my self-rating:				
4. Financial Literacy Rationale for my self-rating:				
5. Governance and Ethics Rationale for my self-rating:				

Areas of Expertise / Experience Assessment (Continued)

6. Leadership Rationale for my self-rating:				
7. Regulatory Environment Rationale for my self-rating:				
8. Risk Management Oversight Rationale for my self-rating:				
9. Strategic Planning Rationale for my self-rating:				

Alterna's Required Areas of Expertise:				
	EXPERT	STRONG	GOOD	BASIC
1. Financial expertise including audit functions and internal controls Rationale for my self-rating:				
2. Senior management experience managing people, budgets and risks or board experience providing oversight to the same Rationale for my self-rating:				
3. Significant profit and loss responsibility in a competitive, customer-facing, retail-type environment Rationale for my self-rating:				
4. Legal, including knowledge of legal affairs and issues attributable to an organization of the scale and complexity as Alterna Rationale for my self-rating:				

Areas of Expertise / Experience Assessment (Continued)

5. Information technology strategy Rationale for my self-rating:				
6. Enterprise risk management Rationale for my self-rating:				
7. Community economic development, CSR and cooperative sector experience Rationale for my self-rating:				
8. Financial sector experience Rationale for my self-rating:				
9. Management of major projects with significant scope, complexity and risk including organizational transformation and culture change; operational reviews, mergers and acquisitions, or other change programs Rationale for my self-rating:				
10. Economic and regulatory environment Rationale for my self-rating:				
11. Real estate Rationale for my self-rating:				
12. Executive compensation and human resources; succession planning, pension fund management, etc. Rationale for my self-rating:				
13. Marketing and communications expertise Rationale for my self-rating:				

Areas of Expertise / Experience Assessment (Continued)

Additional comments about my skills, experience and attributes or other areas of expertise I have:

Skill / Capability Assessment

Alterna Savings expects that each Director will bring to the Board a certain level of knowledge and experience, demonstrate certain attributes, and adhere to certain principles. The following questions will help you to assess the extent to which you meet these expectations. Please indicate yes or no in the space provided.

Name: _____	Yes / No
1. Do you meet the Board Candidate Eligibility Requirements? (see Appendix A)	
2. To the best of your knowledge, are you free of any conflict of interest? (e.g. you can't be an employee of Alterna Savings or Alterna Bank or of its regulators; you can't be an employee or a Director of a competing financial institution.)	
3. Are you able to read and comprehend Alterna's Balance Sheet and Income Statement, and assess the implications of these documents?	
4. Do you have experience serving on governance boards overseeing complex organizations which operate in a competitive environment or on boards of public or non-profit organizations of a scale and complexity similar to Alterna's?	
5. Do you have experience as the Chair of a Board or a Committee that follows a formal 'Rules of Order' format?	
6. Can you recognize and assess business risks and strategic opportunities?	
7. Do you have experience demonstrating that you can conceptualize and think strategically and that you possess good problem solving and interpersonal skills?	
8. Do you demonstrate the ability to think, act and speak independently and with conviction and confidence?	
9. Do you have sufficient time and energy to devote to the performance of duties as a member of the Board of Directors? (see page 4)	
10. Do you have good oral and written communication skills?	
11. In your personal and professional dealings, do you demonstrate integrity, high ethical standards and respect of privacy and confidentiality?	
12. Are you willing to assume the responsibilities associated with the role of Director, including dedicating time to training and development? (see page 4)	
13. Do you have a computer, printer and access to the Internet and do you have the ability to operate them?	

Conflict of Interest Disclosure

Your Legal Name	
Spouse or Common Law Partner's Name	
Name(s) of Children (include both dependent and independent)	If applicable, name of child's spouse or common law partner
Names of other relative(s) living in the same residence as you:	
Names of corporations or business entities controlled by you² or any of the above related parties with dealings at Alterna Savings or Alterna Bank	
List any organization(s) or entity(ies) of which you are a Director or Officer	
Provide details of any known or potential conflict of interest circumstances	

² Defined as ownership of more than 50% of the voting rights of an entity.

Appendix A - Board Candidate Eligibility Requirements

To serve as a Director of Alterna Savings, you must:

- be 18 years of age or older,
- be a member for more than one year,³
- be a member in good standing,
- not be an employee of Alterna or a former employee of Alterna for at least one year,
- not be involved in a lawsuit against Alterna, and
- be a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily a resident in Canada.

The following people are disqualified by the *Credit Unions and Caisses Populaires Act*:

1. One whose membership in any credit union has been terminated, other than voluntarily.
2. One who a court has decided is of unsound mind.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the 5 years preceding the date on which she or he may be elected as a 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 listed as a 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 as described in section 92 (3) of the *Credit Unions and Caisses Populaires Act*⁴ 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 / consultant 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 Deposit Insurance Corporation of Ontario ("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.

