

A woman with curly hair, wearing a white blazer over a teal top, is smiling and shaking hands with a man in a dark suit. The background is dark and out of focus, suggesting an office or professional setting.

# Candidate's Handbook 2023

## Board of Directors

## Notice of Nominations – Board of Directors

Notice is hereby given that nominations are open for the positions of Director of Pathwise Credit Union.

The nomination period shall be open from 9:00 am on Monday October 17, 2022 and close at 5:00 pm on Friday January 6th, 2023.

The Board of Directors consists of ten (10) elected members. This year Pathwise is seeking five (5) Directors. All five (5) positions for a three (3) year term. The Director's positions result from the expiry of the terms of Loreen Potter, Francine Saunders, Doug Sanders, Derek Giberson and John MacDonald.

To qualify for election as a director a person must be:

- At least 18 years of age;
- A Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily a resident of Canada; and
- Is, and has been for a continuous period of at least one (1) year, as of the last date on which nominations can be received pursuant to section 7.10 hereof regarding the election in which he or she wishes to be a candidate, a member of the Credit Union, or of a credit union the assets of which the Credit Union has purchased, In Good Standing.

### In Order for a Nomination to be Valid, it Must:

- Be received by the Elections Committee during the nomination period.
- Be on the form prescribed and signed by three eligible voting members of the Credit Union as well as by the person accepting the nominations.

Nomination forms may be obtained at any branch of Pathwise:

Main Branch  
322 King Street West,  
Oshawa

Bowmanville Branch  
221 King St. E.,  
Bowmanville

# Pathwise Credit Union Board of Directors

## 2023 Elections Board of Directors

Dear Prospective Board Candidate:

At Pathwise Credit Union we value the dedication and commitment of our Members who choose to participate in our nomination and election process as a Board Candidate. We thank you for your interest in seeking nomination for our Board of Directors.

Inside this package you will find information that will clarify the qualification criteria for Candidates and expectations of Board Directors in their role of governing the credit union. You will also find everything that you need to complete the nomination process. To assist those Members who are interested in considering candidacy, the Board appoints a Nominating Committee each year. The Committee's primary role is to ensure Members are fully informed of the nomination process and the election process, as well as to consider the qualifications of Candidates in order to ensure the highest quality board composition, and to meet any gaps as identified by the Board in their analysis of the Board's skills, knowledge and experience.

If you decide to proceed with submitting an application for nomination as a Candidate, please complete and submit this application package along with all the required documents, as outlined in the Candidate's Guide section. Please be advised that neither current sitting Pathwise Board Director nor a Pathwise staff member is eligible to nominate you. If you have any questions about the enclosed information, you may contact John MacDonald

Please note that applications must be received no earlier than October 17, 2022 5:00pm and no later than 5:00pm on January 6, 2023

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## Pathwise Financial Election Process

Pathwise CU Board, as established in the By-Laws, consists of ten (10) Directors and in 2023; Five (5) vacancies need to be filled.

As defined in Pathwise CU By-Laws, and the Board's Governance policies, the Nominating Committee of the Board plays an integral role in the process of reviewing nominated Candidates who meet the eligibility requirements. This Committee is required to meet and review with all candidates: the expectations, initial education course and ongoing education requirements as a Director, as well as responsibilities and time commitment associated with this position.

Pathwise elections will be conducted in branch paper and online balloting, during the period of Jan 15, 2023 till Feb 10, 2023.

# Schedule A—Director Eligibility Requirements

## Director Eligibility Requirements (as extracted from Pathwise By-Laws)

A member is eligible for election to the position of director if, and only if:

