

Saskatoon City Employees Credit Union

SCECU BOARD'S POLICIES

Saskatoon City Employees' Credit Union Governing Policies – adapted from POLICY GOVERNANCE
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Saskatoon City Employees Credit Union

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ENDS POLICY

MEMBER FINANCIAL WELL BEING

1.0 SAVING

- 1.1 Members earn interest at competitive rates on money deposited in guaranteed accounts and/or investments;
- 1.2 Members can purchase non-guaranteed investments.

2.0 BORROWING

- 2.1 Members can borrow money at competitive rates subject to an acceptable credit record and sufficient collateral.

3.0 TRANSACTIONS

- 3.1 Members can initiate common financial transactions 24 hours a day - 7 days a week.
- 3.2 Transaction fees are competitive within the Saskatoon market place.

4.0 PERSONALIZED SERVICE

- 4.1 Members feel welcome, appreciated and respected by Saskatoon City Employees Credit Union staff.
- 4.2 Members receive effective service in a timely manner.

5.0 SAFEKEEPING

- 5.1 Members can store valuables in a deposit box subject to size and availability at the Saskatoon City Employees Credit Union for safekeeping.

6.0 FINANCIAL KNOWLEDGE

- 6.1 Members have access to sound financial information and advice

7.0 EQUITY/DIVIDENDS

- 7.1 Members receive their share of profits in the form of equity and patronage dividends.

8.0 INSURANCE

- 8.1 Members can purchase life and disability insurance for loans.

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EXECUTIVE LIMITATIONS POLICY

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent or in violation of any legislation relevant to Credit Union operations or be in violation of the Credit Union Deposit Guarantee Corporation Standards of Sound Business Practices, Market Code or professional ethics.

1. *Treatment of Members*

With respect to interactions with members (customers) or potential members, the General Manager shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality or privacy.

Accordingly, the General Manager **shall not**:

- 1.1 Allow the PIPED (Personal Information Privacy and Electronic Documents) Act to be contravened.
- 1.2 Allow the Market Code as prescribed by the Credit Union to be contravened.
- 1.3 Maintain facilities that fail to provide a reasonable level of privacy, both visual and aural.
- 1.4 Fail to establish with members a clear understanding of what may be expected and what may not be expected from the service offered.
- 1.5 Fail to inform members of this policy, or to provide a grievance process to those who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

Reporting frequency on 1.1 annually and next meeting in the event of an exception. 1.2 is reported next meetings in the event of an exception.

2. *Treatment of Staff*

With respect to the treatment of paid and volunteer staff, the General Manager may not cause or allow conditions that are unfair, unsafe or undignified.

Accordingly, the General Manager **shall not**:

- 2.1 Operate without written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
- 2.2 Discriminate against any staff member for expressing an ethical dissent.

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2.3 Prevent staff from grieving to the Board when the employee alleges either that (i) Board policy has been violated to his/her detriment, or (ii) Board policy does not adequately protect his/her human rights.

2.4 Fail to acquaint staff with their rights under this policy.

Reporting by exception only.

3. *Financial Planning/Budgeting*

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's ENDS priorities and risk financial jeopardy. Accordingly, the General Manager **shall not** allow budgeting which:

3.1 Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

3.2 Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, unless an exception is approved in advance by the Board.

3.3 Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy.

4. *Financial Condition and Activities*

With respect to the actual, ongoing financial condition and activities, the General Manager shall not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures needed to meet Board priorities established in ENDS policies.

Accordingly, the General Manager **shall not**:

4.1 Expend more funds than have been received in the fiscal year to date, unless the debt guideline in (4.2) is met.

4.2 **Indebt the organization in any amount greater than can be repaid by certain unencumbered revenues plus excess capital.**

4.3 Use any long-term reserves without approval from the Board and the Credit Union Deposit Guarantee Corporation.

4.4 Fail to settle payroll and debts in a timely manner.

4.5 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

4.6 Fail to aggressively pursue receivables after a reasonable grace period.

4.7 Fail to develop and apply lending criteria sufficient to prevent the credit union from incurring loan losses greater than 1.00% of total loans.

4.8 Allow operating losses for more than two consecutive quarters.

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5. **Emergency General Manager Succession**

In order to protect the Board from sudden loss of General Manager services, the General Manager may have no fewer than one other executive familiar with Board and General Manager issues and processes.