³ You must have been a member in good standing in accordance with Alterna Savings By-Law

⁴ The *Credit Union and Caisses Populaires Act* is available at www.e-laws.gov.on.ca

Appendix B - Election Policy

The Board of Directors determines the method and the manner in which elections are to be conducted. **Non-compliance with the following policy may result in a candidate's disqualification.**

1.0 EFFECTIVE DATE OF THE POLICY

This policy takes effect immediately upon approval.

2.0 INTENT AND INTERPRETATION OF THIS POLICY

- 2.1 The intent of this policy is to ensure a level playing field for all candidates, and to strive for the fairest possible process and outcome by limiting candidates' activities and presence to those provisions in sections 3.1 through 3.4 below.
- 2.2 Any questions as to the interpretation of this policy are to be directed in writing to the Chair of the Nominating Committee via the Corporate Secretary, and a copy to the Chair of the Board. Any interpretation of this policy provided shall be in writing and provided to all candidates.
- 2.3 Interpretations shall be narrow such that only activities and processes clearly written in this policy shall be permitted. Any interpretation that could result in a change to the ordinary understanding of this policy shall first be recommended for approval of the Board of Directors by way of amendment to this policy.

3.0 CANDIDATE INFORMATION PROVIDED TO MEMBERS

The Nominating Committee ensures that the following information about each candidate is made available to members in English or French at Alterna's expense.

- 3.1 **Picture:** Each candidate shall provide a picture of him or herself, which Management will post to Alterna's website.
- 3.2 **Biography:** Each candidate shall submit a biography in compliance with the requirements articulated in the Board Candidate Information Kit.
- 3.3 **Contribution Statement:** Each candidate shall submit a Contribution Statement in compliance with the requirements articulated in the Board Candidate Information Kit.
- 3.4 **Video:** Each candidate shall record a video in compliance with the requirements articulated in the Board Candidate Information Kit.

4.0 CANDIDATE ACTIVITIES AND PRESENCE

- 4.1 The Board of Directors believes that the above campaign measures provide sufficient opportunity for a fair campaign, for candidates to convey information about themselves, and for members to educate themselves about candidates' backgrounds and intended contributions to Alterna.
- 4.2 Apart from the material articulated in sub-sections 3.1 through 3.4 above, no further candidate activity is permitted. For further clarity, if the activity is not specifically enumerated in sub-sections 3.1 to 3.4, then it is specifically prohibited. For greater certainty, this prohibition extends to any and all forms of announcing one's candidacy for election, communicating for the purpose of advancing one's candidacy, campaigning or other campaign activities whatsoever.
- 4.3 Similarly, no communications between candidates related to the election is permitted. Incumbent Directors who are candidates for re-election may communicate with one another or with staff or members in the fulfillment of their duties and obligations as Directors only, but not in the context of advancing their candidacy in the election. All candidates continue to enjoy the right to talk with staff in the course of conducting their ordinary banking with Alterna Savings, but must not discuss the election or attempt to advance their candidacy.

5.0 DUTY TO CLARIFY ON AN EX-ANTE BASIS

There is a duty on candidates to clarify in writing whether any of their planned activities may be contrary to this policy before they occur.

6.0 DUTY TO DISCLOSE

At the start of the election period, the Corporate Secretary shall issue a notice to staff reiterating that campaigning by candidates beyond that which is outlined in Section 3.0 to 3.4, is prohibited. In the event that a candidate is attempting to promote his / her candidacy whether on Alterna premises or elsewhere, employees have a duty to notify the Corporate Secretary. Once made so aware, the Corporate Secretary shall bring the matter to the attention of the Nominating Committee with a copy to the Board.

7.0 NOMINATING COMMITTEE REPORT

- 7.1 At the completion of candidate interviews, the Nominating Committee shall prepare a report outlining the outcome of the nomination process, identifying those candidates who will be recommended by the Nominating Committee. For greater certainty, nothing in the policy restricts the number of candidates being recommended so long as they meet all relevant qualifications requirements outlined in this policy, the Act, Alterna Savings By-Law and all applicable Alterna Savings policies and standards.
- 7.2 Upon completion of the report, the Nominating Committee shall:
 - First, notify in writing candidates of the outcome of the nomination process and confirming their choice to remain in the election or withdraw.
 - Second, through its report, notify the Board of Directors of the outcome of the nomination process.
 - With Management, arrange for the posting of candidate submitted videos and all candidate information on the Alterna website.

- 7.3 All eligible candidates, whether or not recommended by the Nominating Committee, who choose to stand for election will have their information made available to the membership. The website and other material will indicate which candidates are recommended.
- 7.4 The Nominating Committee shall further ensure that candidate material and videos are vetted for compliance to the policy prior to such material being used for the campaign.

