



2023 NOMINATIONS AND ELECTION PACKAGE

Forms included in the package must be completed and returned by **December 16, 2022 at 5:00 pm**.
Late or incomplete forms after this time will result in the nomination not being accepted.
Candidates are encouraged to submit materials early so that we can confirm they are complete.

TABLE OF CONTENTS

History of Your Neighbourhood Credit Union	3
Introduction	4
Board Role	5
YNCU Board Profile	7
Process Overview	9
The Process in Detail	11
Form A	14
Candidates Statement	18
Form B	19
Appendix 1	20
Appendix 2	22

HISTORY OF YOUR NEIGHBOURHOOD CREDIT UNION

Since the 1940s and the formation of the original bonds in church basements and on plant floors, Your Neighbourhood Credit Union has a long history of partnering with like-minded credit unions to form stronger organizations in service to their members and communities.

Your Neighbourhood Credit Union Limited (YNCU) was formed on October 1, 2007, when Grand River Credit Union Limited and the former Your Neighbourhood Credit Union (Windsor) amalgamated. Grand River Credit Union Limited was formed in 2004 with the amalgamation of Waterloo Regional Credit Union Limited and Brant Community Credit Union Limited, both community bond credit unions with roots stretching back to the 1940s.

Since 2007, YNCU has amalgamated with Mitchell and District Credit Union, Standard Tube Employees' Credit Union (Woodstock), Fibreglass Employees' Credit Union (Guelph), Boomerang Credit Union (London) and CN (London) Credit Union.

In 2016, Your Neighbourhood Credit Union entered into a merger with Community First Credit Union whose roots date back to 1948. This amalgamation forms today's robust organization and puts YNCU in a unique position to continue offering the same great products and services to members, while also expanding their footprint to Northern Ontario.

Through 17 physical branches stretching from Windsor to Guelph in Southwestern Ontario, and Sault Ste. Marie to Timmins in Northern Ontario, the Exchange ATM network and a robust online presence, YNCU offers a broad range of financial services to approximately 51,000 members.

VISION

Building financial well-being together

MISSION

Building sustainable relationships within our community that include DIVERSITY, SOCIAL and ENVIRONMENTAL VALUES

VALUES

- Financially Thriving Organization
- Great Place to Work
- Member-Centric
- Committed Community Partner
- Compelling Digital Experience
- Environmental, Social & Governance
- Diversity, Equity & Inclusion

INTRODUCTION

While management is responsible for the day-to-day operation of Your Neighbourhood Credit Union (YNCU), the Board of Directors (Board) of YNCU bears ultimate fiduciary responsibility, protecting its members' rights and financial assets and setting YNCU's risk appetite. YNCU is a complex, regulated and important financial institution with a duty to safeguard the interest of its members.

Being a director demands a significant investment of time, energy and expertise. It is also a tremendous opportunity to contribute to the success of the credit union.

COMPOSITION OF YNCU'S BOARD

YNCU's Board is composed of 10 Directors. There are 3 vacancies on the board for 2023-2024. Each vacancy on the Board will be filled with a qualified individual who has been nominated by the membership regardless of the trading area he or she resides in. Each director will be elected/acclaimed for a three-year term or until their successors in office are elected or appointed. The Board may determine from time to time, that the term of one or more directors to be elected to the Board will be less than 3 years, if the Board's purpose for doing so is to attempt to achieve an orderly rotation of directors.

COMPETENCIES

YNCU has adapted the FSRA competencies framework to provide additional areas of organization focus and to delineate the scale using a more refined rating system. YNCU has expanded the definition of competencies to include character, knowledge, education, background and experience.

QUESTIONS

If after reading this Nominations and Election Package, you have any questions or concerns about the nominations and election process, please do not hesitate to contact via phone, scheduled meeting or email:

Anthony Piscitelli

Chair, YNCU Board of Directors

boardofdirectors@yncu.com

<https://calendly.com/apiscitelli/yncu-election-consultation>

T: 519.998.3917

BOARD ROLE

ROLE OF YNCU'S BOARD OF DIRECTORS

The Board of Directors at YNCU exists to place members interests first in all that we do. This is accomplished by setting direction, creating a long-term sustainable strategic plan, maintaining effective risk oversight, developing and supporting a modern governance structure and engaging leadership to lead diverse staff teams.

