

TERMS OF REFERENCE ETOR1 – BOARD OF DIRECTORS

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Board Committee Delegated Responsibility for this Policy Governance Committee

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Introduction

The Board of Directors is entrusted with the stewardship of StellerVista Credit Union, overseeing the Credit Union’s business activities and the delivery of responsibilities relating to its mission. In discharging its responsibilities, the Board shall act within the applicable legislation and in accordance with good governance practices when reviewing, discussing and approving StellerVista’s long-term direction, financial performance, and operational efficiency.

The Board has the authority to make decisions that tangibly and positively contribute to the Credit Union’s mission and vision achievement, its viability and long-term sustainability, and the trust and confidence of the Credit Union’s stakeholders. As such, it is accountable for ensuring its decisions and performance reflect these goals. The Board delegates to the Chief Executive Officer (CEO) the responsibility for the day-to-day leadership and management of the Credit Union.

Directors, as members of the Board, are stewards of the Credit Union. They oversee the conduct of the business, supervise the CEO and endeavour to confirm that all major issues affecting the business and affairs of the Credit Union are given proper consideration. In discharging these stewardship responsibilities, Directors consider the legitimate interests in operation of the Credit Union that have been expressed by the Credit Union’s stakeholders; set the standards of conduct for the Credit Union; and confirm that the Credit Union is operated appropriately.

Definitions

the Credit Union	StellerVista Credit Union
SVCU	StellerVista Credit Union
the Board	Board of Directors of the Credit Union
the Rules	the Rules of the Credit Union. As mandated by paragraph 7 of the CUIA , these are rules established by the Credit Union to govern its conduct.
the Credit Union’s stakeholders	the Credit Union’s stakeholders are the Credit Union’s members, the communities the Credit Union serves, and Directors and employees of the Credit Union
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
G&E Coordination Specialist	Governance & Executive Coordination Specialist
Senior Executive Team	Senior Executives of the Credit Union: CEO, CFO and COO
Senior Management Team	Senior managers of the Credit Union: CEO, CFO, COO, Director of Marketing, Director of Retail Sales and Service, both senior Human Resources managers, and the G&E Coordination Specialist

Governance Corporate Governance	Corporate governance at the Credit Union is the making of those decisions for which the Board is accountable and that tangibly and positively contribute to the Credit Union’s mission and vision achievement, its viability and long-term sustainability, and the trust and confidence of the Credit Union’s members, community and other stakeholders.
AGM	Annual General Meeting
Year	For the purpose of this terms of reference, a <i>year</i> is deemed to commence at the Special Board meeting convened specifically for the election of Board Officers and end at the same meeting the following year.
Conflict of interest	A conflict of interest arises when a related party of the Credit Union: <ul style="list-style-type: none"> • May benefit from a decision they could make, or • The decision would interfere with that party’s independent exercise of judgment and efforts in the Credit Union’s best interests.
FIA	Financial Institutions Act of B.C.
CUIA	Credit Union Incorporation Act of B.C.
CCUA	Canadian Credit Union Association
CUDA	Credit Union Director Achievement program. CUDA is the regulated foundational training program offered by the CCUA for Credit Union Directors.
ACCUD	Accredited Canadian Credit Union Director designation, granted by the Canadian Credit Union Association (CCUA) through their accreditation program
ICD	Institute of Corporate Directors

1 Board of Directors Terms of Reference

1.1 Board Purpose and Contribution

The Board of Directors has ultimate responsibility for the affairs of the Credit Union and for monitoring the Credit Union’s operation to ensure it complies with all legislation governing credit unions in B.C., the Rules of the Credit Union, and the Credit Union’s mission. Principal among the legislative Acts governing the Credit Union is the Financial Institutions Act of B.C. (FIA) and the Credit Union Incorporation Act of B.C. (CUIA).

Directors, as the stewards of the Credit Union, must exercise effective governance of the Credit Union as set out in this Terms of Reference. In so doing, they will be acting in a manner that accomplishes the Credit Union’s mission, serves the best interests of the Credit Union, complies with regulatory expectations and the Rules, and benefits the Credit Union's stakeholders, most particularly its Members.

All members of the Board, including Board Officers, are governed by this definition of the Board’s purpose and role. The purpose and role of each Board Officer expands and enhances this definition.

The various stewardship roles the Board fulfills are:

GOVERNANCE AND RISK MANAGEMENT OVERSIGHT

- Establishing, monitoring adherence to and amending, as necessary, the Credit Union's frameworks for corporate governance, enterprise risk management and internal controls
- Establishing, monitoring adherence to and amending, as necessary, the Credit Union's codes of conduct, and the policies and procedures designed to prevent conflicts of interest
- Establishing, monitoring adherence to and amending, as necessary and permitted, the Rules of the Credit Union and the Credit Union's other governance policies and procedures
- Establishing and monitoring adherence to corporate communication protocols to ensure that communication with stakeholders and the public is effective and appropriate
- Overseeing establishment, adequacy and maintenance of succession plans for the Board and the Senior Executive Team to ensure the Credit Union's agility and preparedness are protected in the event of a position vacancy on the Board or the Senior Executive Team
- Overseeing the Credit Union's subsidiary operations and, as required, merger and integration activities