8.0 NON-ADHERENCE TO THE ELECTION POLICY

Any and every breach of this policy is a serious matter and may result in a disqualification. The Nominating Committee has discretion to employ other remedies where they are warranted, provided such remedies are in the best interest of Alterna Savings and its membership, would not impugn the intent of this policy, or unfairly prejudice other candidates.

9.0 PROCESS TO DEAL WITH COMPLAINTS AS TO NON-ADHERENCE TO THE ELECTION POLICY

- 9.1 Complaints will be forwarded to the Corporate Secretary, the Nominating Committee Chair and Chair of the Board. Should the Chair of the Board be a candidate, complaints will be forwarded to the Corporate Secretary, the Nominating Committee Chair and the Vice Chair of the Board. Should both the Chair and the Vice Chair be candidates, complaints will be forwarded to the Corporate Secretary, the Nominating Committee Chair and the Board.
- 9.2 Alterna shall not act on anonymous complaints and no standing shall be given to such complaints.
- 9.3 Complaints that are vexatious, not related to the Election Policy, or cover activities which, if established as having occurred, do not give rise to any reasonable concern that a violation under this policy may have occurred, may be summarily dismissed by the Nominating Committee by way of motion without further action or process. In these instances, the Nominating Committee will notify the Chair of the Board of its decision and reasons to dismiss the complaint. The Chair of the Board will either concur with the dismissal, in which case the complaint will then be formally dismissed, or if the Chair of the Board does not concur with the dismissal, he or she will request a meeting of the board to recommend by way of motion, that a complaint be formally investigated. Should the Chair of the Board be a candidate, the Vice Chair will assume the role of the Chair as described in this sub-section. Should both the Chair and the Vice Chair be candidates, the Board will assume the role of the Chair as described in this sub-section.
- 9.4 Complaints that are deemed valid by the Nominating Committee shall be brought to the Board's attention with a request that the Board formally investigate the complaint. In these instances and prior to the Board taking any action, the Candidate in question first shall be notified in writing by the Corporate Secretary as to the nature of the complaint, and have a reasonable opportunity to respond in writing. The Board shall then consider the complaint and Candidate's response and determine whether to formally investigate a complaint. Complaints deemed by the Board to be vexatious will not be investigated.
- 9.5 Should the Board decide to investigate a complaint, it will, at the same time, determine the process by which the investigation, adjudication and remedy of the complaint will occur. In deciding on the process, the best interest of the Alterna

Savings and its members shall guide the Board's decision-making. This shall include, but not necessarily be limited to: due process for the candidate under scrutiny, the removal of real or perceived bias or conflict in the adjudication, and the confidence of stakeholders in the process, most particularly the confidence of regulatory authorities and the other candidates in the election who are impacted by outcomes. To ensure the best interest of the Alterna Savings and its members, to confirm confidence in the process and remove the presence of real or perceived conflict or bias whether within the Nominating Committee or the Board itself, the Board in its sole wisdom, by way of motion will empower the Nominating Committee, a Special Committee of Directors, or reserve to itself, the investigation and adjudication of the complaint and the consequences thereof.

- 9.6 If the Nominating Committee or a Special Committee is empowered to investigate a complaint, the Board shall delegate all authority on the matter to the said committee whose decision and remedy shall be final, non-appealable and binding on the Board and the candidate, and no other member of the Board shall attempt to influence or interfere with the empowered committee. If the Board reserves the matter for itself, its decision will be final, binding and non-appealable.
- 9.7 In the event of a disqualification, the Board, or the empowered committee will notify the candidate of the disqualification in writing within twenty-four (24) hours of the decision. All of the candidate's material will then immediately be removed from the Alterna website, branches and other premises, to be replaced by a notice to members that he or she is no longer a candidate.
- 9.8 In the event of a disqualification, no votes cast in favour of the disqualified candidate shall be counted, nor shall they be included in any reporting on the outcome of the election. Recognizing that ballots may reflect multiple choices by the member, such as for other candidates, By-law changes, the ballots remain valid and all votes on the ballot other than those for the disqualified candidate shall be counted.

10.0 ROLES AND RESPONSIBILITIES

The Nominating Committee is responsible to review this policy annually and recommend it for approval to the Board of Directors.

Appendix C - Director Qualifications Policy

1.0 OBJECTIVES

The Board of Directors of Alterna Savings must ensure that the credit union fulfils its mandate and meets its regulatory obligations. To this end, Directors must manifest particular attributes such that, acting together, they provide for the credit union's effective governance.

As the parent company responsible for appointing Directors to Alterna Bank's Board, Alterna Savings must also ensure that the selection and nomination process meets the governance level required by the bank's legislative and regulatory environment and that is necessary to achieve the bank's mandate. As such, throughout this policy, "Alterna" represents Alterna Savings and Alterna Bank.