With overall responsibility and authority for the strategic direction of the credit union including leadership, stewardship, corporate governance and monitoring performance, it is critical to have a cohesive, committed Board with diverse backgrounds, knowledge and skills.

ROLE OF A DIRECTOR

The role of a credit union Director in today's environment is demanding and complex. Yet we find ourselves in pivotal times where, with due care and leadership, our credit union is uniquely positioned to make a powerful contribution in the lives of countless members and in the communities we serve. By offering practical and knowledgeable advice to our members, we strive to fulfil our vision to build and enhance their financial well-being, together.

The YNCU Board is comprised of 10 directors who are totally committed to the credit union's missions, where (internally) staff contribute to the organization and find opportunities for personal growth and development, feeding the credit unions ability to (externally) enable efforts to build community, through ongoing funding, expertise, and volunteering.

The group of elected individuals bring a broad collection of experience, industry knowledge and expertise gained from working in financial services, talent management, digital and artificial intelligence businesses, regulatory environments, accounting, marketing/communications as well as across broader industry sectors.

Each director is expected to demonstrate competency in audit and compliance, board and CEO performance, credit union operations, financial literacy, governance and ethics, risk oversight and strategic thinking. With a strong willingness and capacity to learn, Directors can achieve that level through training and practical exposure over a 24 month period of joining the board.

At the board table, directors will communicate their independent perspective, seek and listen to other viewpoints and contribute to wholesome and active debate; this is in pursuit of well-informed, fact-based decisions. The board will speak with one collective voice once decisions are taken. True professionals, their approach to building trust and building relationships with one another is through constructive thinking styles, bringing emotional maturity and self-awareness, especially in the light of conflicting views. The collective board commits to act unequivocally in the best interest of YNCU and its 51,000 members.

Board members are engaged and inspired to live and commit to YNCU's culture, values, and people. They understand the value and contribute to the broader ecosystem of the cooperative credit union industry and are interested and curious about what they can learn and apply to YNCU.

The YNCU Board is committed to gender, geographic, and visible and neuro-diversity.

EFFECTIVENESS AND RENEWAL

A robust process to ensure Board effectiveness and renewal ensures the Board fulfills its leadership and oversight responsibilities and responds to changes in the financial services industry, government regulations and YNCU's strategic direction and focus. This process begins by identifying key competencies desired of directors. It continues with the Board regularly evaluating its performance, and the effectiveness of individual directors. Where improvement opportunities are identified, directors are supported through ongoing education and development.

BOARD DIVERSITY

The Board supports having a mix of directors who reflect a diversity of backgrounds, problem-solving approaches, gender, cultural heritage and regional representation.

GOVERNANCE STANDARDS

YNCU's governance practices guide how the Board functions, makes decisions and holds itself accountable, measuring itself against the governance guidelines issued by the Financial Services Regulatory of Ontario (FSRA), and other modern governance practices.

TIME

For effective director performance, directors must be prepared to attend regularly scheduled Board meetings, committee meetings, special Board meetings, and as required, planning sessions and the annual general meeting. Estimated commitment is 25 evenings per year, 6 full days of training and associated preparation time and mid-day working meeting and webinars.

DIRECTOR COMPENSATION

Director compensation includes an annual retainer and meeting fees.

ORIENTATION, TRAINING AND DEVELOPMENT

YNCU relies on the collective knowledge, experience and skill of each director and the Board for its effective governance and success. It is important that directors have the appropriate competency requirements to fulfill their oversight responsibilities to YNCU and its members and thereby contribute to enhancing the credit union system.

The Board recognizes that investing in ongoing education and development is an important component of effective governance of YNCU. Directors are required to:

(a) Develop within the first year of being a director of YNCU a basic understanding of YNCU and each of the Core Competencies. New directors receive orientation and are mentored by the Chair, or delegate. They are also required to take the CUDA Level A: Foundations of Governance training program, as well as attend in-house education sessions which will be focused on the Core Competencies i.e. financial literacy, risk management, liquidity management, legal and regulatory management and base knowledge and operating environment of YNCU. They will also participate in survey tools to aid in identifying an individual development path.