BOARD OVERSIGHT

- Regulating and managing the affairs of the Board such that the Board is able to exercise effective governance of the Credit Union yet maintain its independence from management of the Credit Union
- Evaluating the effectiveness of the Board, Board Officers, Board committees, committee Chairs, and individual Directors
- Establishing Board committees, as required, and appointing committee members
- Overseeing the election of Credit Union members to the Board of Directors
- Conducting the election of Directors to Board Officer positions
- Establishing and amending, as necessary, the skills matrices for Directors, Board Officers and members of Board committees
- Reviewing and recommending amendments to the compensation provided to Directors and Board Officers

MANAGEMENT OVERSIGHT

- Providing advice and counsel to the CEO in the execution of the CEO's duties
- Establishing and amending, as necessary, the skills matrix for the CEO position
- Appointing and evaluating the performance of the CEO to ensure the CEO is operating the Credit Union in a sound and prudent manner and within the governance framework established by the Board
- Reviewing and recommending amendments to the compensation provided to the CEO, other Senior Executives, and management and non-bargaining unit positions

Directors may delegate some of their stewardship responsibilities to Board Committees and the CEO; however, Directors retain ultimate responsibility for all Board stewardship activities and decisions.

1.2 Board Composition and Resources

The Board of the Credit Union comprises Directors, Officers and Committees. In addition, there are several outside directorship positions that are filled by Board Directors as per the Rules of the Credit Union and the bylaws of the Credit Union's subsidiary operations.

1.2.1 Board Directors

The number and selection of Directors is defined in the Rules and is driven, in part, by the need for regional representation on the Board¹. Directors are elected by the Credit Union's membership from among eligible members of the Credit Union following the procedure defined in the Rules of the Credit Union and Terms of Reference ETOR15 – Nominations Committee.

The term of office for Directors is three years or as defined in the Rules.

1.2.2 Board Officers

The Board includes three Officers: Chair, Vice-Chair and Secretary. They are elected, from among the members of the Board, at a Special Board meeting convened specifically for the election of Board Officers and the appointment of Directors to Board Committees.

See the following sections for additional information about the Board Officer positions including terms of office, maximum number of terms an Officer may serve, and the rules for removal from office:

- Section 2 [Board Chair Terms of Reference](#)
- Section 3 [Board Vice-Chair Terms of Reference](#)
- Section 4 [Board Secretary Terms of Reference](#)

If the Vice-Chair or Secretary position becomes vacant mid-year, a mid-year election will be held, as soon as possible, to fill the position. However, if the Chair position becomes vacant mid-year, the Vice-Chair will assume the Chair's position immediately to ensure the Board is not without a Chair.

Note: For the purposes of determining the number of terms an Officer has served, a term is deemed to commence at the Special Board meeting at which the Officer was elected and end at the Special Board meeting the following year.

1.2.3 Board Committees

The role of Board Committees is to assist the Board in fulfilling its duties. The Board comprises the following standing and ad-hoc committees.

- Standing Board Committees
 - Audit Committee
 - Board Risk Committee

¹ See the Representative Regions and Number of Directors rules found in the Directors & Management section of the Rules.

- Conduct Review Committee
- Executive Committee
- Governance Committee
- Investment and Loan Committee
- Nominations Committee
- Ad-hoc Board Committees
 - Integration Committee (2023)

Each year, at the Special Board meeting convened specifically for the election of Board Officers, the Board appoints Directors to the Board Committees unless the mechanism for determining Committee membership is defined otherwise in the Terms of Reference for individual Committees.

See the Terms of Reference for each committee for information about the committee's functions and responsibilities, the composition of the committee, the term of office for members of the committee, and the maximum number of terms a committee member may serve. For the Executive Committee's Terms of Reference, refer to section [5 Executive Committee Terms of Reference](#) in this document.

1.2.4 Outside Directorship Positions

Each year, at the Special Board meeting convened specifically for the election of Board Officers, the Board appoints Directors to outside directorship positions at the Credit Union's subsidiary operations for a one-year term. The number of outside directorship positions depends on the Bylaws of the subsidiary operations and the number subsidiaries.

1.3 Board Meetings and Procedures

The various types of meetings and attendance at meetings are outlined in [Policy A1 – Board and Governing Practices](#), section 1.12 Meetings of the Board and Board Committees.

1.4 Board General Functions and Responsibilities

To meet the challenges and responsibilities of its stewardship role, the Board regulates its own affairs and determines its own procedures but delegates certain responsibilities to Board Committees and to the CEO, as set out in Board policies. Responsibilities delegated to Board Committees are documented in the Terms of Reference for each Committee. Responsibilities delegated to the CEO are documented throughout this document. Directors must become familiar with the functions and responsibilities the Board reserves for itself as well as the delegated functions and responsibilities. All functions and responsibilities, reserved and delegated, belong, ultimately, to the Directors.

For the general functions and responsibilities which the Board reserves for itself, refer to the following section. For the legal functions and responsibilities which the Board reserves for itself, refer to section [1.5 Board Legal Functions and Responsibilities](#).