The Board acknowledges the importance of its role in ensuring effective succession planning and having policies in place to enable the recruitment, nomination, evaluation and selection processes to occur in an open, transparent and fair manner.

2.0 QUALIFICATIONS FOR DIRECTORS

Throughout their tenure, all Directors must meet the legal qualifications for Directors set out in the *Credit Unions and Caisses Populaires Act* and Regulations, in DICO By-law #5 requirements and in the By-law of Alterna Savings.

Alterna expects each Director to meet certain individual qualifications and the Board as a whole to possess knowledge and experience relevant to its mandate and operations. In general, Directors shall have the ability to act in the best interest of the Credit Union as a whole, and independently of any particular interest arising as a result of any previous, existing or future relationship with the Credit Union, its members, or suppliers. Board members must have the ability to operate "as a team" at the Board level and to be able to "speak with one voice" once a full discussion has been undertaken and a decision has been made by the Board in accordance with its governance policies.

The Board of Directors as a whole shall be broadly representative of its membership.

2.1 Individual Qualifications for Directors

DICO's By-law #5 requires each Director to achieve a 'strong' competency level for each of the following nine competency areas:

1. Audit and Compliance Oversight
2. Board and CEO Performance
3. Credit Union Operations
4. Financial Literacy
5. Governance and Ethics
6. Leadership
7. Regulatory Environment
8. Risk Management Oversight
9. Strategic Planning.

Detailed descriptions of each area and the definition of "Strong Competency" may be found in appendix A to this policy.

Alterna requires all Directors to have the requisite level of strong competency in each area, but recognizes that new Directors may not be fully competent in some areas immediately. It is therefore expected that new Directors achieve the requisite level of competency within 12 months of appointment; Board Chair within 6 months of appointment; and Finance and Audit Committee Chair within 6 months of appointment.

Alterna also requires Directors to:

1. Be free of any conflict of interest, show integrity in all matters and put Alterna's needs ahead of personal needs or points of view;
2. Devote sufficient time, energy and interest to the performance of duties as a member of the Board of Directors: Directors are expected to fully participate in meetings having reviewed materials beforehand and developed a point of view;
3. Generally have 7 to 10 years of senior executive or governance experience with organizations which operate in a competitive environment, or 7 to 10 years of senior executive or governance experience with public or non-profit organizations of a scale and complexity similar to Alterna's;
4. Be collaborative, constructive and respectful in interactions with other Directors and staff;
5. Have well-developed interpersonal skills, including the ability to listen to and discuss various points of view, the ability to think and act independently and speak out with courage and conviction while maintaining professionalism and teamwork with Directors and staff;
6. Have the ability to think strategically, with sound common sense, perceptiveness, maturity and business judgment;
7. Have the ability to positively influence others and to be influenced through fact-based discussion and decision-making and to speak with one voice once decisions are made;
8. Demonstrate a thorough understanding of the distinction between governance and operational issues, and between minor and material issues.

The overarching requirement and the sum of these competencies and aptitudes is the expectation that all Directors possess significantly developed business judgment and an ability to understand significant business issues, analyze them objectively and reach sound decisions efficiently and effectively in a time frame appropriate to the circumstances.

Incumbent or new Directors who do not demonstrate these competencies or who fail to achieve it in the requisite time shall not generally be recommended for re-election, though there may be special exceptions from time to time should the circumstance warrant.

2.2 Collective Qualifications for Directors

Because Alterna Savings operates in a competitive financial services environment, at any given time, the board should be comprised of a majority of Directors with experience in competitive markets, possess a demonstrable track record of business judgment and financial acumen and who have a clear understanding of the Financials Service landscape.

Alterna recognizes that Directors who do not have this background can still effectively model these key attributes. Therefore, the requirement that a majority of directors have this background is to be taken as a guide and not a rule.

In addition to the competencies outlined in Section 2.0 and 2.1, the board should also have a diversity of skills and experiences including:

1. Financial expertise including audit functions and internal controls;
2. Senior management experience managing people, budgets and risks or board experience providing oversight to the same;
3. Significant profit and loss responsibility in a competitive, customer-facing, retail-type environment;
4. Legal, including knowledge of legal affairs and issues attributable to an organization of the scale and complexity as Alterna;
5. Information technology strategy and significant IT project management experience including major integrated business information systems;
6. Enterprise Risk Management and Treasury Risk Management;
7. Community economic development, CSR and Cooperative Sector Experience;
8. Financial sector experience; particularly retail and commercial banking, insurance, wealth management or credit adjudication;
9. Management of major projects with significant scope, complexity and risk including organizational transformation and culture change; operational reviews, mergers and acquisitions, or other change programs;
10. Economic and Regulatory Environment;
11. Real estate;
12. Executive Compensation and Human Resources; succession planning, pension fund management, etc.);
13. Marketing and Communications Expertise.