6. ***Asset Protection***

The General Manager shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the General Manager **shall not**:

- 6.1 Fail to insure against theft and casualty losses to at least 80% replacement value, and against liability losses to Board members, staff and the organization itself in an amount greater than the average for comparable organizations.
- 6.2 Allow unbonded persons access to material amounts of funds.
- 6.3 Subject premises and equipment to improper wear and tear, or insufficient maintenance.
- 6.4 Unnecessarily expose the organization, its Board or Staff to liability.
- 6.5 Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) in excess of \$15,000.00, without having obtained comparative prices and quality; (c) without a stringent method of assuring the balance of long-term quality and cost.
- 6.6 Fail to protect information and files from loss or significant damage.
- 6.7 Receive, process or disburse funds under controls, which are insufficient to meet the appointed auditor's standards.
- 6.8 Invest or hold excess capital in insecure investments.
- 6.9 Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of its mission.

7. ***Compensation and Benefits***

With respect to employment, compensation and benefits to employees, contract workers and volunteers, the General Manager shall not jeopardize fiscal integrity or public image. Accordingly, the General Manager **shall not**:

- 7.1 Change his or her own compensation and benefits.
- 7.2 Promise or imply permanent or guaranteed employment.
- 7.3 Establish current compensation and benefits that deviate significantly from the geographic or professional market for the skills employed.

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- 7.4 Create obligations over a longer term than revenues can be safely projected, and in any event subject to losses in revenue.
- 7.5 Establish or change pension benefits to a defined benefit pension plan.

8. *Communication and Support to the Board*

The General Manager shall not permit the Board to be uninformed or unsupported in its work. Accordingly, the General Manager **shall not**:

- 8.1 Neglect to submit monitoring data required by the Board in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
- 8.2 Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- 8.3 Fail to advise the Board if, in the General Manager's opinion, the Board is not in compliance with its own policies on Governance Process and Board/Staff Linkage, particularly in the case of board behavior that is detrimental to the work relationship between the Board and the General Manager.
- 8.4 Fail to gather for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.
- 8.5 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 8.6 Fail to provide a mechanism for official Board, officer or committee communications.
- 8.7 Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- 8.8 Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
- 8.9 Fail to supply for the consent agenda all items delegated to the General Manager yet required by law or contract to be Board-approved, along with the monitoring assurance pertaining thereto.

9. *Communication with Staff*

No member of the staff shall be uninformed on the Board's policies.

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10. *Management of Risk*

- 10.1 The General Manager shall not allow the minimum leverage ratio to fall below 7.0%.
- 10.2 The General Manager shall not allow Common Equity Tier 1 to fall below 7.0%, total Tier 1 to fall below 8.5% and Total Eligible capital to fall below 10.5%. These limits are percentages of risk-weighted assets and include a 2.50% Conservation buffer.
- 10.3 The General Manager shall not allow Total Eligible Capital to fall below the requirements determined by the Internal Capital Adequacy Assessment Process (ICAAP).
- 10.4 The General Manager shall not plan for a Return on Assets (ROA) Ratio less than 0.35% of Total Assets in any fiscal year.
 - 10.4.1 The General Manager shall not allow for a Return on assets (ROA) ratio of less than 0, i.e. a loss, in any fiscal year.
- 10.5 The General Manager shall not allow the regulatory Liquidity ratio to fall below 8.65%.
- 10.6 The General Manager shall not allow the Liquidity Coverage ratio to fall below 100%.
- 10.7 The General Manager shall not allow the Interest rate Risk – Accumulated Gap Year 1 ratio to exceed +/-10% for more than 2 consecutive quarters.

11. Risk Appetite Statement

11.1 The General Manager shall not allow Overall Risk within the Credit Union to be such that it is rated worse than Moderate.

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BOARD/STAFF-LINKAGE POLICY

The Board's sole connection to the operational Credit Union, its achievements and conduct will be through a chief executive officer, titled General Manager.

1. *Accountability of the General Manager*

All Board authority delegated to staff is delegated through the General Manager, so that all authority and accountability of staff -as far as the Board is concerned - is considered to be the authority and accountability of the General Manager.

- 1.1 The Board will never give instructions to persons who report directly or indirectly to the General Manager.
- 1.2 The Board will refrain from evaluating, either formally or informally, any staff other than the General Manager.
- 1.3 The Board will view successful performance of the General Manager as organizational accomplishment of board stated ENDS and avoidance of board proscribed MEANS.