1.4.1 Governance and Risk Management Oversight

STRATEGY DETERMINATION

The Board has the following responsibilities with respect to strategy determination:

- The Board approves the strategic plan.
- The Board, in consultation with Management, is responsible for approving the process for strategic planning.
- Annually, review and approve the Credit Union's Business Plan which sets out the Credit Union's areas of focus and initiatives for the current year. A financial plan will be prepared on an annual basis to demonstrate the expected financial results of the business plan and to provide sufficient information to demonstrate the financial position, financial activities and overall financial health of the Credit Union. The CEO is responsible for developing the annual business and financial plans and targets but the Board retains authority for approval of the plans and targets.
- Safeguard the Credit Union's resources by approving annual operating and capital budgets, human resource plans and major new project proposals.

MONITORING AND ACTING

The Board has the following monitoring and acting responsibilities:

- Approve and serve as the guardian of the Credit Union's corporate values.
- Monitor the Credit Union's progress toward the objectives set out in the strategic, business, operating and capital plans, and revise and alter the Credit Union's direction, based on the advice of the CEO, in light of changing circumstances.
- Direct the CEO to develop, implement and maintain a reporting system that accurately measures the Credit Union's performance against its strategic and business plans and established performance criteria.
- Identify the principal risks of the Credit Union's business and take all reasonable steps to secure the implementation of appropriate systems to manage these risks.
- Direct the CEO to ensure that systems are in place for implementing and maintaining the integrity of the Credit Union's internal financial control and management information systems.

CORPORATE COMMUNICATION

The Board must pay particular attention to the fact that it operates within a highly public environment. The actions of the Credit Union have a public impact and there is need to ensure that communication with stakeholders and the public is effective and appropriate as outlined in the Member Feedback Policy and Business Continuity Plan.

The Board has the following responsibilities with respect to corporate communication:

- Annually, report on the Board's stewardship during the preceding fiscal year by holding an Annual General Meeting and tabling, at that meeting, an Annual Report which provides:
 - Confirmation that the Credit Union has, in place, a policy to enable the CEO and the Board to communicate effectively with stakeholders and the public
 - Confirmation that the financial and operational performance of the Credit Union is adequately and promptly reported as required by law and good corporate practice
 - Confirmation that the financial results are reported fairly and in accordance with International Financial Reporting Standards (IFRS)

- Timely reporting of any developments that have a significant and material effect on the performance of the Credit Union

Public communication of the Board's activities will normally be conducted by the Board Chair.

GOVERNANCE AND RISK FRAMEWORKS

The Board has the following responsibilities with respect to the Credit Union's governance and risk frameworks:

- Establish and amend, as necessary, the Credit Union's Governance Framework which articulates the Credit Union's mission, vision, values, strategies and governing policies.
- Recommend to members, as necessary, the adoption, amendment or repeal of the Credit Union's Rules. As mandated by [paragraph 7 of the CUJA](#), the rules are established by the Credit Union to govern its conduct.
- Direct the CEO to implement systems designed to confirm that the Credit Union operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.
- Approve the Audit Committee's selection of an external auditor and recommend the auditor to the Credit Union's members.
- Delegated to the CEO
 - Monitor adherence to all significant policies, bylaws, legislation, and procedures that govern the Credit Union's operations.

1.4.2 Board Oversight

BOARD INDEPENDENCE

All Directors are independent of management. All Directors are independent from each other. Having an independent Board is critical to effective oversight and good governance. To facilitate the ability of the Board to function independently of management and each other, the following structures and processes are in place:

- The role of Chair of the Board is separate from the role of CEO.
- There are no members of management on the Board.
- Directors hold in-camera sessions, as required, at Board and relevant committee meetings.

The Board has developed a terms of reference for the Chair of the Board. The Chair's duties include leading the Board in its management and supervision of the business and affairs of the Credit Union, including ensuring that all matters relating to the Board's mandate are completely disclosed and discussed with the Board in a timely manner.

BOARD COHESIVENESS, KNOWLEDGE AND COMMUNICATION

The cohesiveness of the Board is an important element in its effectiveness; therefore, each Director is expected to:

- Be a positive force with a demonstrated interest in the long-term success of the Credit Union
- Ensure that neither private nor external interests interfere with their fiduciary duty to act in the best interests of the Credit Union. A fiduciary duty is the highest standard of care in either equity or law.

Fiduciaries are expected to be extremely loyal to the entity to which the fiduciary duty is owed; hence, a fiduciary may **not** put personal interests before fiduciary duty and may **not** profit from their position as a fiduciary.

- Establish an effective, independent and respectful presence on the Board and a collegial relationship with other Directors

Recognizing that decisions can only be made by well-informed Directors, each Director is expected to:

- Participate, as required and as possible, in Director orientation sessions and the Credit Union Director Achievement (CUDA) program. CUDA is the regulated foundational training program offered by the Canadian Credit Union Association (CCUA) for Credit Union Directors.
- Become generally knowledgeable about the business of the Credit Union
- Develop an understanding of the unique role of the Credit Union plays within the communities it serves
- Maintain an understanding of the regulatory, legislative, business, social, and political environments within which the Credit Union operates
- Be an effective ambassador for and representative of the Credit Union

Communication is fundamental to Board effectiveness; therefore, each Director is expected to:

- Participate fully and frankly in the deliberations and discussions of the Board
- Encourage open and respectful discussion of the affairs of Credit Union by the Board
- Ask probing questions, in an appropriate manner
- Focus enquiries on issues related to strategy, policy, implementation, and the financial results of the Credit Union
- Maintain confidentiality of information as per the *Credit Union and Director Code of Conduct*

BOARD EFFECTIVENESS

Annually, the Board will establish professional development and education priorities and approve an allowance to support those priorities for the Board as a whole and for individual Directors. Professional development and education for the whole Board will take priority over that of individual Directors.