(b) Continue to deepen their education in the areas listed in (a) above and improve their skills, professional qualifications and experience. In this regard, directors are encouraged to take a minimum of one opportunity (half or full day course) for continuing development each calendar year through formal courses such as those offered through CUDA or other professional business partners. Informal education is also encouraged.

YNCU BOARD PROFILE

AREA	COMPETENCY DESCRIPTION
AUDIT AND COMPLIANCE	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements.
BOARD AND CEO PERFORMANCE	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the tools and methodologies for monitoring the performance and development of the CEO and for assessing the Board's performance to determine strengths, deficiencies and areas for improvement.
CREDIT UNION OPERATIONS	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of how the credit union's infrastructures inter-relate and how they enable the effective and efficient delivery of services while managing risk and regulatory requirements.
GOVERNANCE AND ETHICS	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.
LEADERSHIP	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encouraging on-going education to further develop competencies.
LEGAL, REGULATION AND POLICY	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the regulatory environment, legislative process, policy development and the policies required to meet legal, regulatory, and governance requirements.
RISK MANAGEMENT OVERSIGHT	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the risk management framework for identifying, measuring and managing significant risks and events that may impact the credit union's objectives.
FINANCIAL ACUMEN	To achieve this competency, directors demonstrate an appropriate level of financial knowledge and understanding and can interpret financial reports and statements, and monitor corrective action to ensure financial goals and regulatory requirements are met.
BUSINESS ACUMEN	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of business principles by applying sound judgement, strategic insights, and critical thinking to challenges and opportunities facing the credit union and credit union system.
DIGITAL INTELLIGENCE	To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the rapidly changing digital technologies that have the ability to dramatically affect organizational behaviour and success, including social networking, omni-channel, data and analytics, and emerging cloud technologies that are disrupting traditional organizations and industries. Effectively gather information and garner insights from data to identify opportunities to make informed decisions

INFORMATION TECHNOLOGY GOVERNANCE	<p>To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of the board's role in cybersecurity, data privacy, accessibility and digital infrastructure to assure the membership of the adequacy of internal technology controls and that regulatory and legal risks are being assessed and mitigated.</p>
MARKETING AND COMMUNICATIONS	<p>To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of promotion, advertising, and messaging to communicate purpose of the organization and its role in member attraction, service and retention.</p>
POLITICS, ECONOMICS AND SOCIOLOGY	<p>To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of system level thinking, recognizing societal shifts by being aware of monetary dynamics, staying attuned to political undercurrents, and understanding of the human condition.</p>
COOPERATIVE AND SOCIAL FINANCE	<p>To achieve this competency, directors demonstrate an appropriate level of knowledge and understanding of how blended value can be created by combining a financial return and societal impact and by understanding the unique space, contribution, and history of the cooperative movement. This can be translated into quadruple bottom line thinking which considers social, economic, environmental, and cultural impacts.</p>

PROCESS OVERVIEW

The Nominating Committee is responsible for recruiting, assessing and endorsing the candidates standing for election to YNCU's Board to YNCU's Members. The table below lists the key dates and events that occur during the process, along with the actions prospective candidates should take and references to further information on each step that is included in this document.