1. **As of the last day of the Nomination Period, the Member:**
  - a. Is, and has been for a continuous period of at least one (1) year, In Good Standing; (as of the last date on which nominations can be received pursuant to section 7.10 hereof regarding the election in which he or she wishes to be a candidate, a member of the Credit Union, or of a credit union the assets of which the Credit Union has purchased,)
  - b. Is at least eighteen years of age;
  - c. Is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and ordinarily resident in Canada;
  - d. Will have, as of the date of his or her election or appointment to the Board, served as a director of the Credit Union for not more than four (4) consecutive terms, to a maximum of twelve (12) consecutive years, since the person's earliest election to the Board in any election being, or occurring later than, the elections held during the Credit Union's annual general meeting in April, 2010;
  - e. Is not the Spouse, Parent, Child or Sibling of an employee, officer, or director of the Credit Union;
  - f. Was not employed by the Credit Union, and is not the Spouse, Parent, Child or Sibling of a person who was employed by the Credit Union, in the two years immediately preceding the date of the election in which he or she seeks to be a candidate for election to the Board;
  - g. Is not, and whose Spouse, if any, is not, a director, officer, committee member or employee of a financial institution which, in the reasonable opinion of the Board, competes with the Credit Union;
  - h. Has not at any time been removed from the board of directors of a body corporate for failure to attend board meetings, failure to perform the duties allotted to him or her as a director, or breach of his or her fiduciary obligations to the body corporate;
  - i. Has not refused to complete a training program reasonably required by the Board within the time frame reasonably prescribed by the Board for the completion of such training program;
  - j. Is not disqualified under the Act;
  - k. Has been validly nominated pursuant to section 7.10 hereof as a candidate for election to the Board; and
  - l. Has disclosed to the Board, in a timely fashion before his or her appointment to the Board or as part of the nomination form required by section 7.10 hereof, everything he or she is required by the Act to disclose as a candidate for director of a credit union, is eligible to be nominated for appointment or election as a director of the Credit Union.
2. **The Member has been nominated in accordance with the terms of this By-law.**

# Schedule B—Director Disqualification

## Individual Director Disqualifications (as extracted from the Act – Section 92)

### Disqualified Individuals

92. (1) The following individuals are disqualified from being directors of a credit union:

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, 1992 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 five years preceding the date on which he or she may be elected as 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 described in subsection (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 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 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.  
2007, c. 7, Sched. 7, s. 58; 2009, c. 33, Sched. 2, s. 21 (2), 2019, c. 7, Sched. 16, s. 49.

### Exception

(2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because he or she provides, without remuneration, services to the credit union or league that are ordinarily provided by an employee.

### Type of offence

(3) An offence referred to in paragraph 7 of subsection (1) is an offence that,

- a. Is related to the qualifications, functions or duties of a director of a body corporate;
- b. Involves theft or fraud;
- c. Involves a contravention or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the credit union; or
- d. Involves a contravention or failure to comply with the Securities Act 2007, c. 7, Sched. 7, s. 58 (1).

## Schedule C—Selection Attributes

The following attributes will make the directors and board a stronger Credit Union.

### Individual Director Attributes

A Director would:

1. Understand the principles behind and share the vision of the Credit Union and have the ability to reflect the values and commitments of the Credit Union as well as acting in the Credit Union's best interest at all times;
2. Demonstrate the ability to bring a perspective of external business, finance, and social issues to Board deliberations;
3. Understand corporate governance and the fiduciary duties, roles and responsibilities of the Board as a whole and an individual Director of a Credit Union, including willingness to ask probing questions and challenge Management within the governance framework;
4. Commit to regular attendance at Board/Committee meetings and to full preparedness and willingness to contribute to meeting content;
5. Understand the importance of Credit Unions in their communities;
6. Demonstrate the ability to provide leadership and be an effective communicator;
7. Uphold the values of teamwork demonstrating the ability to operate as "a team" at Board level and "speak with one voice" once full discussion has been undertaken and a decision made by the Board;
8. Demonstrate personal integrity, financial stability and high ethical standards;
9. Have never declared personal or business bankruptcy;
10. Be willing to commit to continuous learning and undertake appropriate director training and development initiatives;
11. Have the ability to understand and assess implications of financial statements and auditors reports;
12. Agree to fulfill the time commitment, including travel time and workload associated with being a Director of the Credit Union;
13. Have the capability to access electronic information via the Internet and be able to print associated material.



## Schedule D—Expertise/Experience

Pathwise Credit Union is committed to the principle of a high-quality Board of Directors and expects that each Director brings to the Board a certain level of knowledge and experience, demonstrates certain key attributes, and adheres to certain principles. Expertise and experience in any of the following areas are considered beneficial to director candidacies:

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

# Schedule E—Background Information for Candidates

## Preamble:

Pathwise Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Pathwise related organizational and community related activities, as well as for Directors new to the Credit Union system, be willing to attend credit union system conferences. Directors are also required to participate in Director Education as outlined below.

The information found below identifies and briefly describes Pathwise Committees, Director Education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a Director of Pathwise. We hope that the information below will assist you in clarifying your obligations should you become a Director. However, if you have any questions regarding the information, or wish to learn more about Pathwise Governance structure/practices, please leave a message for Ron Beacock at 905.728.5187.