BOARD AND BOARD COMMITTEE COMPOSITION

The Board has the following responsibilities with respect to Board and Committee composition:

- Annually, in conjunction with the CEO, conduct the election of Directors to the Board Officer positions: Chair, Vice Chair and Secretary.
- Annually, appoint Directors to Board Committees based on recommendations from the Board Chair, each Director's expressed interest in and experience of committee membership, the Director's skill set, and the Board's succession plan. Some Committees adhere to other rules for choosing their membership. Refer to the Terms of Reference for each Committee to be certain of Committee membership rules.

Board succession planning involves exposing all Directors to the full duties of the Board through Committee work. Each Director is expected to participate in at least three Committees and become knowledgeable about the purpose and goals of the Committees in which they have a membership.

Directors are also expected to understand the process of Committee work, and the role of the Credit Union's managers and staff who support the Committees.

- Set the mandates for the Board standing and ad-hoc Committees
- In conjunction with the CEO
 - Annually, review the skills and experience represented on the Board, among Board Officers and on Board Committees in light of the strategic direction of the Credit Union.

MEETING ATTENDANCE AND CONDUCT

The Credit Union expects Directors to meet the following meeting attendance and conduct requirements:

- Attend Board meetings and assigned Board Committee meetings, the Annual General Meeting, the annual Strategic Planning meeting, and any Special Board meeting that may be called during the year
- Disclose any conflicts of interest immediately upon becoming aware of the conflicts
- Arrive at meetings on time and stay throughout the meeting
- Arrive at meetings fully conversant with the material circulated for the meeting
- Conduct themselves during the meeting with respect for others and their views
- Actively contribute to meeting discussions
- Vote on each motion tabled at the meeting

If a Director is unable to attend a Board or assigned Committee meeting for any reason, they must make every effort to advise the Board or Committee Chair and the G&E Coordination Specialist as soon as possible to ensure their absence will be recorded in the meeting minutes as *excused*. When a Director fails to provide such notice, their absence will be recorded as *unexcused*.

Directors are expected to maintain an overall minimum attendance rate of 75% at Board and assigned Committee meetings. If a Director fails to do so, the Chair of the Governance Committee or the Board Chair will discuss the situation with the Director and assess whether the Director has the capacity to serve and perform their duties effectively. The outcome of the Director's annual performance evaluation may be taken into consideration during this review. If the review determines the Director cannot fulfill their duties on the Board or the Board Committee, the Governance Committee will recommend, to the Board, the Director's removal from the Board (as permitted by the Rules), unless the Director elects to resign.

The Board does not grant leaves of absence for Directors. In the event a Director cannot fulfill their duties, the Director must resign and the Board will follow the provisions of the Rules when there is a vacancy on the Board.

1.4.3 Management Oversight

SELECTION OF MANAGEMENT

The Board has the following management oversight responsibilities:

- Interact regularly with the CEO on matters pertaining to the day-to-day management of the Credit Union
- Monitor development and maintenance of a succession plan for the CEO and other Senior Executive positions

The succession plan deals with the temporary reassignment of the CEO's duties, or those of a Senior Executive Team member in the event of the individual's temporary absence. The succession plan serves to ensure the Credit Union's agility and preparedness in such situations. The CEO will develop a succession plan to cover both planned and unplanned absences, as well as a sudden vacancy.

1.5 Board Legal Functions and Responsibilities

1.5.1 Governance and Risk Management Oversight

The Board has the following legal responsibilities for governance and risk management oversight:

- Monitor the Credit Union's operations, through CEO reports, to ensure that all legal and contractual requirements are met
- Monitor the Credit Union's record management, through CEO reports, to ensure that documents and records have been properly prepared, approved and maintained

1.5.2 Board Oversight

The Board has the following legal responsibilities for Board oversight:

- Directors must continue, throughout their tenure, to meet all eligibility requirements in accordance with regulator expectations, the Rules, and Credit Union policy. Failure to meet such requirements will result in removal from the Board and any other appointments made as a result of having been a Director.
- Directors are under a fiduciary duty to the Credit Union to carry out the duties of their office in the following manner:
 - Honestly and in good faith
 - In the best interests of the Credit Union
 - With the care, diligence and skill of a reasonably prudent person
 - In accordance with the legislative Acts and regulations governing the Credit Union, and in accordance with the Credit Union's bylaws

Directors have specific statutory duties and obligations under employment, environmental and financial reporting law.
- Directors are subject to the Rules and the Credit Union's conflict of interest provisions.

2 Board Chair Terms of Reference

2.1 Chair Purpose and Role

The Chair, as the presiding Director, provides leadership to the Board by guiding and coordinating the Board's activities in the best interests of the Credit Union. The Chair represents the Board at the Annual General Meeting (AGM) and, if requested, at meetings with external groups such as the BCFSA. The Chair also serves as the CEO's main contact on the Board.

The term of office for the Chair is one year with the maximum permissible number of consecutive terms set at six. A Board Chair who completes six full terms is not eligible for any Board Officer position for two years.