DATE	YNCU EVENT	CANDIDATE ACTION
NOVEMBER 9, 2022	Nomination period begins with the issuance of the Call for Board Nominations and 2023 Nominations and Election Package.	Read Call for Board Nominations and 2023 Nominations and Elections Package.
DECEMBER 16, 2022	Nomination period ends—deadline to submit Nomination Forms.	<p>Ensure completed Nomination Package and all supporting documents are emailed to rgioia@yncu.com by 5:00 p.m. on December 16, 2022.</p> <p>It is suggested that candidates submit forms and supporting materials earlier in order that their completeness can be confirmed prior to the deadline. If all completed forms and supporting materials are not received by the deadline, the nomination will not be accepted</p> <p>The completed Nomination Package consists of the following:</p> <ul style="list-style-type: none"> • Personal Information • Candidate Statement • Consent and Statement of Acceptance • Police Check
DECEMBER 17, 2022 – JANUARY 16, 2023	Send two surveys to candidates	<p>Complete the 2 self-assessments sent out after the closing of the nomination period by January 16, 2023.</p> <ul style="list-style-type: none"> • Director Competency Assessment • Character Assessment
JANUARY 23, 2023 TO FEBRUARY 3, 2023	Candidate interviews with Nominating Committee.	Attend a mandatory interview with Nominating Committee members.
AFTER FEBRUARY 3, 2023	Nominating Committee endorsement meeting.	Candidates will be notified of endorsement prior to the Election. If a candidate wishes to withdraw, notification of withdrawal must be received by the Corporate Secretary or designate within 48 hours following notification of endorsement status.

<p>MARCH 27-APRIL 10, 2023 <i>*Subject to change.</i></p>	<p>On-line Voting for Board Election</p>	<p>The election of Directors by Members will be conducted via electronic voting during the period of March 27 through April 10, 2023*. The electronic ballot will clearly indicate which Candidates are recommended.</p>
<p>APRIL 14, 2023</p>	<p>Chair advises all candidates of election results</p>	<p>Candidates will be informed of the results from the on-line election process whether successful or unsuccessful.</p>
<p>APRIL 18, 2023</p>	<p>Annual General Meeting</p>	<p>Elected Candidates may be invited to address members to the Annual General Meeting on April 18, 2023. Elections results will be announced prior to the adjournment of the Annual General Meeting.</p>
<p>APRIL 19, 2023</p>	<p>Board Meeting</p>	<p>Elected Candidates to attend the Board Meeting the evening following the Annual General Meeting.</p>

THE PROCESS IN DETAIL

BEGINNING OF THE NOMINATION PERIOD

Nominate yourself by completing the forms. Notify Rose Gioia, Executive Assistant to the Board, of your intention to be a candidate at rgioia@yncu.com. The nominations period will begin on November 9, 2022 and continue until December 16, 2022.

SUBMISSION OF INTENTION TO STAND FOR ELECTION

If you are interested in standing for election, please review this Nominations and Election Package thoroughly to ensure you understand what is required of a YNCU Director and what competencies, skills and experience the Board is specifically looking for in 2023.

Once you have finished that review, complete and submit the required forms as noted in the 2023 Nominations and Election Forms section of this package.

REVIEW OF NOMINATIONS AND CANDIDATE INTERVIEWS

When the nomination period ends on December 16, 2022, the Nominating Committee will review all nominations to determine if you are eligible to stand for election as a director. Upon validation, you will be asked to complete two surveys, one about the FSRA competencies and a character assessment. Results of surveys will be shared with you. Assuming your nomination is in order, you will be asked to attend a mandatory interview with the Nominating Committee. During the interview, you will be asked to talk about your background, competencies, skills and experience. The Nominating Committee will use this information to help them decide which candidates to endorse. Please note that interviews are mandatory for all candidates - both incumbent candidates and new candidates.

ENDORSEMENT

When all the candidate interviews have been completed, the Nominating Committee decides which candidates they will endorse. This process also includes incumbent candidates.

Endorsement is a way to let members know which candidates have the skills, experience and behavioural competencies needed to oversee YNCU on behalf of its members. Each year the Board evaluates its current composition and skill set and identifies any critical skills, experience or expertise that would be beneficial to attract to the Board given changes to our market and our evolving strategic direction. The Nominating Committee then seeks candidates with those attributes.

Using the information gained through the material submitted and the results of the candidate interviews, the Nominating Committee decides which candidates would bring the most overall value to the Board, if elected.

In the end, the members of YNCU ultimately decide who to vote for and who is elected.

ELECTION RESULTS

Voting would take place by members on-line from the period of March 27 – April 10, 2023. Once the votes have been counted the results are shared at the meeting. We will then share this information on our website.