## Committees

### 1. FULL BOARD

The Board of Directors consists of 10 Directors, each elected by the Membership for a term of 3 years. The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring of the Chief Executive Officer (CEO) and delegating authority to the CEO.

### 2. BOARD COMMITTEES

The Board has established 4 standing Committees which are assigned responsibilities to assist the Board to carry out its mandate.

*The current Committees and their mandates are as follows:*

- A. **Audit & Operational Committee:** The Audit Committee provides the Board with reports on matters related to accounting and financial reporting practices, risk management, and internal and external control procedures. The Audit Committee is charged with a number of statutory responsibilities, as required under the Credit Union Act. It also reviews and recommends the annual financial statements to the Board. It is responsible to ensure effective management of operational risk as well, that capital, liquidity management and internal control systems are at acceptable levels. It is additionally responsible for monitoring compliance with the Credit Union's Restricted Party policy.
- B. **Governance & HR Committee:** This Committee has the responsibility to ensure effective corporate governance, including its structure, and the establishment of Committee mandates so that the Board's responsibility to the Membership is fulfilled. It is responsible to assess the performance of the Board and its Committees.
- C. **Credit & Market Risk Committee (CMR):** This Committee is responsible to ensure that policy guidelines and systems are in place to ensure credit, investment and asset/liability (structural) risks are at acceptable levels. This Committee is responsible for reviewing and approving restricted party loan transactions as required under the Act, as well as exceptions to credits under the Board's policy limits. The Committee receives regular reporting that allows them to monitor compliance with credit risk management policies and the Deposit Insurance Corporation of Ontario's standards. The Committee must ensure that its credit and investment risk management strategy is fair, sound and prudent.
- D. **Nomination Committee:** This Committee is responsible to oversee the director Succession Planning, Evaluation and Election processes for Board Candidates.

# Schedule E—Background Information for Candidates *(cont.)*

## Meetings/Time Commitment

Board meetings are held **monthly**. It is expected that, in addition to the actual time spent at a Board or Committee meeting, a Director will fully review all materials (e.g., Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are distributed by electronic format generally 1 week(s) prior to the scheduled meeting. Elected Directors are expected to be able to receive, print and communicate via electronic means. While the amount of time required for this task will vary for each individual it is not unusual for a Director to spend approximately 3–6 hours preparing for a Board or for some Committee meetings.

While travel time to and from meetings will vary with each Director, it is another factor to be considered.

Attendance at all Board and Committee meetings is tracked and reported to the Board. While occasional conference calls are held to deal with special issues between regularly scheduled meetings, for the most part Directors are expected to attend meetings in person. Under exceptional circumstances the Chair may allow participation in a meeting via telephone or video conference.

The following meeting summary shows the approximate time commitment for each Director during the course of a year: **This does not include preparation time prior to meetings.**

Board Meetings (Currently Held Monthly) Orientation Program	Board meetings begin at 5:00pm usually on the last Wednesday evening of the month, except for July. The location of the meetings is at Oshawa Main Branch and/or via ZOOM. For newly elected Director; usually held following the election and no later than two months after having been elected. Allow minimum of one day.
Audit & Operational Committee	Meets approximately 5 quarterly/year or when necessary (allow 2 hours/meeting).
Governance & HR Committee	Likely to meet 4 times during the year (allow 2 hours/meeting).
Credit & Market Risk	Meets 4 times (allow 1-2 hours/meeting).
Nominating Committee	Meets approximately 4 times/year (allow 1 hours/meeting) plus a concentrated period during November when Candidate interviews are conducted.
Annual General Meeting	Usually held during the 3rd or last week in April during the evening at 6:00p.m.
Planning Session	Generally, involves a 2-day conference usually on Saturday & Sunday in the month of October.

## Schedule E—Background Information for Candidates *(cont.)*

### Education

Pathwise Credit Union considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a Credit Union. In 2018, the Financial Services Regulatory Authority of Ontario (FSRA) set out minimum expectations for individual Director Competencies which will require various programs be completed within certain time frames.

For further information please consult the CUDA Directors program.

Board 360 & <https://www.ccuacampus.com/learn>

In addition, other in-house training sessions are developed for which attendance is expected. Each Committee regularly holds educational sessions during its scheduled meetings. Time commitments for education & workshops is usually 2-3 hours per month, some months could be above 5 hours. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to complete an Individual Development Plan for education and consider additional opportunities for development wherever possible.