The Chair may only be removed from office by a majority vote of the entire Board.

2.2 Chair Functions and Responsibilities

Note: These functions and responsibilities are in addition to the functions and responsibilities applicable to all Directors. See section [1.4 Board General Functions and Responsibilities](#) and section [1.5 Board Legal Functions and Responsibilities](#) for details of the functions and responsibilities applicable all Directors.

The functions and responsibilities specific to the Board Chair are described below.

BOARD LEADERSHIP AND COMMUNICATION

The Board Chair has the following leadership and communication responsibilities:

- Provide leadership to the Board by guiding and coordinating its activities in the best interests of the Credit Union

The Chair leads the Board in its management and supervision of the business and affairs of the Credit Union, including ensuring that all matters relating to the Board's mandate are completely disclosed and discussed with the Board.

- Develop teamwork within the Board by communicating with the Board and working to build consensus among Board members
- Meet, on a regular basis, with each Director for the purpose of discussing Director training opportunities, functionality, areas of improvement and feedback.
- As a delegate with Central 1 and CCUA, attend local, provincial and federal meetings as a representative of the Credit Union. Should the Chair not be able to attend as the delegate, the designated alternate shall attend in the Chair's place.
- Handle all internal communication from the Board when the matter being communicated involves the CEO
- Approve disclosure, by a related party, of confidential Credit Union information other than a disclosure authorized or required by an enactment or in court proceedings
- In conjunction with the G&E Coordination Specialist and the CEO

- At the beginning of each fiscal year, establish the Board Calendar, and coordinate fulfillment of the requirements set by the Board's Annual Work Plan. Included in the Board Calendar are dates for the AGM, conferences and other events of significance to the Credit Union, as well as tentative dates for regularly scheduled Board and Committee meetings. It is noted that every effort will be made to maintain the Board Calendar; however, from time to time, meetings may need to be rescheduled.
- In conjunction with the Audit Committee
 - Approve the Audit Committee's selection of an external auditor
 - Review Audit Committee meeting minutes
 - Investigate complaints concerning financial statement disclosures, disclosure concerns or violations, accounting, internal accounting controls, auditing matters or violations of Credit Union policies
- In conjunction with the Conduct Review Committee
 - Take action when a Related Party is in default of their financial obligations to the Credit Union
- In conjunction with the CEO
 - Handle all communication with government officials and the Regulators

BOARD AND COMMITTEE MEETINGS:

The Board Chair has the following responsibilities with respect to Board and Committee meetings:

- Call and chair Board meetings
- Determine agenda topics for Board meetings in consultation with the CEO and G&E Coordination Specialist
- In conjunction with the G&E Coordination Specialist
 - Prepare the agendas and notices for Board meetings and provide them, along with other meeting materials, to meeting attendees
- Act as a resource and assess Committee Chair effectiveness. The Board Chair does not have voting rights and is not counted towards quorum. The Chair will not be remunerated for attending these Committee meetings. It is not the intent of the Board Chair to attend Committee meetings on a regular basis; however, if the Chair attends a meeting, for any reason, they will notify the Committee Chair within 72 hours of the meeting.
- Annually, recommend, to the Board for the Board's approval, the necessary Committees and the appointments of Committee Chairs and members. If and when the Credit Union is involved in a merger or acquisition, include an Integration Committee as a necessary committee.

BOARD KNOWLEDGE AND EDUCATION

The Board Chair shall strive to achieve the following accreditations within their first year in office and to maintain the accreditation through their entire term in office. Extenuating circumstances, approved by the Board, may extend the suggested timeframe for achieving this accreditation.

- CUDA Director accreditation. This is the Accredited Canadian Credit Union Director (ACCUD) designation, granted by the Canadian Credit Union Association (CCUA) through their accreditation

program. For more information about ACCUD, visit the CUA [CUDA Program and Director Accreditation](#) page on the CUA web site.

- [Institute of Corporate Directors](#) designation (ICD.D) or an industry equivalent. Achieving this designation is not mandatory but it is encouraged by the Credit Union.

The Board Chair must also strive to ensure well-informed Board Directors by assuming the following responsibilities:

- Ensure Directors have full knowledge of the Credit Union’s business and affairs, in a timely manner. Such knowledge permits Directors to be:
 - Informed of, and make decisions regarding, major developments
 - Alert to the Board's obligations to the Credit Union's stakeholders and under the law
- On a regular basis and with the assistance of the CEO and the G&E Coordination Specialist, monitor and participate in the orientation program for new Directors and the ongoing development program for existing Directors. The latter is aimed at increasing the Directors’ knowledge of governance issues affecting credit unions and Boards of Directors.
- Develop and maintain, in conjunction with the Governance Committee, a unique professional development and education plan for each Director. The Plan needs to address gaps in the Director's ability to fulfill the role of Director and the Director’s completion of mandated training for credit union Directors. It also needs to reflect input from the Director regarding their professional development needs.
- No less than annually, meet with each Director to discuss the Director’s ongoing professional development interests and requirements, and inform the Director of training opportunities
- Ensure and coordinate access to continuous professional development and education programs for Board Directors

BOARD AND COMMITTEE COMPOSITION

The Board Chair has the following responsibilities with respect to Board and Committee composition:

- In conjunction with the CEO, conduct the annual election of Directors to the Board Officer positions: Chair, Vice Chair and Secretary. The CEO conducts the election of the Chair; the newly elected Chair conducts the election of the Vice-Chair and Secretary.
- In conjunction with the Governance Committee
 - Annually, monitor the review and assessment of Board composition, performance, compensation and knowledge

MANAGEMENT OVERSIGHT

The Board Chair has the following management oversight responsibilities:

- Oversee review and negotiation of the CEO’s contract in conjunction with the Governance Committee
- Approve the CEO’s expense and credit card expense claims via the Concur Expense Claim System
- Serve as the CEO’s main contact with the Board and be readily available to the CEO

BOARD COMPENSATION

The Board Chair has the following responsibilities with respect to Board compensation:

- Approve professional development and related travel expense claims for Directors
- Approve the Directors' expense claims via the Concur Expense Claim System

3 Board Vice-Chair Terms of Reference

3.1 Vice-Chair Purpose and Role

The Board Vice-Chair is a key member of the Board's Executive Committee and supports the Board Chair in their role.

The term of office for the Vice-Chair is one year with the maximum permissible number of consecutive terms set at three. The Vice-Chair may serve in another Board Officer position immediately after serving the maximum number of terms in their current position.

The Vice-Chair may only be removed from office by a majority vote of the entire Board.

3.2 Vice-Chair Functions and Responsibilities

Note: These functions and responsibilities are in addition to the functions and responsibilities applicable to all Directors. See section [1.4 Board General Functions and Responsibilities](#) and section [1.5 Board Legal Functions and Responsibilities](#) for details of the functions and responsibilities applicable all Directors.

The Board Vice-Chair has the following specific responsibilities:

- Learn all aspects of the Chair's duties and responsibilities
- Provide leadership to the Board and Committee Chairs as agreed by the Board Chair
- Take on the responsibilities delegated by the Board Chair, including approving Board Chair expense claims, and CEO and Director expense claims when the Chair is unavailable. Responsibility for approving applicable professional development expense requests from the Board Chair may be shared with the Conduct Review Committee.
- Facilitate Board meetings in the absence of the Chair
- Hold the position of Governance Committee Chair
- No less than annually, meet with the Chair to discuss the Chair's ongoing professional development interests and requirements and inform the Chair of training opportunities

BOARD KNOWLEDGE AND EDUCATION

The Board Vice-Chair shall strive to achieve the following course completions within their first year in office. Extenuating circumstances, approved by the Board, may extend the suggested timeframe for achieving this accreditation.

- CUDA Director Levels A, B and C granted by the [Canadian Credit Union Association \(CCUA\)](#). For more information about Levels A, B and C, visit the [CUDA Program and Director Accreditation](#) page on the CCUA web site.

4 Board Secretary Terms of Reference

4.1 Secretary Purpose and Role

The Board Secretary is a key member of the Board's Executive Committee and supports the Board Chair in their role.

The term of office for the Secretary is one year with the maximum permissible number of consecutive terms set at three. The Secretary may serve in another Board Officer position immediately after serving the maximum number of terms in their current position.

The Secretary may only be removed from office by a majority vote of the entire Board.

4.2 Secretary Functions and Responsibilities

Note: These functions and responsibilities are in addition to the functions and responsibilities applicable to all Directors. See section [1.4 Board General Functions and Responsibilities](#) and section [1.5 Board Legal Functions and Responsibilities](#) for details of the functions and responsibilities applicable all Directors.

The Board Secretary has the following specific responsibilities

- Send cards to the Credit Union's staff and members. Examples of the types of cards the Secretary will send are condolences and congratulations.
- Review minutes of open Board meetings including open Special Board meetings, and provide feedback to the G&E Coordination Specialist
- Approve Board Chair expense claims when the Vice-Chair is unavailable

5 Executive Committee Terms of Reference

5.1 Executive Committee Purpose and Role

The role of the Executive Committee is to act on behalf of the Board in situations requiring an urgent response from the Board when the Board cannot be convened quickly enough to deliver the response, and it is imperative that the ongoing operation of the Credit Union not be imperilled or in contravention of the Credit Union's rules and policies. As well and with less urgency, the Committee may be called upon to send one of its members to the national system conference as the Credit Union's voting delegate when the CEO is unable to attend.

The following are examples of situations requiring an urgent response from the Board:

- Making decisions, on behalf of the CEO, if the CEO passes away or is otherwise incapacitated
- Making decisions when a natural disaster occurs with advisement by the CEO
- Issuing urgent communications from the Board should the CEO not be available
- Approving expenses when the situation is urgent and the expenses are over the CEO's limit

5.2 Executive Committee Composition and Resources

The Executive Committee consists of the Chair, Vice Chair and Secretary of the Board.

The Chair of the Board shall be the Chair of the Committee.

The CEO shall act as the primary resource to the Committee.

5.3 Executive Committee Meetings and Procedures

Executive Committee meetings may be held electronically if the requirements outlined in document F3 – Electronic Meetings Guideline can be met including the requirement that the technology allow for all meeting attendees to communicate with other attendees during the meeting. Robert's Rules of Order will be used for the conduct of meetings regardless of meeting format.

