



Director Candidate Information Guide

2021 Election

DUCA Financial Services Credit Union Ltd.

Board of Directors

2021 Application for Nomination

2021 ELECTION Board of Directors

Dear Prospective Board Candidate:

At DUCA we value the dedication and commitment of our Members who choose to participate in our nomination and election process as a Board Candidate. We thank you for your interest in seeking nomination for our Board of Directors. Inside this package you will find information that will clarify the qualification criteria for Candidates and expectations of Board Members in their role of governing the credit union. You will also find everything that you need to complete the nomination process.

To assist those Members who are interested in considering candidacy, the Board appoints an Elections Committee each year. The Committee's primary role is to ensure Members are fully informed of the nomination process and the election process, as well as to consider the qualifications of Candidates in order to ensure the highest quality board composition, and to meet any gaps as identified by the Board in their analysis of the Board's skills, knowledge and experience.

The Elections Committee is tasked with seeking to select nominees who not only are the best qualified and meet the required criteria but who also possess specific skills and experience in the competencies set out in Schedule E, in particular:

1. Audit and compliance knowledge
2. Board and CEO performance oversight
3. Credit union industry and system knowledge
4. Financial/Accounting acumen
5. Governance experience and ethical understanding
6. Leadership expertise
7. Regulatory knowledge
8. Risk management expertise
9. Strategic planning expertise

A Director's designation is a definite asset. The DUCA Board believes in embracing diversity and inclusion and strives to represent and reflect the broad DUCA Membership, its employees, and the people in our communities. Further details on the process undertaken by the Elections Committee are outlined on Page 2 of this application package.

If you decide to proceed with submitting an application for nomination as a Candidate, please complete and submit this application package along with all the required documents, as outlined in the Candidate's Guide section. If you have any questions about the enclosed information, you may contact the Chair of Elections by email at boardelections@duca.com.

Please note that applications must be received no earlier than Monday, November 9, 2020, and no later than Tuesday, December 8, 2020.

Yours truly,

Frans Amelink, Chair of Elections

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DUCA's Vision & Values

Our Vision

We exist to help people do more, be more and achieve more with their money and their lives.

Our Values

We put people before profits, are financial stewards, embrace change, are accountable, think big, are genuine, foster excellence, nurture growth, are dedicated, do what's right for Members and each other, and give teammates and Members an authentic voice.

Our Proposition Statement

We are the credit union for those who want to deal with a financial partner that consistently exceeds their expectations with innovative products and services. We keep our Members' best interests at heart. We are committed to helping our Members realize their financial goals, and give them the confidence that they will succeed at every turn.

DUCA's Election Process

The DUCA Board, as established in the By-Laws, consists of 9 directors and in 2021 three vacancies need to be filled.

As defined in DUCA's By-Laws, and the Board's Governance policies, the Elections Committee of the Board plays an integral role in the process of reviewing nominated Candidates who meet the eligibility requirements. This Committee is required to evaluate all applicants and to evaluate the experience, expertise and qualifications of the Candidate in relation to the specific Director selection criteria established by the Board annually.

Upon completion of the Candidate evaluations, which may include interviews for applicable candidates, the Elections Committee will make a determination as to the best qualified Candidates to fill the vacant positions.

The Committee will place their recommendation behind those identified Candidates in a number equal to the number of vacancies.

The process used for recommending Candidates is based on achieving alignment between a candidate and the Board's need to acquire required skills and fill identified experience gaps based on a skills matrix. This process enables an objective evaluation and creates the strongest possible team at the Board level in a way that is open and transparent to Members.

The Elections Committee will advise each Candidate whether they are receiving the Committee's recommendation, and any Candidate not being recommended will have the choice of staying on the ballot and participating in the election. The Candidate brochure will indicate to credit union Members the names of those Candidates who have received the recommendation of the Elections Committee.

DUCA elections will be conducted via electronic voting and in branch paper balloting, during the period of February 15, 2021 to March 15, 2021. Eligible voters have one vote per DUCA membership share. There will not be nominations from the floor, nor will any voting for Directors take place at the Annual General Meeting. The three Candidates who garner the most votes will join the Board for a three-year term. The results of the election will be announced at the Annual General Meeting, in April 2021.

Nomination and Election Timing

Candidates should ensure they are available on: April, 2021 and a date TBD for interview with the Elections Committee	Date
1. Call for nominations sent out by email and mail to DUCA Members	November 2020
2. Nomination period opens	November 9, 2020
3. Deadline to submit the Official Nomination Form and other required material	December 8, 2020 at 5pm
4. Interviews of candidates by Elections Committee	December 8 — January 15, 2021
5. The following is posted on DUCA’s website and is available in the branches: <ul style="list-style-type: none"> • Each candidate’s printed biography • Blank ballots with self-addressed return envelopes • Electronic election page on website 	February 15, 2021
6. In branch and electronic vote begins	February 15, 2021
7. In branch and electronic vote ends	March 15, 2021
8. Results are tallied	March 16 – 26, 2021
9. Candidates are informed of the election results	By April 16, 2021
10. Annual General Meeting The results of the election are publicly announced	April 2021
11. The Elections Committee calls each unsuccessful candidate for a debriefing.	Prior to the AGM