DO WE NEED TO HOLD AN ELECTION?

At the end of the nomination period, the Nominating Committee will review all of the nominations it has received. If the number of valid nominations is equal to or fewer than the number of Board vacancies available, the candidates will be declared elected by acclamation. That means the members will not need to vote on which candidates to select.

2023 NOMINATIONS AND ELECTION FORMS

Completed Nomination Packages and supporting documents are to be emailed to Rose Gioia, Executive Assistant to the Board of Directors at rgioia@yncu.com with Subject line **Nomination Package Submission**.

All Nomination Packages must be received by 5:00 p.m. on December 16, 2022. Nomination Packages received after that time will not be accepted.

THE COMPLETED NOMINATION PACKAGE CONSISTS OF THE FOLLOWING:

- Form A – Personal Information
- Candidate Statement
- Form B – Consent and Statement of Acceptance
- Police Check

PERSONAL INFORMATION

FORM A

Name: _____

Home Address: _____

Mailing Address: _____

Same as above

Telephone

Work: _____ Home: _____ Mobile: _____

Email Address: _____

Member Number: _____

EDUCATION

NAME & LOCATION OF SCHOOL OR INSTITUTION	COURSE, PROGRAM, MAJOR, FIELD	CREDITS, DIPLOMA, DEGREE ATTAINED	DATES	
			Started	Completed
SPECIAL COURSES	COURSE CONTENT, DURATION, ETC.		YEAR COMPLETED	

EMPLOYMENT HISTORY

Please list employment history for the past 15 years.

ORGANIZATION	POSITION	DATES	
		Started	Completed

BOARD EXPERIENCE

Please list all past and current Board positions, including any committee positions held and experience on special task forces.

ORGANIZATION	POSITION	DATES

COMMUNITY INVOLVEMENT/OTHER INTERESTS

Please list any relevant community involvement, community connections, or other interests not already covered.

ORGANIZATION	INVOLVEMENT	APPROX. YEARS OF SERVICE

ELIGIBILITY TO STAND AS A DIRECTOR

YNCU will use this information to confirm your eligibility to stand as a Director, as defined by YNCU's By-Law No. 1 and the Credit Unions and Caisses Populaires Act.

Have you been a member of the Credit Union "In Good Standing" for at least twelve (12) consecutive months? A candidate must have been a member by April 18, 2022 to meet the twelve month requirement by the AGM date of April 18, 2023.

Yes No

Are you disqualified from becoming or acting as a Director pursuant to the Credit Unions and Caisses Populaires Act (Appendix 1)?

Yes No

Are you a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily a resident in Canada?

Yes No

Are you a Director, officer, employee, agent of any entity that is engaged in, or could be engaged in, business activity materially and directly competing with YNCU or spouse, parent (including, without limiting the generality of the foregoing, step-parent), or child (including, without limiting the generality of the foregoing, step-child) of same?

Yes No

Have you been employed by YNCU at any time in the last two (2) years? Or are you a spouse, parent (including, without limiting the generality of the foregoing, step-parent), or child (including, without limiting the generality of the foregoing, step-child) of a former employee of YNCU in the past two (2) years?

Yes No

Are you at least eighteen (18) years of age?

Yes No

Are you a spouse, parent (including, without limiting the generality of the foregoing, step-parent) or child (including, without limiting the generality of the foregoing, a step-child) of a person who is, or who has been within the preceding twenty-four (24) months, a director of the Credit Union?

Yes No

If you are an incumbent Director, have you failed (without reasonable cause) to attend three (3) regular meetings of the Board of Directors in the last twelve (12) months?

Yes No N/A

Are you aware of any conflicting interest that would prevent you from properly discharging the duties of a Director of YNCU?

Yes No

If you are an incumbent Director, at the end of your current term as Director, will you have served as a Director of YNCU (after the formation of the credit union by amalgamation) for longer than four (4) consecutive terms or twelve (12) consecutive years?

Yes No N/A

CANDIDATE'S STATEMENT

Your candidate statement will be included in the material provided to all members eligible to vote.

