



**BOARD CANDIDATE
INFORMATION KIT**

2022 ELECTIONS

Table of Contents

Letter from the Chair of the Nominating Committee.....	2
Nomination, Election Process and Timing.....	3
Important Information for Board Candidates.....	4
2021-2022 Director Qualifications.....	5
Instructions.....	6
Official Nomination Form - Board of Directors - 2022 Elections.....	7
Areas of Expertise / Experience Assessment Form.....	8
Skill / Capability Assessment Form.....	12
Conflict of Interest Disclosure Form.....	13
Appendix A - Board Candidate Eligibility Requirements.....	14
Appendix B - Election Policy.....	15
Appendix C - Director Qualifications Policy.....	19
Appendix D – FSRA Director Core Competencies.....	23
Appendix E – Video Requirements	24

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 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 6th at 5 pm**. More detailed information on this session is available in this document and at www.alterna.ca. Further, a recording of the information session will subsequently be available on the Alterna website.

Each year, the Board of Directors appoints from amongst its members a Nominating Committee whose role is to ensure a fair and transparent nomination and election process, ensure members are fully informed, and to recommend to members those candidates whose election would ensure the highest quality Board and diverse skill composition. The Committee also ensures that candidates align with the Director Core Competencies as outlined by the Financial Services Regulatory Authority of Ontario (FSRA).

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

Should you have any questions about the enclosed information, you may contact Duncan de Chastelain, VP, Legal and 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,



Bianca Garofalo
Chair, Nominating Committee, Board of Directors

Nomination, Election Process and Timing

Key Activities	Dates
1. 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 6, 2021 at 5:00 – 6:00 pm (EST)
2. Deadline to submit the Official Nomination Form and other required material.	November 16, 2021 at 4:00 pm (EST)
3. Formal interviews of candidates by Nominating Committee held via video conferencing.	Week of January 10, 2022
4. Nominating Committee determines which candidates are recommended and informs each candidate, in writing, of its decision.	January 21, 2022
5. Each candidate will send their video (maximum of 2 minutes) and photograph to board.candidate@alterna.ca . If candidate is recording their video using a mobile device, they are asked to hold their device in a horizontal position. See Appendix "E" for instructions.	February 4, 2022
6. The following is posted on Alterna's website and is available in the branches: <ul style="list-style-type: none"> • Notice of Annual General 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 11, 2022 (tentative)
7. Electronic voting begins.	March 21, 2022 (tentative)
8. Electronic voting ends.	April 1, 2022 (tentative)
9. Annual General Meeting to be held virtually <ul style="list-style-type: none"> • The results of the election are announced. 	April 20, 2022
11. The Nominating Committee asks each candidate to respond to a questionnaire about their experience with the nomination process and make any suggestions for improvements.	By end of April 2022
12. The Nominating Committee may call each candidate for a debriefing.	By end of April 2022

Important Information for Board Candidates

Positions Available

This year, members will be electing candidates to fill three positions for a three-year term. Seats are allocated based on the number of member votes in favour of each candidate during the election.

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 up to 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 four to six 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 Committee meetings are held 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 have generally been held in person, in Ottawa, although with the COVID-19 pandemic, all meetings have been held by video-conference.
Read Committee / Board Package	4 – 8 hours per meeting.
Electronic Meetings	E-meetings: Number varies from 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 \$30,600 annual honorarium and allowance for connectivity. These payments are taxable as personal income. Directors also receive a director training allowance.

2021-2022 Director Qualifications

Alterna Savings expects each Director to meet the legal requirements for Directors set out in the *Credit Unions and Caisses Populaires Act* and Regulations, FSRA By-law #5 and the By-laws of Alterna Savings 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 “speak with one voice” once a full discussion has been undertaken and a decision made by the Board in accordance with its governance policies. The overarching requirement is for the director candidate to have significantly developed business judgment and financial acumen and to demonstrate the 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 qualifications for an Alterna Director consist of two integrated elements.

- 1) **Financial Services Regulatory Authorities of Ontario (FSRA) Core Competencies:** FSRA has established 9 core competencies which are applicable to the Directors of all credit unions in Ontario. It expects credit unions to set appropriate minimum competency levels and timeframes 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 FSRA competency areas, or the ability and time to acquire strong competency within 12 months of election to the Board. Information on these competencies is provided at page 8 and in Appendix D.
- 2) **Alterna Savings – 2022 Specific Skills and Abilities:** In addition to the general experience and FSRA competency 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 12. 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 2022 candidate nomination process, preference will be given to those Candidates whose specific additional skills and experiences best complement the existing skillsets on the Board of Directors in the following areas:

- 1) Experience on finance/audit committees with a preference for a professional accounting designation; and
- 2) Experience in the financial sector.

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.

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 16, 2021 at 4:00 pm Eastern Standard Time (EST).