As well as having the required skill, knowledge and experience, the Board of Directors should, to whatever extent possible, reflect the diversity of the demographic make-up of the communities and membership that would provide for an ideal complement of gender, culture and communities served.

2.3 Succession Requirements / Ideal Candidate Profile

Board, Peer and Self assessments will be conducted on an annual basis as set out in the Director Development and Evaluation Policy, in order to confirm and update the competency levels attained by each Director and to record any changes in additional skills. These assessments will also help identify additional training or self-development programs to help Directors maximize their overall knowledge and skill levels to meet competency requirements, and to attain additional skills as may be appropriate.

A matrix of competency levels required and attained for each director will be maintained together with a summary of director skills.

These evaluations, together with Alterna's current strategic priorities, shall inform a Board skills matrix, gap analysis and annual ideal director profile, the latter of which shall be prepared by Governance Committee and approved by the board annually, and furnished to the Nominating Committee, together with this policy, to guide that committee's work.

Incumbent Directors seeking re-election shall have their peer evaluations (less textual comments), shared with the Nominating Committee as one input to the committee's evaluation of candidates.

3.0 REQUIREMENT TO SUBMIT TO A BACKGROUND, CREDIT AND CRIMINAL CHECK

Prior to having their respective name being placed on the election ballot, as a Board candidate and at re-election thereafter, each Director shall be requested to submit to a background, credit and criminal check.

4.0 CONDITIONS WHERE AN INDIVIDUAL MAY BE DISQUALIFIED FROM ACTING AS A DIRECTOR

Directors who no longer meet the legal qualifications for Directors set out in the *Credit Unions and Caisses Populaires Act* and Regulations, in DICO By-law #5 requirements and in the By-law of Alterna Savings and or who do not meet competency requirements are subject to disqualification. When a director has not met the DICO competency and training requirements within the time frames set out in this policy, the Board will generally pass a resolution declaring the director's position vacant in the absence of a reasonable explanation or extenuating circumstances, and such resolution shall follow the process as outlined in the Removal of a Board Member Policy.

5.0 DICO'S ROLE IN MONITORING

As part of DICO's ongoing risk assessment and examination process, DICO will review this policy and the adequacy of the processes and practices of the credit union relating to director training and qualifications.

6.0 ROLES AND RESPONSIBILITIES

The Governance Committee is responsible to review this policy on a periodic basis and recommend it for approval to the Board

Appendix D - DICO Director Core Competencies

See following pages:

**Deposit Insurance Corporation of Ontario
Director Training and Qualifications Application Guide
Director Core Competencies**

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March 2012

Director Training and Qualifications Application Guide: Class 2 Director Core Competencies

This application guide is for use by Class 2 credit unions. It should be reviewed in conjunction with DICO's Guidance Note: Director Training and Qualifications. This document describes director core competencies and attributes for different levels of understanding. Competencies are built through a combination of education, practical work experience previous board experience and director training. At a minimum, directors of Class 2 credit unions are expected to attain a **STRONG** understanding of each of the core competencies and attributes as indicated within the time frames established by the credit union subject to DICO minimum expectations outlined in the Guidance Note: Director Training and Qualifications. Credit unions may wish to set a requirement for a higher competency level (e.g. Expert) in one or more competencies or for Chair of the Board and Audit committee to more appropriately reflect their size and complexity. Descriptions of the EXPERT level are provided for purposes of reference and comparison.

Please Note: Descriptions of competencies and competency levels are intended to reflect the oversight responsibilities of directors, and are not intended to require much higher technical and skills required by senior management of the day to day operations of the credit union.

A strong understanding of these core competencies helps directors to:

- Participate fully in board analysis, discussion and debate on more complex issues.
- Ensure sufficient information is provided to support analysis and recommendations
- Mentor new directors and provide greater understanding of competency
- Challenge management's assumptions when needed and speak out appropriately at board meetings; and
- Make significant contributions to long-range planning.

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March 2012

Director Training and Qualifications Application Guide: Class 2 Director Core Competencies

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1. AUDIT AND COMPLIANCE OVERSIGHT

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.