Please write and submit a candidate statement that includes biographical information, occupation, experience and qualifications, how you will contribute to the advancement and governance of YNCU, and why members should vote for you.

The candidate statement must be no more than 250 words. If you exceed the maximum, your candidate statement may be rejected for length at the Board's discretion.

CONSENT AND STATEMENT OF ACCEPTANCE

FORM B

By signing this declaration, I hereby acknowledge and affirm that:

1. I accept the nomination and acknowledge and affirm that I have completed and submitted all required documentation to YNCU and will make myself available for an interview with the Nominating Committee.
2. All the information I have supplied is true and complete to the best of my knowledge.
3. I have reviewed the excerpt of YNCU's by-laws (Appendix 2) that pertains to nomination and election of Directors, and I am eligible to be elected to the office of Director.
4. I consent to YNCU using the information I have supplied to assess my eligibility as a candidate. I also consent to a criminal record check to determine whether I have a conviction or outstanding charge for any relevant offences.
5. I understand that in the event that I am not endorsed by the Nominating Committee I may withdraw by providing notice to the Chair of the AGM and Nominating Committee or designate within 48 hours following notification of endorsement status.
6. I agree to accept nomination as a Director of YNCU and, if elected, to serve in this position.
7. I understand that formal campaigning by Candidates is prohibited.
8. I consent to YNCU publishing biographical information provided by me by way of a Candidate's Statement for the purpose of compiling and disseminating a Candidate's Summary.
9. I authorize the Credit Union to obtain such factual and investigative information regarding me from others as permitted by law. I consent to a Credit Bureau check to ensure that I have not declared bankruptcy in the last five (5) years.
10. Further, I agree to provide to the Credit Union a written police check report within 21 days of the date of this nomination. I understand that the Credit Union will reimburse me for the expense incurred for the police check report.

Name: _____

Signature: _____

Date: _____

PART VII - GOVERNING THE CREDIT UNION DIRECTORS

QUALIFICATIONS OF DIRECTORS

83. Only an individual who meets the following criteria is eligible to be a director of a credit union:

1. . The person is a member of the credit union.
2. The person is at least eighteen years of age.
3. The person is a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada.

DISQUALIFIED INDIVIDUALS

84. Such individuals as many be prescribed by Authority rule are disqualified from being directors of a credit union. (as extracted from O Reg. 29(1))

29.1(1) For the purposes of section 84 of the Act, the following individuals are disqualified from being directors of a credit union:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 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 the individual may be elected as director. 4. One who is unable to obtain a proof of bonding insurance that is satisfactory to the Chief Executive. 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 the individual may be elected as a director, of | <p>an offence described in subsection (3) and who has not received a pardon for the offence.</p> <ol style="list-style-type: none"> 8. One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct. 9. An employee of the credit union or a central 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 the individual's professional capacity or who has provided such services in the three years preceding the date on which the individual may be elected as a director. 11. An employee, director or officer of the Authority. 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.

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

(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 of or a failure to comply with the Act, a processor of the Act or an Act of governing a subsidiary of the credit union; or

(d) involves a contravention of or failure to comply with the [Securities Act](#).

A by-law relating generally to the conduct of the affairs of Your Neighbourhood Credit Union Limited

ARTICLE FOUR - DIRECTORS

NUMBER OF DIRECTORS AND QUORUM

4.01 The Board shall consist of ten (10) directors. The quorum for the transaction of business at any meeting of the Board shall be a majority of the Board.

QUALIFICATION

4.02 A member is eligible for election to the position of director if, on the date that the member is elected or appointed to the board, the member:

- (i)** Has been a member of the Credit Union in Good Standing for at least twelve (12) consecutive months;
- (ii)** is not disqualified from becoming or acting as a director pursuant to the Act;
- (iii)** is not a director, officer, employee, or agent of an entity (other than any other entity for which an exception has been made by the Board from time to time) that is engaged in, or has the reasonable potential to be engaged in, business activity materially and directly competing with the then existing or proposed activities or business of the Credit Union;
- (iv)** is not a spouse, parent (including, without limiting the generality of the foregoing, step-parent), or child (including, without limiting the generality of the foregoing, a step-child) of a person described in paragraph 4.02(iii) above;
- (v)** is not a spouse, parent (including, without limiting the generality of the foregoing, step-parent), or child (including, without limiting the generality of the foregoing, a step-child) of a person who is, or who has been within the preceding twenty-four (24) months, a director of the Credit Union;
- (vi)** if a former employee of the Credit Union or any predecessor of the Credit Union, was not an employee of the Credit Union or any predecessor of the Credit Union at any time in the preceding twenty-four (24) months;
- (vii)** is not a spouse, parent (including, without limiting the generality of the foregoing, step-parent), or child (including, without limiting the generality of the foregoing, a step-child) of a former employee of the Credit Union or any predecessor of the Credit Union disqualified under paragraph 4.02 (V) above;
- (viii)** is not less than eighteen (18) years of age;
- (ix)** if an incumbent director, that person has not failed to attend, without reasonable cause (as may be determined by the Board), three (3) regular meetings of the directors within the preceding twelve (12) months;

- (x) is free of any conflict of interest that might reasonably be expected (based on a legal opinion), to prevent him from acting in the best interests 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, customers, competitors, or suppliers;
- (xi) the member, if an incumbent director, will not, at the end of the member's current term as director, have served as a director of the Credit Union for the longer of: (i) four (4) consecutive terms; or, (ii) twelve (12) consecutive years, in either case after the formation of the Credit Union by amalgamation; and not have served as a director of the Credit Union for at least one (1) year since the director vacated office because of the application of the applicable period expressed in (i) or (ii) herein; and
- (xii) the member has been nominated in accordance with such policies and procedures as the Board may have established, from time to time, in respect of the nomination of directors.

DIRECTOR TERM OF OFFICE

4.03

- a) Subject to the Act, a member elected as a director shall take office at the close of the membership meeting at which they are elected.
- b) Except where an election is held to fill the unexpired portion of a director's term or as otherwise specifically provided in this section, directors shall be elected or acclaimed for terms of three (3) years, or until their successors in office are elected or Appointed. Notwithstanding the foregoing, the Board may determine, from time to time, that the term of one or more directors to be elected to the Board shall be less than three (3) years, if the Board's purpose in doing so is to attempt to achieve an orderly rotation of directors.
- c) If, in an election, terms of office of varying lengths are to be filled, the nominees obtaining the greater number of votes shall be declared to be elected to the longer terms of office available.
- d) If, in an election, an equality of votes results which must be resolved to determine which person or persons are elected to the Board and which person or persons are not so elected, or which are elected to a three-year term and which are elected to a term which is shorter than three years, there shall be a run-off election involving only those candidates involved in the equality of votes; held at the membership meeting at which the results of the election are announced, at which any member eligible to vote at that meeting may vote, regardless of whether such member voted in the election process carried out under section 7.15 hereof.
- e) If, in the case of an acclamation of all nominees, terms of office of varying lengths are to be filled, the terms shall be assigned by voluntary agreement among the nominees or, failing that, by chance in a manner determined by the Chair of the Board in their sole and absolute discretion.

MANNER OF ELECTION

- 4.04** At every annual general meeting of the Credit Union, an election shall be held to fill the places of members of the Board whose terms of office have expired.

REMOVAL OF DIRECTORS BY MEMBERS

- 4.05** Subject to the provisions of the Act, the members may, by special resolution passed at a meeting specially called for that purpose, remove any director from office, and the vacancy created by such removal shall be filled at the same meeting. If such removal occurs during the Credit Union's first three fiscal years of operation, the vacancy shall be filled with a qualified person residing within the geographic area formerly served by the same predecessor credit union as the director removed from office.

VACATION OF OFFICE

- 4.06** A director ceases to hold office when they die, resign, become disqualified pursuant to the Act or pursuant to section 4.02 hereof, is removed from office by the members or the Chief Executive officer of the Financial Services Regulatory Authority of Ontario in accordance with the Act, or their term expires, except that a death, resignation, or removal which occurs, or a disqualification which is first discovered, during the period commencing with a date which is five business days prior to the first day of any Nomination Period, and ending with a date which is the day following the annual general meeting of the Credit Union for which nominations are being received during that particular Nomination Period, shall be deemed to result in a vacation of office on the day following that annual general meeting of the Credit Union.