2. *Delegation to the General Manager*

The Board will instruct the General Manager through written policies which: prescribe the organizational ENDS to be achieved and proscribe organizational situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

- 2.1 The Board will develop policies instructing the General Manager to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest most general level to more defined levels, and will be called ENDS policies.
- 2.2 The Board will develop policies that limit the latitude the General Manager may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general levels, and they will be called EXECUTIVE LIMITATIONS policies.
- 2.3 As long as the General Manager uses any reasonable interpretation of ENDS and EXECUTIVE LIMITATIONS policies there is authorization to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
- 2.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and General Manager domains. However, so long as any particular policy is in place, the Board and its members will respect and support the General Manager decisions. This does not prevent the Board from obtaining information in the policy areas.

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3. *Unity of Control*

Only officially passed motions of the Board are binding on the General Manager.

- 3.1 Decisions or instructions of individual board members, officers, or committees, are not binding on the General Manager except in rare instances when the board has specifically authorized such exercise of authority.
- 3.2 In the case of board members or committees requesting information or assistance without board authorization, the General Manager can refuse such requests that require, in the General Manager's opinion, a material amount of staff time or funds, or is disruptive.

4. *Responsibility of the General Manager*

- 4.1 The General Manager is accountable to the Board for achievement of the Board's ENDS policies and adherence to the Board's EXECUTIVE LIMITATIONS policies.
- 4.2 The General Manager must avoid conflict of interest in carrying out his/her duties. Accordingly, the General Manager shall submit a written statement of disclosure to the Board on an annual basis.

5. *Monitoring General Manager Performance*

Systematic and rigorous monitoring of General Manager job performance will be solely against the accomplishment of Board ENDS policies and operation within the boundaries established in Board EXECUTIVE LIMITATION policies.

- 5.1 Monitoring is simply to determine the degree to which Board policies are being met. Data that does not accomplish this will not be considered to be monitoring data.

Criteria:

- reasonable assurance for the cost
- a crude measure of the right thing beats a precise measure of the wrong thing
- what did we want accomplished? Is it being achieved?

- 5.2 A given policy may be monitored in one or more of three ways:
 - a. **Internal report:** Disclosure of compliance information to the Board from the General Manager.
 - b. **External report:** Discovery of compliance information by an independent external auditor, system audit, or inspector selected by and reporting to the Board.

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- c. **Direct inspection:** Discovery of compliance information by the Board as a whole, or by a Board member or committee if duly assigned.
- 5.3 Any policy can be monitored by any method at any time the Board chooses.
- 5.4 In every case, the standard for compliance shall be any reasonable General Manager interpretation of the Board policy being monitored.
- 5.5 All policies which instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

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AGENDA FOR MONITORING OF PERFORMANCE

<u>Policy</u>	<u>Method</u>	<u>Frequency(annually)</u>
1. Treatment of Members	Internal External	March <i>(next meeting if exception)</i>
2. Treatment of Staff	Internal External	March April(<i>odd years</i>)
3. Financial Planning/Budget	Internal	Quarterly
4. Financial Condition/Activity	Internal External	Quarterly February
5. Emergency GM Succession	Internal	September
6. Asset Protection	Internal External	September February
7. Compensation/Benefits	Internal External	March February
8. Communication & Support to the Board	Internal	Monthly <i>(or as required)</i>
9. Informed Staff	Internal External	March April (<i>odd years</i>)
10. E.R.M. Review/Reporting	Direct	Quarter 3
11. Agenda Planning(3b.i-ii) <i>Membership consultation, Governance Education, and ENDS determination.</i>	Internal	February
12. Ends policies reporting	Internal	November
13. Risk Appetite Statement	External	Upon receipt of CUDGC report.' be approved."

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6. *General Manager Compensation*

6. General Manager Compensation

The General Manager's compensation will be consistent with the Saskatchewan market for compensation of General Managers/CEOs of credit unions. The Saskatchewan market is represented by the annual Saskatchewan Credit Unions – Compensation Subscription Project: YYYY GM/CEO Compensation Prediction Report, Saskatoon City Employees Credit Union as prepared by Central 1 Credit Union – People Solutions.

6.1 The results of the Compensation Prediction Report will be used as a guideline. The Board may consider other factors such as Consumer Price Index in determining an increase in annual salary. Compensation range will be based on the statistic of the SK Market Job Rate report.