Competency Level	Audit and Compliance Oversight: Competency Attributes
Basic	<ul style="list-style-type: none"> • Defines compares and explains: <ul style="list-style-type: none"> ➤ The role of the audit committee ➤ The external audit process and the role of the external auditor ➤ The role and nature of the internal audit function ➤ DICO's Examination process ➤ The role of the compliance officer
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Understands and incorporates in their actions the processes to monitor Board and individual directors to ensure compliance with internal controls, standards of sound business and financial practices and other regulatory requirements. • Reads and interprets reports of the compliance officer, external auditor, internal auditor and the regulators. • Distinguishes between the responsibilities of the Audit Committee, the Board and other committees. • Interprets and draws conclusions from the reports of the compliance officer, external auditor, internal auditor and regulators. • Asks appropriate questions about credit union policies, practices and reports. • Demonstrates, through actions, a knowledge of resolution strategies to address any material weaknesses and deficiencies. • Contributes to the development of policies to improve controls and compliance. • Ensures that key decisions made by the Board align with established policies, standards of sound business practices and other regulatory and legislative requirements. • Follows up with management to ensure corrective action is taken to rectify deficiencies noted in reports.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Analyzes results and reports and contributes to board discussion and debate on complex issues and any material variances or weakness relating to audit and compliance. • Interprets and confirms that corrective action taken by management to address material non-compliance situations is identified in internal, external and regulatory audit reports is appropriate. • Identifies when it is necessary to challenge management for additional information to support conclusions or recommendations. • Identifies when a professional, independent opinion is required. • Calls upon internal and/or external audit resources to investigate complex variances and non-compliance situations.

Director Core Competencies

Competency Level	Audit and Compliance Oversight: Competency Attributes
Expert	Strong PLUS: <ul style="list-style-type: none">• Interprets corporate, complex regulations and/or legislation for others, including providing regulatory advice.• Lobbies for legislative change to ensure a level playing field for credit unions• Intervenes with regulators on the contentious and sensitive issues.• Through participation on provincial and/or national system committees, identifies appropriate changes to the legislative environment and audit and compliance standards on behalf of the credit union and the credit union sector.• Contributes to the ongoing development and refinement of Standards of Sound Business Practices.

2. BOARD AND CEO PERFORMANCE

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the tools and methodologies for monitoring the performance and development of the CEO and for assessing the Board’s performance to determine strengths, deficiencies and areas for improvement.

Competency Level	Board and CEO Performance: Competency Attributes
Basic	<ul style="list-style-type: none"> • Explains the reporting relationship between the Board and the CEO. • Explains the appropriate approach regarding performance management, feedback, and communications with the CEO.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Contributes to the development of the relationship between the Board and the CEO. • Applies the performance and measurement criteria for the Board and the CEO. • Contributes to the ongoing assessment of the CEO’s and the Board’s performance. • Ensures the use of objective measurement criteria is adopted. • Identifies opportunities for performance improvement in the CEO and Board. • Describes the processes and timing of Board and CEO performance planning and assessment.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Contributes to the development of assessment criteria for individual directors, the Board and CEO. • Ensures that the CEO performance criteria and compensation are aligned with the strategic plan and key objectives. • Demonstrates the ability to develop communications designed to create buy-in to concepts and direction from the Board to the CEO. • Contributes to the development and/or enhancement of the Board’s stakeholder communications strategy. • Encourages other Board members to communicate effectively with the CEO. • Proactively manages and effectively communicates the CEO’s performance through informal and formal communication. • Develops and initiates the board performance planning and assessment process. • Recognizes when a third party expert is required. • Identifies and addresses skills/performance gaps on the board and/or CEO.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Leverages connections to other events, decisions and initiatives when developing and presenting communications to the CEO. • Ensures fit between the credit union’s culture, values and beliefs and those of the CEO. • Uses mediation skills to resolve conflicts or performance gaps on the board and/or with the CEO. • Uses influence to create shifts in beliefs and/or values • Leads and/or contributes to discussion about the impact of the credit union in the community and/or in the credit union sector both provincially and nationally.

3. CREDIT UNION OPERATIONS

To achieve this competency, directors should demonstrate an 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.

Competency Level	Credit Union Operations: Competency Attributes
Basic	<ul style="list-style-type: none"> • Defines the nature and extent of the credit union’s operations and service areas. • Distinguishes between the Board’s and CEO’s responsibilities related to operations. • Outlines the impact of operational weaknesses on member satisfaction and financial performance.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Understands the credit union’s operational infrastructure and how its components interrelate. • Understands the credit union’s business powers, major lines of business, services and delivery channels. • Understands the membership profile and the nature and profile of major business segments. • Effectively compares operational efficiency against industry standards and best practices. • Recognizes the impact of strategic plans and objectives on operational effectiveness and operational efficiency. • Asks questions and evaluates information and management recommendations on costs, benefits and risks involved in major operational decisions. • Recognizes and seeks third party expertise when required.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Understands the nature and extent of non-core business activities including any subsidiaries. • Applies policy related to human resources practices, including competency requirements to senior management personnel. • Analyzes the strategies, data and/or recommendations to improve operational effectiveness or resolve operational weaknesses. • Discusses and evaluates policy recommendations with respect to their impact on operations.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Fosters an environment of innovation in service delivery and strategies related to such innovations. • Identifies best practices related to operational efficiencies, such as outsourcing or collaborative strategies.

4. FINANCIAL LITERACY

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.