Candidate's Guide

1. Individuals wishing to be Candidates for DUCA's Board of Directors must be at least 18 years of age, have been a Member of DUCA for a minimum of six months as at the first day of the Nomination period, November 9, 2020, and hold \$1 in Membership Shares.
2. Additional eligibility requirements are outlined on Schedule A (Page 8) of this Application.
3. If after reviewing the above and the Background Information for Candidates – Schedule G (Page 21), a Candidate wishes to make an application, he or she must:
 - A. Without any assistance from employees of DUCA, seek the signatures of six Nominators who themselves meet the Nominator Eligibility Requirements outlined in Schedule C (Page 11);
 - B. Complete this Application in its entirety;
 - C. Submit it along with the three documents detailed on Page 6 of this Application. (Statement of Interest, Resume, completed Schedule E [Applicant Assessment] and Schedule F [Declaration of Economic Interests by a Restricted Party of DUCA]), and a digital photograph also detailed on Page 16; and
 - D. Complete credit check, criminal check, and bonding application forms by 5pm on December 11, 2020. These forms will be sent by email from hr@duca.com once the Application is received by the Elections Committee. These forms must be completed and sent directly to hr@duca.com by 5pm on December 11, 2020. These checks will be conducted on all candidates who choose to stand for election. Note: Eligibility for election to the Board of Directors is conditional upon receiving bonding approval from DUCA's insurer.
4. Applications for Nomination must be marked Confidential and submitted by email:
 - A. To: Chair of Election, boardelections@duca.com, DUCA Financial Services Credit Union Ltd.
 - B. To be received by the Chair of Election between Monday, November 9, 2020 and Tuesday, December 8, 2020 at 5:00 p.m.

Once the Nomination period closes:

- The Elections Committee of the Board will validate the Candidate's eligibility, and conduct Candidate interviews during the period.
- The election of Directors by Members will be conducted from February 15, 2021 to March 15, 2021.
- The successful Candidates will be announced at DUCA Annual General Meeting to be held in April 2021.

Application for Nomination

Each Board candidacy must be supported by six other Members using this form. We accept scanned versions of this document. There is no requirement to collect all six nominator signatures on the same form.

As members of DUCA, we are pleased to nominate the following person for election to the Board of Directors. As Nominators we meet all of the qualifications outlined in Schedule C (Page 11).

Print Candidate's Name

Nominator Name	Signature of Nominator	Member Phone #	Member Account # (Optional)
1.			
2.			
3.			
4.			
5.			
6.			

Acceptance of Nomination:

I accept this nomination as a candidate for election to the DUCA Board.

Signature of Candidate ¹	Member Number	Date

Candidate Information:

Email address: _____

Telephone (day): _____

Telephone (evening): _____

¹ By signing this form, you declare that you meet the Director Eligibility Requirements outlined on Schedule A (page 8) of this document and agree to submit to a credit, criminal record, and comprehensive personal background check. You also agree to respect the requirements of the Election Campaign Policy outlined on Schedule I (page 25).

Candidate's Undertaking

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

I do solemnly undertake to:

- a. stand for election and, if elected, to serve as a Director;
- b. observe the provisions of the Credit Unions and Caisses Populaires Act (the "Act"), as applicable, including the provisions of disqualified individuals as outlined in Section 92(1) of the Act. (The Act is accessible at www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11_e.htm);
- c. comply with the Director's Code of Conduct and the Duties and Obligations of Directors including Conflict of Interest Guidelines adopted by the Board from time to time;
- d. be a role model and advocate for the DUCA brand to both internal and external stakeholders;
- e. provide full, financial disclosure to the Credit Union, as required by the Board from time to time;
- f. consent to the disclosure of credit and/or personal information to, or from any credit-reporting agency;
- g. observe all the Credit Union's By-Laws, and the rules relating to the elections and the conduct thereof; and
- h. resign from the Board in the event the Board has determined that as a Director, I have ceased to meet the eligibility requirements, as set out in the Credit Union's By-Laws or Section 91 of the Act or if I have met the test of any of the disqualifying criteria as set out in Section 92(1) of the Act, during my term of office

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

1. A written Statement of Interest, written in 3rd person, not exceeding 250 words, and submitted in a digital format which:
 - i. provides the Membership with enough information about the Candidate from a personal and professional perspective to help them understand the skills and expertise the Candidate would bring to the Board;
 - ii. outlines the Candidate's reasons for seeking election to the Board of DUCA;
 - iii. explains why Members should vote for this Candidate.

This Statement will be published by DUCA, as received, and will be used to inform the Membership about the Candidate in its election materials.