6.2 The results of the Compensation Prediction Report are based on the Asset Size as reported in June of the previous year. For this reason, the Board may wish to adjust the Asset Size reported.

6.3 A newly hired General Manager will be paid a salary equivalent to P05 in the current Actual Salary range, subject to negotiations during the hiring process.

6.4 Subject to acceptable performance as determined in Section 5 Monitoring General Manager Performance, a newly hired General Manager will receive the following increases in salary until the salary corresponding to P60 for Job Rate is reached:

6.4.1 A 5% increase effective on each anniversary date of their appointment as General Manager.

6.4.2 A percentage increase corresponding to the year-to-year percentage increase in P50 in the Actual Salary range. The Board may adjust this increase as appropriate.

6.4.3 After the salary corresponding to P50 for Job Rate is reached, salary increases may be determined as in Section 6.1 above.

6.5 In the event of proposed salary decreases for the General Manager, their salary shall not decrease for a minimum of three years.

6.6 The General Manager will receive non-salary benefits in accordance with the Memorandum of Employment (dated March 14, 2018).

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GOVERNANCE PROCESS POLICY

On behalf of the members and potential members, the Board will govern the Saskatoon City Employees Credit Union with a strategic perspective, recognizing the constraints represented by legislation, regulation, demographics and the Credit Union's niche market. As growth is key to sustainability, potential members will be considered as important as members.

1. The Board's Wish List

The following is a list of items related to possible changes in policy and hence to improved benefits and services to members. The items might not be attainable yet, but are worthy of further investigation and consideration.

- a) Changes to the procedures by which credit union members elect Board Directors.
- b) Amendments to the bylaws to enable changes to the election procedure.
- c) Attempt to resolve seemingly conflicting bylaw articles vis-à-vis number of directors, and the number of directors elected by the membership.
- d) Review the role of the nominating committee. Policy 8.3 of Governance Process policies.
- e) Review criteria for Boyd Johnson Memorial Scholarship.

2. Governing Style

- 2.1 The Board will maintain a relationship of interdependence with the General Manager, vetted by an appropriate level of due diligence and stewardship. The Board remains responsible for the performance of the Credit Union.
- 2.2 The Board will direct, control and "support" the organization through the careful establishment of broad written policies reflecting the membership's values and perspectives.
- 2.3 The Board is responsible for maintaining the integrity of the Board and the Credit Union. The Board may sanction a Director for any conduct which, in the opinion of the Board, is inconsistent with and detrimental to the proper operation of the Credit Union and service to its members.
- 2.4 The Board will keep itself informed on legislative and regulatory matters as they affect the Credit Union. Directors will be knowledgeable about the governance process used by the Board.
 - 2.4.1 The Board will maintain a Guide for Board Directors which will include background information on credit unions, a brief history of the SCECU, links to the prevailing Credit Union Act and its regulations, the SCECU Articles of Incorporation, the CUDGC Standards of Sound Business Practice, the SCECU's Board policies and a Guide to the Carver Model.
 - 2.4.2. The Board will annually review the need for training and/or coaching on the Carver Model of governance.

3. Board Job Description

Specific jobs of the Board, as an informed agent of the membership, are those that ensure appropriate organizational performance.

- 3.1 The Board will provide the link between the organization and the membership as owners.
- 3.2 The Board will provide written governing policies that, at the broadest levels, address each category of organizational decision.
 - 3.2.1 ENDS: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (**what good for which recipients at what cost**).
 - 3.2.2 EXECUTIVE LIMITATIONS: Constraints on executive authority, which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

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- 3.2.3 GOVERNANCE PROCESS: Specifications of how the Board conceives, carries out and monitors its own task.
- 3.2.4 BOARD-STAFF LINKAGE: How power is delegated and its proper use monitored; the General Manager role, authority, and accountability.
- 3.3 The Board will participate in the organization's Strategic Planning, but its role will be limited to updating the Board's Policies and Wish List.
- 3.4 The Board will provide assurance of organizational performance.

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4. The Board’s Agenda and Monitoring Board Performance.

4.1 The following items will be first and foremost on the Board’s agenda for each month. At each Board meeting, the list of items will be reviewed and updated as required.