Competency Level	Financial Literacy: Competency Attributes
Basic	<ul style="list-style-type: none"> • Reviews financial reports, financial statements and operational plans & budgets prepared by management. • Seeks clarification of those areas that are not understood. • Understands basic budgeting process and financial objectives and budgets. • Understands basic financial statements, e.g. balance sheet and income statement. • Reviews financial reports presented by management and asks appropriate questions. • Knows statutory requirements.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Understands basic financial analysis concepts and tools. • Can explain the nature and purpose of all financial reports prepared by management, and the purpose and uses of key financial ratios, financial trends, performance benchmarks and system/group comparison reports. • Identifies variances between actual financial performance and established financial budget and targets and understands the nature and extent of recommendations to address material variances. • Understands the concept of materiality with respect to financial statement information and variances. • Ensures additional explanations and information is provided for any material variances including action plans.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Has understanding of the national, provincial and local micro and macro economic factors that can affect the credit union's operations. • Explains and interprets the interrelationship of financial ratios and how they impact other areas. • Interprets financial results and reports and ensures the board conducts sufficient oversight and discussion on recommended strategies to address and material variances. • Recommends the use of external resources to investigate any significant issues or "red flags" that may arise or to validate the credit union's financial policies, plans, controls and procedures where material weaknesses persist.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Understands the concepts of global financial markets and the forces that shape them. • Categorizes complexities of various financial instruments and their use. • Contributes to the pursuit of change in legislated financial requirements through participation on provincial and national system committees.

5. GOVERNANCE AND ETHICS

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.

Competency Level	Governance and Ethics: Competency Attributes
Basic	<ul style="list-style-type: none"> • Understands the governance structure of the credit union and the responsibilities of directors and the Board. • Understands what corporate governance is and how it is applied to the credit union environment. • Explains the importance, necessity and meaning of “independent”, “accountable”, “transparency”, “prudent” and “fiduciary”. • Recognizes the role of ethics (code of conduct) and personal integrity in acting in the best interests of the credit union and safeguards confidential and sensitive information. • Explains the roles of and interrelationships between the Board; Board and regulators; Board and senior management. • Explains the credit union’s strategic direction and corporate values. • Complies with the credit union’s policies. • Acts in accordance with Co-operative Principles. • Acts with integrity and ethics in making decisions. • Exercises due care and diligence.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Uses existing governance framework to evaluate, create and implement policies to enhance value. • Contributes fully to the board and governance structures by: <ul style="list-style-type: none"> ➤ asking appropriate questions, ➤ identifying material variances or deficiencies, ➤ being prepared for meetings, ➤ seeking independent advice or expertise, ➤ supporting board decisions. • Provides sound input into the credit union’s strategic direction and plans. • Assesses goals, objectives, risks and opportunities relative to strategic direction. • Oversees the credit union’s performance relative to strategic direction and implementation.

Director Core Competencies

Competency Level	Governance and Ethics: Competency Attributes
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Mentors board members to enhance their competence in democratic governance. • Oversees the ongoing evaluation of the Board's governance structures. • Assesses adequacy of governance policies, processes and procedures and code of conduct and makes recommendations for change.. • Identifies interrelationships and evaluates inherent risks and opportunities in the financial services environment and recommends appropriate action. • Independently assesses impacts of decisions related to risks and opportunities. • Describes how changes in regulatory environment impact best practices in credit union governance. • Analyzes past experiences and applies the concepts and learning to new situations. • Champions continuous learning within the board regarding the innovations in governance structures and how they can be incorporated into their credit union's governance regime.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Collaborates with other experts to recognize and articulate best practices in democratic governance. • Demonstrates breakthrough thinking in the field of democratic governance.

6. LEADERSHIP

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.

Competency Level	Leadership: Competency Attributes
Basic	<ul style="list-style-type: none"> • Communicates ideas and opinions clearly. • Understands effective leadership characteristics. • Identifies personal leadership characteristics. • Builds trust through honest and open communication and mutual respect.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Identifies board dynamics including different approaches and styles. • Constructively influences board dynamics. • Utilizes communication/facilitation techniques to encourage debate, dialogue, discussion. • Collaborates with fellow directors to build consensus. • Contributes to a constructive and open environment for the expression of diverse ideas and opinions. • Considers resource and support requirements of strategic initiatives.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Champions continuous learning and renewal within boards, including the successful recruitment of new board members, director training and continuing education. • Acts as an ambassador for the credit union within the community. • Fosters innovation, creativity and shared understanding. • Encourages debate and diverse opinions and mediates to reach consensus. • Determines when more information or outside advice is required. • Clearly communicates rationale for decisions to key stakeholders.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Networks strategically in order to stay on the leading edge of new developments and partnership opportunities. • Leads the conceptualization of large scale changes in industry direction through participation on provincial legislative and regulatory revisions and national system committees. • Leverages networks with key stakeholders to influence the resolution of regulatory and other issues.