MEETING TYPES AND ATTENDANCE

The Committee shall meet, as it deems necessary. The time and location of meetings and procedures to be followed at meetings shall be determined, from time to time, by the Committee. A meeting may be called at the request of the Committee Chair or a majority of the Committee.

Attendance at Committee meetings is the Committee members.

MEETING AGENDA AND NOTICES

Whenever possible, notice, in writing, shall be circulated to meeting attendees. Whenever possible, the agenda and required reports shall be circulated in advance of the meeting.

MEETING MINUTES

Minutes of every meeting shall be recorded and circulated to the meeting attendees and the Board. Reports on which the Executive Committee based its decisions shall also be circulated to the Board.

The Committee may, from time to time, appoint a person who need not be a Committee member to act as Recording Secretary of its meetings.

MOTIONS

The Committee will work towards consensus on all matters under discussion at Committee meetings. If consensus is not possible, the Committee will endeavour to resolve issues through motions that require a majority vote to carry. The Committee Chair will decide the issue if the vote is tied.

QUORUM:

The quorum shall be a majority of the Committee; however, every effort shall be made to have the Chair present.

5.4 Executive Committee Functions and Responsibilities

The Executive Committee has the following responsibilities:

- Exercising the powers of the Board and other areas referred to by the Board; and either taking such action as the Committee has the authority to take or recommending action to the Board
- Reporting the Committee's deliberations, findings, and recommendations to the Board at each Board Meeting. This responsibility is delegated to the Committee Chair.
- Annually, coordinating a Board performance evaluation
- Establishing adequate representation and involvement in relevant system activities
- If required, discuss and make recommendations for how to handle issues involving the Board's communication with parties external to the Credit Union

6 Annual Workplans

See the Annual Workplan folder containing workplans for the Board of Directors.

7 Reporting

The following reports are submitted to the Board from non-Board sources. The Board’s responsibilities vis-à-vis the reports are to:

- Review the reports and consider their implications
- Make enquiries regarding the content of the reports
- Recommend action, as necessary, based on the content of the reports

For information about reports submitted to the Board from Board Committees, refer to the reporting section of the Terms of Reference for each Committee. For information about reports submitted to the Board from Board Officers, refer to [Table 2: Reports Submitted to the Board from Board Officers](#).

Table 1: Reports Submitted to the Board from Non-Board Sources

Report	Frequency	Prepared by
Reports from the Regulators		
Reports and written correspondence from the Credit Union’s regulators regarding the Internal Control Framework Enquiries should be directed to the Credit Union's management team. Recommended responses should be submitted to the Board for the Board's consideration and approval. The review and enquiry responsibilities may be shared with the Board.	As required	BCFSA, the designated stabilization authority or other regulatory bodies
Results of Regulators’ examinations	As occurs	Regulator
Reports from the CEO		
Proposal recommending a strategic planning process	Annual	CEO
Business case for new initiatives	As occurs	CEO
Recommendations to vary or deviate from the approved strategic, business or financial plan	As occurs	CEO
Updates on material instances of policy non-compliance and actions to correct them	As required	CEO
Actions taken to alleviate or correct material variances from budget expectations	Quarterly	CEO
Status of the annual planning process	Quarterly	CEO
Updates on Enterprise Risk Management (ERM) Risk Tolerances	Quarterly	CEO

Report	Frequency	Prepared by
Updates on key performance indicators	Quarterly	CEO
Report on progress on the strategic plan and annual business objectives and targets	Quarterly	CEO
Reports from the CRO or CEO		
Material risk events including updates on fraud incidence and investigations	As occurs	CRO/CEO
Reports from Legal Counsel or the CEO		
Material lawsuits and updates on any outstanding matters of litigation or breach of statute	As occurs	Legal Counsel/CEO
Reports from the External Auditor		
Results of the external auditors' examination	Annual	External Auditor
Reports from the G&E Coordination Specialist		
Report on Director development, including a list and the length of training courses and programs attended by each Director	Annual	G&E Coordination Specialist
Summary of actual expenditures on Board professional development and education	Annual	G&E Coordination Specialist
Summary of business expenses incurred by Directors	Annual	G&E Coordination Specialist
Nominations and Elections report outlining the number of open positions, the number of candidates, and the results of the election. This report is submitted to the Board by the Nominations Committee.	As required	G&E Coordination Specialist
Reports from Management		
Annual business plan and financial plan to implement the strategic plan	Annual	Management
Report with results of strategic planning session	Annual	Management
Report on the extent of outsourcing	Annual	Management
Outline of a proposed outsourced service, relevant labour and other practices considered, the process for selecting the provider, measures included in the contract to monitor performance and other key information regarding the arrangement	As required	Management
Summary of complaints and concerns, addressed to the Board (i.e., complaints that have reached Step 4 or higher in the Complaints process)	Quarterly	Management

Report	Frequency	Prepared by
Actual financial results and health of the Credit Union with comparison to the current year’s financial plan	Quarterly	Management
Report on any issues reported or investigated under the Credit Union’s whistle blower policy. The report may be forwarded to the Conduct Review Committee rather than the Board.	As occurs	Management or CRO/Internal Auditor

Table 2: Reports Submitted to the Board from Board Officers

Report	Frequency	Prepared by
Matters indicating contravention of the related party code of conduct. This report will be sent to one or more of: <ul style="list-style-type: none"> • Conduct Review Committee • Board • CEO 	As occurs	Board Chair

8 Associated Documents

The functions and responsibilities of the Board encompass all Board policies; therefore, all Board policy and procedure documents are associated with this Terms of Reference. In addition, the following documents may assist when using these Terms:

- Rules of the Credit Union
- Business Continuity Plan
- Roberts Rules of Order

9 Document Review and Approval

The Board of Directors and the Governance Committee will monitor adherence to this Terms of Reference and, annually, review the Terms for their ongoing appropriateness. Adherence will be measured through reports provided by Management as outlined in section [7 Reporting](#).