Month	Task	
March	Annual General Meeting	
	Re-organizational Meeting	
	Update Board’s Agenda, identify preparatory work	
April	Financial Review – 1 st Quarter	
	Update Board’s Agenda, identify preparatory work	
May		
	Carver Model training and coaching	
	ABC Solutions board training reminder	
	Update Board’s Agenda, identify preparatory work	
June		
	Update Board’s Agenda, identify preparatory work	
July	Financial Review – 2 nd Quarter	
August	No meeting	
September		
	Update Board’s Agenda, identify preparatory work	
October	Financial Review – 3 rd Quarter	
	Update Board’s Agenda, identify preparatory work	

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Month	Task	Completed
November	Sign-Off on Annual Performance Review/compensation of General Manager	
	Board's Budget for the following year.	
	E.R.M. Review/Reporting	
	Update Board's Agenda, identify preparatory work	
December	Determine Patronage Rebate for Members	
	Update Board's Agenda, identify preparatory work	
January	Financial Review – Year End	
	Select Audit Committee (minimum 5 Directors of the Board).	
	Recruitment of Board Directors	
	Update Board's Agenda, identify preparatory work	
February	Meet with the Auditor with Board as Audit Committee.	
	Update Board's Agenda, identify preparatory work	

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4. The Board's Agenda and Monitoring Board Performance (cont)
 - 4.2 The Board will attend to consent agenda items expeditiously. Any discussion on consent agenda items will relate to the Board's Policies being sufficient and being met.
 - 4.3 Through "Round the Table" exception reporting, monthly monitoring of the Board's performance will determine if:
 - 4.3.1 Each task on the Board's Agenda was completed/ deferred/ or to be continued.
 - 4.3.2 Preparatory material was sufficient for the Board to complete its tasks.
 - 4.3.3 Board Directors were well prepared to deal with the Board's tasks.
 - 4.3.4 There was sufficient discussion. Quantity? Quality?
 - 4.3.5. There are any policies that need changing.
 - 4.4 Through a review of the monthly performance reports and "Round the Table" exception reporting, annual review of the Board's performance will determine if:
 - 4.4.1 The Board's Agendas were sufficient for the Board to fulfill its role.
 - 4.4.2 The Board completed its tasks prescribed in the Board's Agendas.
 - 4.4.3 The items of the Board's Agendas were sufficiently important.
 - 4.4.4 There are any policies that need changing.

5. Officers of the Board

- 5.1. The Board will elect the officers of the Board as follows:
 - 5.1.1. Chair from the Board Directors.
 - 5.1.2. 1st Vice Chair from the Board Directors.
 - 5.1.3. 2nd Vice Chair from the Board Directors.
 - 5.1.4. Secretary: Assistant General Manager of the Credit Union.
 - 5.1.5. Treasurer: General Manager of the Credit Union.
- 5.2. At its discretion, the Board may appoint the previous Chair of the Board to the position of Past Chair who, if the appointee is no longer an elected Director, will be non-voting Member of the Board and will not be counted for quorum.

5.3. Role of the Chair

The Chairperson assures the integrity of the Board's process and occasionally represents the Board to outside parties. Accordingly:

- 5.3.1. The job result of the Chairperson is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - 5.3.1.1. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the General Manager.
 - 5.3.1.2. Deliberation will be fair, and thorough, but also timely, orderly, and kept to the point.
- 5.3.2. The authority of the Chairperson consists in making decisions that fall within topics covered by Board policies on GOVERNANCE PROCESS and BOARD-STAFF LINKAGE, except where the Board specifically delegates portions of their authority to others. The Chairperson is authorized to use any reasonable interpretation of the provision in these policies.
 - 5.3.2.1 The Chairperson is empowered to chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
 - 5.3.2.2 The Chairperson has no authority to make decisions about policies created by the Board within ENDS and EXECUTIVE LIMITATIONS policy areas.
 - 5.3.2.3 The Chairperson has no authority to supervise or direct the General Manager.
 - 5.3.2.4 The Chairperson may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to them.
 - 5.3.2.5 The Chairperson may delegate this authority, but remains accountable for its use.
 - 5.3.2.6 The Chairperson shall be responsible for preparation of the agenda for each Board meeting.

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6. Board Director's Code of Conduct.

The Board commits itself and each Board Director to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as a Board Director.

6.1 The required standards expected of a Director are that they display the levels of care, diligence and skill that a reasonably prudent, informed person would display in comparable circumstances.

6.2 Board Directors shall avoid conflict of interest to their fiduciary responsibility.

6.2.1 There shall be no self-dealing or any conduct of private business or personal services between any Board Director and the Credit Union except as procedurally controlled to assure openness, competitive opportunity, and equal access to information.