Your material may be sent by the following methods:

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

Duncan de Chastelain
VP, Legal and Corporate Secretary
Alterna Savings
2 Bloor St. E., 26th Floor,
Toronto, ON M4W 1A8

No matter which method of delivery is used, nomination documents must be received by 4:00 pm Eastern Standard Time on November 16, 2021. **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 - 2022 Elections

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

Nomination Information

As members of Alterna Savings, we are pleased to nominate the following candidate to stand for election to the Board of Alterna Savings:

Candidate's Name:			
E-mail address:			
Telephone (day):		Telephone (evening):	

Included with this Nomination Form are the following documents¹:

- 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 of 3 references, preferably relating to your experience as Board member

Nominator Information

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 of Directors and agree that:

1. I meet the Board Candidate Eligibility Requirements outlined on page 14 of this document;
2. I will submit to a background, credit, and criminal record check;
3. I will respect the requirements of the Election Policy outlined on page 15 that takes effect once I've submitted my documents; and
4. I understand the requirements of the Director Qualifications Policy outlined on page 19 of this document.

Signature of Candidate	Member Number	Date

¹ In accordance with the maximum 300 word limit, your biography and your contribution statement **must not** contain any hyper-links to other materials (blogs, video, pictures, etc.).

Areas of Expertise / Experience Assessment

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

FSRA's Required Competencies: (please refer to the attached FSRA guide and check the box that best describes your experience level)	EXPERT	STRONG	GOOD	BASIC
1. Audit and Compliance Oversight 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. Significantly developed business judgment and the ability to understand significant business issues (P&L); analyze them objectively; and reach sound decisions efficiently and effectively in a timeframe appropriate to the circumstances Rationale for my self-rating:				
2. Extensive experience in accounting and audit Rationale for my self-rating				
3. Senior management experience managing people; budgets; major projects with significant scope, complexity and risk; or board experience providing oversight to the same Rationale for my self-rating:				

Areas of Expertise / Experience Assessment (Continued)

<p>4. Information technology strategy and technological innovation experience Rationale for my self-rating:</p>				
<p>5. Corporate Social Responsibility experience Rationale for my self-rating:</p>				
<p>6. Financial sector experience, particularly retail and commercial banking, insurance, wealth management, competitive markets and credit adjudication Rationale for my self-rating:</p>				
<p>7. Human Resources experience, particularly executive compensation, succession planning and pension fund management Rationale for my self-rating:</p>				
<p>8. Securitization experience, with at least one Director rated at a "Strong" competency level Rationale for my self-rating:</p>				
<p>9. Crisis Management experience Rationale for my self-rating:</p>				

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 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 Child(ren) (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,
- have used Alterna as your primary financial institution for at least three years, evidenced through regular payroll or pension deposits,
- be a member in good standing,
- not be an employee of Alterna or a former employee of Alterna for at least three years,
- not have provided professional advisory services to Alterna in your professional capacity within the prior three years,
- 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 has been found under the *Substitute Decisions Act* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the 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 a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act (Canada)*.
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a Director, of an offence as described in section 92 (3) of the *Credit Unions and Caisses Populaires Act*³ and who has not received a pardon for the offence.
8. One whose membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as Director, for professional misconduct.
9. An employee of the credit union or a league in which the credit union is a member, or his or her spouse, parent or child.
10. A professional advisor / 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 Financial Services Regulatory Authority of Ontario formerly DICO (“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 The *Credit Union and Caisses Populaires Act* is available at <https://www.ontario.ca/laws/statute/94c11>

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.

ELECTION POLICY

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 **Photograph:** Each candidate shall provide a photograph of themselves for Management to post to Alterna's website.

3.2 **Biography:** Each candidate shall submit a biography in compliance with the requirements specified in the Board Candidate Information Kit.

3.3 **Contribution Statement:** Each candidate shall submit a Contribution Statement in compliance with the requirements specified in the Board Candidate Information Kit.

3.4 **Video Recording:** Each candidate shall submit a video recording in compliance with the requirements specified 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 materials specified 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 to promote one's candidacy in the election.
- 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 communicate 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 in the election.

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 3.1 to 3.4, is prohibited. In the event that a candidate attempts to promote their 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 and 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 *Credit Unions and Caisses Populaires Act, 1994*, S.O. 1994, c. 11, Alterna Savings' By-Laws and all applicable Alterna Savings' policies and standards.
- 7.2 Upon completion of the report, the Nominating Committee shall:
 - First, notify candidates in writing of the outcome of the nomination process and confirm 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 video recordings 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 materials and video recordings are vetted for compliance with the policy prior to such materials being used for the campaign.

8.0 NON-ADHERENCE TO THE ELECTION POLICY

Any and every breach of this policy is a serious matter that may result in 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 members, are not inconsistent with the intent of this policy, and do not 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, the Chair of the Board 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 the candidate's response and determine whether to formally investigate the 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 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 any real or perceived bias or conflict of interest 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 the outcome. To ensure the best interest of Alterna Savings and its members, to maintain confidence in the election process and remove the presence of any real or perceived bias or conflict of interest whether within the Nominating Committee or the Board itself, the Board in its sole discretion, 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 materials will then immediately be removed from the Alterna website, branches and other premises, to be replaced by a notice to members that they are 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

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.