10 Revision History

Table 3: Revision History

Revision Date	Revision Description	Date Approved	Approved By
Nov 2, 2023	<ul style="list-style-type: none"> • Renamed EKC Policy document <u>18ERM Board Terms of Reference</u> as <u>Terms of Reference EToR1 – Board of Directors</u> 	Nov 20, 2023	Gov Committee

Revision Date	Revision Description	Date Approved	Approved By
	<ul style="list-style-type: none"> • Merged the following EKC policy documents into this document: <ul style="list-style-type: none"> ○ <u>32ERM Board CHAIR Terms of Reference</u> ○ <u>33ERM VICE CHAIR Terms of Reference</u> ○ <u>34ERM SECRETARY Terms of Reference</u> ○ <u>26ERM Executive Committee Terms of Reference</u> • Update content of merged document from the indicated sections, or portions thereof, in the following documents: • Policy document <u>Appendix 12 – Board of Directors Terms of Reference</u>: <ul style="list-style-type: none"> ○ 3 Specific Functions • Policy document <u>Policy A1 – Board and Governing Practices</u>: <ul style="list-style-type: none"> ○ Context ○ 1.3 Composition of the Board ○ 1.8 Nomination and Election of Board and Committee Members ○ 1.9 Orientation for New Directors and Committee Members ○ 1.10 Director Education and Development ○ 1.12 Meetings of the Board and Board Committees ○ 1.13 Director Attendance • Policy document <u>Process A1 – Holding an In-Camera Meeting</u>: <ul style="list-style-type: none"> ○ 3.3 Communicating Meeting Information to the CEO • Policy document <u>Process A1 – Election of Board Officers</u>: <ul style="list-style-type: none"> ○ 3.0 Process for Electing Board Officers ○ 3.2.3 Conducting the Vote • Policy document <u>Policy A2 – Director Development, Remuneration and Expenses</u>: 		

Revision Date	Revision Description	Date Approved	Approved By
	<ul style="list-style-type: none"> ○ 1.2 Professional Development and Education for Directors ○ 1.7 Reimbursement of Expenses ○ 2.4 Approval of Expenses ● Process document <u>Process A2 – Director Expense Reimbursement:</u> <ul style="list-style-type: none"> ○ 2.0 Reimbursement Process ● Policy document <u>Policy B2 – Related Party Code of Conduct:</u> <ul style="list-style-type: none"> ○ 3.2 Confidentiality ● ELEVATUS policy document <u>Policy B4 – Strategic, Business and Financial Planning:</u> <ul style="list-style-type: none"> ○ 1.0 Policy ○ 2.0 Authorities ○ 3.0 Measures ● Policy document <u>Policy C3 – Executive Succession Planning:</u> <ul style="list-style-type: none"> ○ 1.1 Purpose ○ 1.2 Succession Plan ● Policy document <u>Policy D2 – Communications:</u> <ul style="list-style-type: none"> ○ 1.3 External Communications ○ 1.4 Internal Communications ● Terms of reference document <u>Terms of Reference EToR6 – Audit Committee:</u> <ul style="list-style-type: none"> ○ 4.3 Financial Reporting ○ 4.5 External Auditors ● Terms of reference document <u>Terms of Reference EToR8 – Conduct Review Committee:</u> <ul style="list-style-type: none"> ○ 4.0 Functions and Responsibilities ● EKC policy document <u>15ERM – Fiduciary Risk Policy:</u> <ul style="list-style-type: none"> ○ Note 		

Revision Date	Revision Description	Date Approved	Approved By
	<ul style="list-style-type: none"> • Information about reports sent to or prepared by the Board or Board Chair was sourced from the following documents: <ul style="list-style-type: none"> ○ Policy document <u><i>Policy A1 – Board and Governing Practices</i></u> ○ Policy document <u><i>Policy A2 – Director Development, Remuneration and Expenses</i></u> ○ Policy document <u><i>Policy A3 – Engaging Independent Advisors</i></u> ○ Policy document <u><i>Policy A5 – Regional Representation</i></u> ○ Policy document <u><i>Policy B1 – Credit Union and Director Code Of Conduct</i></u> ○ Policy document <u><i>Policy B2 – Related Party Code of Conduct</i></u> ○ Policy document <u><i>Policy B4 – Business Decision Evaluation</i></u> ○ Policy document <u><i>Policy C4 – Protected Reporting</i></u> ○ Policy document <u><i>Policy F1 – Enterprise Risk Management Policy and Framework</i></u> ○ Policy document <u><i>Policy F4 – Outsourcing Risk Review and Approval Framework</i></u> • Standardized format, styles and terminology using <u><i>Committee Terms of Reference Document Template</i></u> and copyedited content 		