6.2.2 When the Board is to decide upon an issue about which a Director has an unavoidable conflict of interest, that Director shall absent themselves without comment from not only the vote, but also from the deliberation.

6.2.3 Board Directors shall not use their positions to obtain employment with the Credit Union for themselves, family members or close associates. Should a Board Director desire employment, they must first resign.

6.2.4 Board Directors shall annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.

6.3 Board Directors are required to attend a minimum of 75% of all Board meetings, calculated from the first meeting after the Annual General Meeting to the last regular meeting of the Board before the next Annual General Meeting unless excused for good cause by resolution of the Board.

What is good cause?

- Sick or medical reasons
- Jury duty
- School
- Bereavement
- Valuable contribution
- Vacation
- Family consideration

7. Confidentiality

Board Directors must respect the confidentiality appropriate to issues of a sensitive nature.

8. Committees

Board committees will assist with the Board's job only; never interfering in the direct link between the Board and the General Manager, and never fragmenting the wholeness of the Board's job. **Committees are not authorized to change Board Policy.**

8.1 Conduct Review Committee

8.1.1 ENDS:

8.1.1.1 All proposed related party transactions with the Credit Union that are in excess of the nominal value are reviewed with due diligence and approved or rejected using the same criteria as non-related party transactions.

8.1.1.2 All approved related party transactions are monitored for compliance with agreements or contracts.

8.1.1.3 All non-compliant situations are referred to the Board for further action.

8.1.1.4 Nominal value is considered to be a maximum of \$25,000 for credit transactions, and a maximum of \$10,000 for non-credit transactions.

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8.1.2 BOARD – COMMITTEE LINKAGE:

- 8.1.2.1 The Board delegates to the Conduct Review Committee the responsibility for the review of proposed related party transactions.
- 8.1.2.2 The Board authorizes the Conduct Review Committee to approve or deny proposed related party transactions based on the same criteria as non-related party transaction.
- 8.1.2.3 The Board delegates to the Conduct Review Committee the responsibility for monitoring compliance on all approved related party transactions until their completion.
- 8.1.2.4 The Conduct Review Committee will refer any situation involving non-compliance to the Board for further action.

8.1.3 MEANS:

- 8.1.3.1 The Conduct Review Committee shall consist of five Board Directors appointed by the Board.
- 8.1.3.2 Any proposed related party transaction must receive the approval of a minimum of three Committee members in order to proceed.
- 8.1.3.3 The General Manager or his/her designate will be the Chairperson of the Conduct Review Committee.
- 8.1.3.4 The Committee will meet at the call of the Chair.
- 8.1.3.5 The Chair of the Committee shall be non-voting.
- 8.1.3.6 The Committee Chair shall maintain a record of each proposed related party transaction, and the approval or rejection by each Committee Member.
- 8.1.3.7 The Committee Chair shall maintain a record of each monthly review of related party transactions, and the indication by each Committee Member of compliance or non-compliance.
- 8.1.3.8 Committee Members are responsible to ensure compliance with relevant legislation, standards of sound business practice, and Credit Union policies. Committee Members must know and understand the criteria used for evaluating and monitoring non-related party transactions.
- 8.1.3.9 The Committee shall report to the Board quarterly on the number of related party transactions approved and rejected, and on the monitoring status of approved related party transactions.
- 8.1.3.10 Related parties are those defined by The Credit Union Act, 1998, Section 165 and 164 (c), which include (but are not limited to) directors and senior officers of the credit union, spouse of a director or senior officer, children under 18 years of age of a director or senior officer, and companies over which a director or senior officer has substantial control.
- 8.1.3.11 Related Party Transaction are those defined by The Credit Union Act, 1998, Sections 167, 164 (b), 171 and 172, which include (but are not limited to) new loans, guarantees on loans, loan amendments (not including renewals or reviews), leases and conditional sales contracts.

8.2 Audit and Risk Committee

- 8.2.1 The Audit and Risk Committee is hereby appointed and shall be comprised of all members of the Board.
- 8.2.2 The Chairperson of the Board shall chair all meetings of the Committee.