### Remuneration

Directors are paid an annual honorarium in recognition of the significance of the accountabilities and responsibilities associated with governing the Credit Union, and in recognition of the time required for Directors to fulfill their responsibilities, as well as a per diem for each meeting attended. These payments are taxable as personal income. Reasonable expenses are reimbursed as per Board policy.

## Schedule F - Candidate's Undertaking

The undersigned hereby applies to be nominated as a Candidate for election to the Board of Directors of Pathwise Credit Union.

I do solemnly undertake to:

- A. Stand for election, and, if elected, to serve as a Director;
- B. Observe the provisions of the Credit Unions and Caisses Populaires Act (the "Act"), as applicable, including the provisions of disqualified individuals as outlined in Section 92(1) of the Act. (The Act is accessible at [www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11\\_e.htm](http://www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11_e.htm));
- C. Comply with the Director's Code of Conduct and the Duties and Obligations of Directors including Conflict of Interest Guidelines adopted by the Board;
- D. Provides full, financial disclosure to the Credit Union, as required by the Board from time to time;
- E. Consent to the disclosure of credit and/or personal information to, or from any credit-reporting agency;
- F. Observes all the Credit Union's By-Laws, and the rules relating to the elections and the conduct thereof; and
- G. Resign from the Board in the event the Board has determined that as a Director, I have ceased to meet the eligibility requirements, as set out in the Credit Union's By-Laws or Section 91 of the Act or if I have met the test of any of the disqualifying criteria as set out in Section 92(1) of the Act, during my term of office

*I further understand that in order to be eligible for consideration for Nomination, this Application must be completed as required; submitted as referenced in the Notice of Nomination; and be accompanied by the following documents,*

1. **A written Statement of Interest, not exceeding 120 words, which:**
  - a. *Provides the Membership with enough information about the Candidate from a personal and professional perspective to help them understand the skills and expertise the Candidate would bring to the Board;*
  - b. *Outlines the Candidate's reasons for seeking election to the Board of Pathwise;*
  - c. *Explains why Members should vote for this Candidate.*

*This Statement will be published by Pathwise, and will be used to inform the Membership about the Candidate in its election materials;*

2. **A resume which includes disclosures outlining the following:**
  - i. *Experience, expertise and qualifications of the Candidate;*
  - ii. *Candidate's involvement in community activities;*
  - iii. *Candidate's past and present service as a Director of a Board;*
  - iv. *Any formal Director education/training accreditations; and*
  - v. *Candidate's professional, community or other affiliations or Memberships;*
3. **A recent photograph of the Candidate (preferably digital) reflecting an image that is a head shot showing head and upper body.**

## Schedule F-Candidate's Undertaking (cont.)

The photo must meet the following specifications:

- A passport photo, and
  - Even lighting with a clear, neutral background and
  - Be taken in colour.
4. Must provide a current criminal background check within 60 days of submitting your application to the Board. The Credit Union will reimburse the cost if a receipt is provided.
  5. Having signed this Application for Nomination the Candidate consents to Pathwise reviewing any of the Candidate's financial information on file at the Credit Union, and consents to conducting a credit check on his/her behalf for the purpose of determining eligibility.
  6. All contents of the application for nomination be placed in the envelope provided and dropped off at either location.
    - a. 322 King St West Oshawa,
    - b. 221 King St East Bowmanville,

Dated at \_\_\_\_\_ Ontario, this \_\_\_\_\_ Day of \_\_\_\_\_

Candidate's Signature: \_\_\_\_\_

# Schedule G—Requirements to Disclose

## Requirements to Disclose

The Credit Unions and Caisses Populaires Act also requires Board candidates to disclose if they are a party to a material contract or proposed material contract with the Credit Union. You must include the disclosure in your submission if you:

- Are a party to a material contract or proposed material contract with the Credit Union;
- Are a Director or an Officer of an entity that is a party to a material contract or proposed material contract with the Credit Union;
- Have a material interest in a person who is a party to a material contract or proposed material contract with the Credit Union; or
- Are a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the Credit Union.

Please provide details here if any of the above applies.

Dated at \_\_\_\_\_ Ontario, this \_\_\_\_\_ Day of \_\_\_\_\_

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

# 2023 Application for Nomination

As Members of Pathwise, we nominate the following person for election to the Board of Directors. As Nominators we meet all of the qualifications outlined in Schedule A.

Candidate Name

Address

City/Postal Code

Phone (Res)

(Bus)

Email

## Nominators:

1. Legal Name

Address

Email

Phone

Signature

2. Legal Name

Address

Email

Phone

Signature

3. Legal Name

Address

Email

Phone

Signature