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.

The Board also acknowledges the importance of broadly representing its membership to the extent possible reflecting the diversity of its membership and the communities it serves.

2.0 QUALIFICATIONS FOR DIRECTORS

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

Further, Directors are expected to:

1. 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. For greater clarity, Directors shall not be or within the prior three years have been:
 - a. An employee of Alterna Savings or Alterna Bank,
 - b. A plaintiff or an applicant in an action or application naming Alterna Savings or Alterna Bank as a defendant or respondent,
 - c. A professional advisor providing services to Alterna Savings or Alterna Bank in their professional capacity;
2. Devote sufficient time, energy and interest to the performance of duties as a member of the Board: Directors are expected to fully participate in meetings having reviewed materials beforehand and developed a point of view;
3. Be collaborative, constructive and respectful in interactions with other Directors and staff;
4. 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;
5. Positively influence others and be influenced through fact-based discussion and decision-making and speak with one voice once decisions are made
6. Think strategically, with sound common sense, perceptiveness, maturity and business judgment;

7. Demonstrate a commitment to co-operative financial institutions, including through use of Alterna as their primary financial institution for at least three years; and
8. Demonstrate a thorough understanding of the distinction between governance and operational issues, and between minor and material issues.

In addition, Alterna expects each Director to meet certain individual qualifications and that Directors, collectively as a Board, shall possess a diversity of skills, knowledge and experience relevant to its mandate and operations.

2.1 Individual Qualifications for Directors

FSRA's By-law #5 sets out minimum requirements for sound business and financial practices for credit unions, which include materials on Director Training and Qualifications that 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 FSRA's Application Guide: Director Training and Qualifications – Director Core Competencies for Complex Credit Unions dated January 2018³.

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; the Board Chair within 6 months of appointment; and the Chair of the Finance and Audit Committee within 6 months of appointment.

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

2.2 Collective Qualifications for Directors of the Board

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

³https://www.dico.com/design/Publications/En/Director-Training-2018/Application%20Guide_Director%20Training%20and%20Qualifications_Director%20Core%20Competencies%20for%20Complex%20Credit%20Unions_2018.pdf

1. Significantly developed business judgment and the ability to:
 - a. understand significant business issues (P&L);
 - b. analyse them objectively; and
 - c. reach sound decisions efficiently and effectively in a time frame appropriate to the circumstances;
2. Extensive experience in accounting and audit;
3. Senior management experience managing: budgets; people; major projects with significant scope, complexity and risk; or board experience providing oversight to the same;
4. IT strategy and technological innovation experience;
5. Corporate Social Responsibility experience;
6. Financial sector experience, particularly retail and commercial banking, insurance, wealth management, competitive markets and credit adjudication;
7. Human Resources experience, particularly executive compensation, succession planning and pension fund management;
8. Competencies in Securitization obtained through training, experience and/or expertise, with at least one Director rated at a “strong” competency level^{4 5}; and
9. Crisis Management experience.

2.3 Succession Requirements/Director Qualifications Profile

Board and self-assessments will be conducted on an annual basis and peer assessments will be conducted on biennial 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 director qualifications profile, the latter of which shall be prepared by the 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 an evaluation of their performance by the Board Chair shared with the Nominating Committee as one input to the committee's evaluation of candidates.

⁴ https://www.dico.com/design/Publications/En/Securitization/Guidance_Note_Securitization_Oct_2018.pdf.

⁵ Note the guidance also requires that one Director be rated as “expert” in securitization programs and products, unless an independent external consultant with “expert” competencies in securitization has been retained to assist the Board. Alterna Savings' Internal Auditors, MNP, provides this service to the Board for securitization transactions

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 record 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 FSRA 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 FSRA 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 FSRA'S ROLE IN MONITORING

As part of FSRA's ongoing risk assessment and examination process, FSRA 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 annually and recommend it for approval to the Board.

Appendix D - FSRA Director Core Competencies

See following page:

[Financial Services Regulatory Authority of Canada Director Training and Qualifications Application Guide
Director Core Competencies](#)

Appendix E - Video Requirements

Each candidate will send their video (maximum of 2 minutes) and photograph to board.candidate@alterna.ca. If candidate is recording their video using a mobile device, they are asked to hold their device in a horizontal position. Please reference the requirements below for guidance.

1. Shoot the video in landscape (horizontal) orientation.
2. Rely on natural lighting as much as possible – i.e. film with a window in front of you, not behind.
3. Use a plain or uncluttered background.
4. Centre yourself in the frame from the shoulders up, with the camera lens at eye level.
5. Speak loudly, clearly and minimize background noise.