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- 8.2.3 The Committee shall meet as often as required to conduct its business, but, at a minimum, shall meet:
- (a) in February of each year to receive the previous year's financial statements from the auditor and to review and, if acceptable, recommend adoption of the statements to the Board; or
 - (b) if the auditor of the credit union calls a meeting of the Committee.
- 8.2.4 The Committee shall:
- (a) oversee the credit union's audit function; and
 - (b) oversee the credit union's risk management on an organization-wide basis.
- 8.2.5 Without limiting the generality of paragraph 8.2.4(a), the Committee shall:
- (a) review and approve internal audit plans and their scope, which plans must be risk-based;
 - (b) when applicable, review reports from the internal auditor on the effectiveness of the internal control environment within the credit union, and meet with the internal auditor to discuss;
 - (c) review internal and external audit management letters, Credit Union Deposit Guarantee Corporation reports, regulatory directives, reports by the registrar including and returns which the registrar may direct, and management responses, and monitor management processes to ascertain that necessary corrective actions have been taken;
 - (d) review the financial statements of the credit union before they are approved by the Board;
 - (e) review any investments and transactions that could adversely affect the well-being of the credit union and that the auditor or any officer of the credit union may bring to the attention of the Committee; and
 - (f) meet with the auditor to discuss the financial statements and any necessary returns and transactions.
- 8.2.6 Without limiting the generality of paragraph 8.2.4(b), the Committee shall:
- (a) ensure that effective and appropriate risk management policies and procedures are in place, including:
 - (i) identifying risks to which the credit union is exposed;
 - (ii) measuring exposures to identified risks;
 - (iii) ensuring that an effective risk-monitoring program is in place;
 - (iv) monitoring risk exposures on an ongoing basis;
 - (v) controlling and mitigating risk exposures;

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- (vi) reporting on the credit union's risk exposures;
 - (b) set professional standards and corporate values that promote integrity for all employees of the credit union; and
 - (c) ensure that the credit union has a comprehensive business continuity program.
- 8.2.7 If the Board wishes the membership at the annual general meeting to consider a change in the appointment of the auditor for the following fiscal year, it may appoint a sub-committee of the Board to bring forward an appropriate recommendation for submission to the annual general meeting.

8.3 Nominating Committee

- 8.3.1 The Nominating Committee shall consist of two Board Directors and one member of the Credit Union staff.
- 8.3.2 Board Directors whose term ends at the next Annual General Meeting must indicate their willingness to let their name stand for re-election by the end of the December preceding the next Annual General Meeting.
- 8.3.3 The desired outcome or END for the Nominating Committee is that the Board have a sufficient number of qualified and suitable nominees to put forward to the Annual General Meeting to fill all vacancies on the Board.
- 8.3.4 Each nominee put forward by the Board is required to sign a form indicating that they meet the qualifications of a Board Director as set out in Section 102 of the Act.
- 8.3.5 The Board may also request the Nominating Committee to bring forward a list of qualified and suitable candidates to fill any vacancy on the Board.

9. Quorum

In the event of there not being a quorum at a Board meeting, the Directors present shall review the agenda to determine if there are any matters requiring approval of the Board prior to the next scheduled Board meeting.

- 9.1 If not, the agenda shall be carried forward to the next regularly scheduled Board meeting.
- 9.2 Interim Board meeting – If there is any matter requiring approval of the Board prior to the next scheduled Board meeting, the Chairperson or their designate shall arrange to have all Board Directors notified by the following day that an interim Board meeting is required.
 - 9.2.1 E-mail, texting or telephone conversation will be considered sufficient means of notice.
 - 9.2.2 A minimum of 24 hours notice shall be given unless all Board Directors consent to a shorter notice.
 - 9.2.3 Board Directors may attend an interim Board meeting in person or by means of a communication facility that permits all participants to communicate adequately with each other during the meeting.

10. Emergency Meetings of the Board

The General Manager or their representative or any Board Director may call an Emergency meeting of the Board without notice. Reasonable effort shall be made to contact all Board Directors to solicit their attendance. Board Directors may attend an Emergency meeting of the Board in person or by means of a communication facility that permits all participants to communicate adequately with each other during the meeting.

11. Cost of Governance

- 11.1 The Credit Union will invest in its Board's capacity to govern effectively.

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- 11.1.1 Board skills, knowledge, methods and supports will be sufficient to govern effectively.
- 11.1.2 Board executives will be trained in the theory and application of the Carver Model of Policy Governance.
 - 11.1.2.1 A Carver Coach may be used to assess Board Performance and to recommend improvements for the Board to fulfill its role.
- 11.1.3 Outside assistance will be used to ensure that the Board can exercise confident control over organizational performance. This will include but not limited to fiscal audits.