7. REGULATORY ENVIRONMENT

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.

Competency Level	Regulatory Environment: Competency Attributes
Basic	<ul style="list-style-type: none"> • Explains and describes the: <ul style="list-style-type: none"> ➢ Role of the Ministry of Finance, ➢ Financial Services Commission of Ontario, ➢ Deposit Insurance Corporation of Ontario, ➢ Responsibilities of directors relative to policy creation and monitoring, ➢ Responsibilities of the Board policy creation and monitoring. • Identifies the regulatory environment including the Act, regulations, DICO by-laws and sound business practices as well as the credit union's by-laws, policies and processes.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Demonstrates knowledge of the Credit Union and Caisses Populaires Act, Regulations and other relevant legislation. • Understands the credit union's by-laws and related policies. • Promotes regulatory compliance. • Identifies gaps in the credit union's policies and compliance with regulatory requirements. • Initiates policy enhancements to deal with gaps. • Determines the policy framework i.e., the areas in which policies are required and why.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Explains the application of relevant policies and the principles upon which they are built. • Can interpret the Credit Union and Caisses Populaires Act and Regulations as well as other applicable legislation. • Explains the rationale for policy changes and the impact of such changes to the credit union's compliance to policies and sound business standards and practices. • Contributes to strength of credit union sector through strong leadership related to compliance, improved communication and shared understanding by credit unions and the regulator on these issues.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Participates in the drafting of new legislation and regulations through the provincial and/or national organizations. • Understands the fine points of legislation and regulations relevant to own position as a director, interpreting them, providing comments to policy makers and supporting others in ensuring compliance.

8. RISK MANAGEMENT OVERSIGHT

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

Competency Level	Risk Management Oversight: Competency Attributes
Basic	<ul style="list-style-type: none"> • Understands the areas of risk to which the credit union may be exposed. • Understands the risk management framework and policies of the credit union. • Understands the purpose and requirements DICO By-law #5. • Understands DICO's examination process. • Explains the role of the Board in risk management oversight.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Explains and describes the nature of risks and risk management activities related to: <ul style="list-style-type: none"> ➢ Governance ➢ Capital management ➢ Credit risk management ➢ Operational risk management ➢ Market risk management ➢ Structural risk management ➢ Liquidity risk management • Understands the significant risks to the credit union. • Understands criteria for measuring risk. • Understands the nature and extent of any material outsourcing, subsidiaries and securitization transactions. • Describes the extent of any material non-core business activities and subsidiaries. • Understands the Board's risk assessment tools and risk management reports. • Monitors risk management activities. • Identifies areas of significant risk exposure in management reports. • Interprets the results of the DICO examination and internal/external auditors and makes decisions to manage and address identified risks.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Understands what an Enterprise Risk Management framework is. • Assesses the credit union's risk appetite and tolerances. • Provides direction to management on implementation of an enterprise risk management system. • Integrates all elements of enterprise risk management into the strategic risk management process. • Confirms the capacity of the credit union to withstand risk exposure levels. • Interprets risk management policies and recommends changes to mitigate excessive exposure. • Ensures strategic objectives are integrated into the ERM.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Identifies potential long term risks and opportunities in the Canadian financial services environment and credit union sector.

9. STRATEGIC PLANNING

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.

Competency Level	Strategic Planning: Competency Attributes
Basic	<ul style="list-style-type: none"> • Understands the vision, mission and core values of the credit union. • Is aware of the organization's strategies and plans through ongoing review, monitoring and discussion and is aware of their role in the process. • Describes the strategic planning process and tools. • Seeks information about the strategic management process and related management reporting.
Good	<p>Basic PLUS:</p> <ul style="list-style-type: none"> • Applies knowledge of corporate goals, strategies and objectives to evaluate reports and recommendations presented by management. • Uses independent and objective oversight when evaluating the reports and recommendations presented by management. • Collaborates with fellow directors to build a consensus on strategic plans and initiatives. • Participates in the development and communication of the credit union's vision, mission, and corporate values.
Strong	<p>Good PLUS:</p> <ul style="list-style-type: none"> • Seeks information in areas such as the credit union's concerns, the competitive environment and industry trends and standards. • Explains the measures of success. • Recognizes and promotes potential strategic opportunities. • Weighs the risk/benefit of the credit union's strategic initiatives in identifying their impact and establishing priorities. • Identifies and communicates the indicators and measures for success for the credit union. • Analyzes capacity and competencies in staffing and financial resources for strategic initiatives.
Expert	<p>Strong PLUS:</p> <ul style="list-style-type: none"> • Collaborates with experts to develop a framework and policies for strategic plans and initiatives at a credit union system level. • Leads the conceptualization of and planning for large scale changes in industry direction and key federal statutes through participation on provincial legislative and regulatory revisions and national system committees.