VACANCIES

- 4.07** Subject to the Act, and except as stated otherwise in this Section, a quorum of the Board may fill a vacancy in the Board by appointing a qualified person to serve as a member of the Board until the next annual general meeting of the Credit Union, when the members will elect a qualified person to fill the unexpired term of the director who vacated his or her office.

In the absence of a quorum of the Board, the directors then in office shall forthwith call a special meeting of members to fill the vacancy for the unexpired term of the director who vacated their office. If the directors then in office fail to call such meeting or if there are no directors then in office, any member may call the meeting.

ACTION BY THE BOARD

- 4.08** The Board shall manage or supervise the management of the business and affairs of the Credit Union, but the Board, a director, or a member of a committee of the Board shall not directly manage, or be involved in, the day to day activities of the Credit Union. Subject to section 4.09, the powers of the Board may be exercised at a meeting at which a quorum is present. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.

MEETING BY TELEPHONE OR OTHER ALTERNATIVE METHOD

- 4.09** If all the directors of the Credit Union present or participating in the meeting consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting.

PLACE OF MEETING

- 4.10** Meetings of the Board may be held at any place within Ontario.

CALLING OF MEETINGS

- 4.11** Subject to the Act, meetings of the Board shall be held from time to time, on such day and at such time and at such place as the Board, the Chair of the Board, a Vice-Chair or any two directors may determine, and the Corporate Secretary, when directed by the Board, the Chair of the Board, a Vice-Chair or any two directors, shall convene a meeting of the Board.

NOTICE OF MEETING

- 4.12** Notice of the date, time and place of each meeting of the Board shall be given to each director not less than 48 hours (exclusive of any part of a Non-Business Day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where the Act requires such purpose or business to be specified.

A director may in any manner waive notice of or otherwise consent to a meeting of the Board.

FIRST MEETING OF NEW BOARD

- 4.13** Provided a quorum of directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of members at which such Board is elected.

ADJOURNED MEETING

- 4.14** Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

REGULAR MEETINGS

- 4.15** The Board may appoint a day or days in any month or months for regular meetings of the Board, at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but not other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

VOTES TO GOVERN

- 4.16** At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. The chair of the meeting shall have a vote only to resolve an equality of votes.

CONFLICT OF INTEREST

- 4.17** Subject to the Credit Union's conflict of interest policy, a director, officer, committee member or employee of the Credit Union who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, or is a spouse, parent or child of an individual who is a party to, a material contract or transaction or proposed material contract or transaction with the Credit Union, shall disclose in writing to the Credit Union or request to have entered in the minutes of the meetings of the directors the nature and extent of his or her interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board for approval, even if such contract is one that in the ordinary course of the Credit Union's business would not require approval by the Board, and a director interested in a contract that ought to be referred to the Board shall not vote on or be present at the consideration of any resolution to approve the same except as permitted by the Act.

REMUNERATION AND EXPENSES

- 4.18** The directors shall be paid such honoraria for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them, or to receive a specified allowance in respect thereof, subject in all respects to any Board policies, in attending meetings of the members of the Board or any committee thereof, or otherwise in the performance of their duties.

NOMINATIONS

- 7.10** The methods, protocols, procedures and processes for the nomination of candidates for directors shall be as determined by the Board, from time to time, by majority vote and the current version thereof shall be published on the Credit Union's web-site prior to the commencement of any nomination period, and members seeking election to the Board shall submit themselves to same.
- 7.15** Mail, Electronic and Branch Balloting – Members may, if the Board determines by resolution to do so, and pursuant to such conditions, rules and procedures which may be approved by the Board, vote at meetings of members by mail, or by in-branch, telephonic or electronic means. A member who, by such means, casts a vote shall be deemed for all purposes, including, without limiting the generality of the foregoing, the calculation of quorum pursuant to section 7.08 hereof, to have been present at the meeting.