11.2 The Board's Budget

For the fiscal year 2024, the Board's budget will be:

11.2.1 Training, attendance at conferences and workshops.....	\$3,500
11.2.2 Audits, internal and external.....	\$65,000
11.2.3 Surveys, (Board performance), opinion analysis, meeting costs	\$4,000
11.2.4 Boyd Johnson Memorial Scholarship..... 2 awards @ \$1,000.....	\$2,000
11.2.5 Liability insurance for Board Directors.....	\$3,500
11.2.6 Charitable donations.....	\$2,000

11.3 Liability Protection for Board Directors

The Credit Union will purchase insurance to protect each Board Director from liability resulting from his/her duties in governing the Credit Union. Coverage is currently \$10 million per Director per incident, \$20 million aggregate. The level of protection will determined by resolution of the Board each year.

12. Remuneration of the Board

The Directors of the Credit Union shall be reimbursed for their expenses. Any such reimbursement is designed to offset expenses and not to directly provide a benefit. Details of the schedule of remuneration are as follows:

12.1 Stipend

Each Board member will receive an annual stipend in the amount of \$475 to offset personal expenses incurred as a result of their attendance at credit union meetings.

12.2 Mileage

Each Board member, travelling with their personal vehicle while on Credit Union business, will receive a mileage reimbursement at the rate equivalent to the City of Saskatoon out of town rate.

12.3 Hotel/Meals/Airfare

Each Board member, while travelling on Credit Union business, will be reimbursed for the actual costs of hotel accommodations, meals, and airfare (at economy rates).

12.4 Service Charges

Board member are exempted from the payment of Credit Union service charges.

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12.5 Long Term Service Awards

Upon no longer be a voting member of the Board, a Board Director will be entitled to a gift, the value of which is:

- a. After one (3 year) term -----\$150
- b. After 4 to 6 years -----\$250
- c. After 7 to 9 years -----\$500
- d. After 10 or more years -----\$750

The values are non-cumulative.

13. Charitable Donations

The Credit Union may donate up to the budgeted amount for charitable donations to one or more registered charities.

Priority should be given to charities that make significant differences to people in the community.

Each charitable donation requires approval of the Board.

14. Number of Directors on the Board

Effective upon the next retirement or displacement from the Board, the maximum number of Directors on the Board shall be 9 (nine).

15. In-Camera Board Meetings

In this policy, "in camera" means a closed session of a regular or special meeting of the Board not open to the public.

The purpose of this policy is to ensure the appropriate conduct of the Board's business while maintaining accountability, and generating trust, openness and fairness with the members.

The Board may move in-camera or hold special meetings that are not open to the public if it determines it is in the best interest of the Credit Union to do so. The Chair may order that the meeting move in-camera or any director may request a matter be dealt with in-camera in which case a vote shall be taken. If a majority of the Board members attending the meeting agrees, the matter shall be dealt with in-camera.

Matters that may generally be dealt with in an in-camera meeting include, but are not limited to:

- Matters relating to an individual board member or a prospective board member;
- Matters involving property;
- Matters involving litigation or potential litigation;
- Receipt of advice that is subject to solicitor-client privilege;
- Individual employee matters;
- Any matters where personal information about an individual will or may be revealed;
- Human resource and labour relations matters, including those pertaining to collective bargaining or terms of employment, including negotiations or potential negotiations;
- Contract matters including negotiations or disputes;
- Mergers or acquisitions, including negotiations or potential negotiations;
- Winding-up the Credit Union, including negotiations or potential negotiations;

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- Matters which the Credit Union's internal or external auditor requests be discussed in camera;
- Matters which any regulatory body or authority, having jurisdiction over the Credit Union, requests be discussed in camera.

Confidentiality shall be maintained respecting all discussions undertaken by the Board in-camera.

Any board member, with the exception of someone who is deemed to be in conflict of interest, may attend all in-camera meetings. Senior management may be included in in-camera discussions at the discretion of the Chair. They will normally be excluded only when issues of their performance or remuneration are under discussion.

Any matter considered in-camera shall remain confidential and shall only be communicated to the members once all sensitive issues have been dealt with, and the confidential nature of the matters under discussion has been respected. The method and timing of any communication to the members shall be decided by the Board in its discretion.

Minutes of a meeting that is held in-camera shall be kept separately and made available for scrutiny only to members of the Board and to anyone who may be authorized by the Board to see them.

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