2. A resume that includes disclosures outlining the following: Experience, expertise and qualifications of the Candidate such as:
 - i. Candidate's skills and experiences that match the financial, operational and risk oversight needs of a credit union;
 - ii. Candidate's past and present service as a Director of a Board;
 - iii. Any formal Director education/training accreditations;
 - iv. Candidate's professional, community or other affiliations or Memberships; and
 - v. Contact information for two professional references (Recommendation: 1 Board reference and 1 current employer reference. If not currently employed, 1 Board reference and 1 former employer reference is recommended.)

Candidate's Undertaking (continued)

3. A completed Applicant Expertise/Experience Assessment as found on Schedule E (Page 14); and
4. A completed Schedule F (Page 16) (Declaration of Economic Interests by a Restricted Party and/or Related Party of DUCA);
5. A current high-resolution colour digital photograph of the Candidate. Please note that no photo will be used as part of the election materials or ballots.
6. Having signed this Application for Nomination the Candidate consents to DUCA reviewing any of the Candidate's financial information on file at the Credit Union, contacting references, and conducting a credit check, criminal check, and comprehensive personal background checks for the purpose of determining eligibility for election to the Board.

In addition, the candidate must be available between December 10, 2020 and December 20, 2020 to undergo an interview process by the Elections Committee if deemed applicable by the Elections Committee. The Elections Committee will be using the Director Selection Criteria set out in Schedule D (Page 12) when conducting candidate interviews.

Candidates will be required to be available during this time period. Candidates are requested to indicate their first and second choice, out of the dates noted above. The Elections Committee will reasonably try to accommodate the requested date.

Candidate's preferred dates:

1st Choice: _____

1st Choice: _____

Candidates should be aware that campaigning is not permitted.

Dated At _____, Ontario, This ____ Day Of _____, _____

Candidate's Signature: _____

Schedule A

Director Eligibility Requirements

(as extracted from DUCA By-Laws)

1. Only a natural person who:

- (a) is a Member of the Credit Union in full compliance with the minimum Membership share requirements contained in section 2.03 hereof;
- (b) is at least eighteen years of age;
- (c) is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and ordinarily resident in Canada;
- (d) has then served as a Director of the Credit Union for not more than five (5) three-year (3-year) terms since the Credit Union's creation by amalgamation;
- (e) is not disqualified under the Act;
- (f) if that person is a former employee of the Credit Union or of one of the credit unions which amalgamated to form the Credit Union, has not been employed by the Credit Union or by one of the credit unions which amalgamated to form the Credit Union in the twenty-four (24) month period ending on the last day of the Nomination Period for the election in which he or she seeks nomination as a candidate for election to the Board;
- (g) is not asserting a legal claim against the Credit Union or of one of the credit unions which amalgamated to form the Credit Union which is not resolved as of the last day of the Nomination Period for the election in which he or she seeks nomination as a candidate for election to the Board;
- (h) is not employed in any capacity, or is not an employee, officer, director or committee member of an organization, which may compete with the Credit Union, including, without limiting the generality of the foregoing, other financial institutions or entities providing investment or credit products or services;
- (i) has disclosed to the Board, in a timely fashion before the election in which the natural person is a candidate is held, everything he or she is required by the Act to disclose as a candidate for director of a credit union; and
- (j) has been a Member of the Credit Union in good standing for a minimum period of 6 months prior to the 1st day of the Nomination Period

is eligible to be a director of the Credit Union.

Schedule B

Director Disqualifications

(as extracted from the Act – Section 92)

92) Disqualified Individuals

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

1. One whose Membership in any credit union has been terminated, other than voluntarily.
2. One who a court has decided is of unsound mind.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as director.
4. One who is unable to obtain a bond of an insurer licensed under the Insurance Act to write surety and fidelity insurance.
5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union unless the credit union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the United Nations Act (Canada).
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
8. One whose Membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as director, for professional misconduct.
9. An employee of the credit union or a league in which the credit union is a Member or his or her spouse, parent or child.
10. A professional advisor who provides services to the credit union in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director.
11. An employee of the Deposit Insurance Corporation of Ontario (DICO) or the Financial Services Regulatory Authority of Ontario (FSRAO).
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.

Schedule B (Continued)

Director Disqualifications

Exception

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

Type of offence

- (3) An offence referred to in paragraph 7 of subsection (1) is an offence that,
 - a. is related to the qualifications, functions or duties of a director of a body corporate;
 - b. involves theft or fraud;
 - c. involves a contravention or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the credit union; or
 - d. involves a contravention or failure to comply with the Securities Act.

Schedule C

Requirements to Be Met by Nominators

Criteria:

- Be 18 years of age or older;
- Be a member in good standing;
- Have a membership share of \$1

Schedule D

Selection Criteria

The selection criteria to be used by the Elections Committee are the following:

Mandatory Individual Director Criteria

A Director must have the following skills/capabilities:

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

Schedule D (Continued)

Selection Criteria

Current Areas for Board Strength Opportunities

Beyond the identified core competencies, we are looking to strengthen our board with expertise in the following competencies:

1. Credit Union Operations
2. Credit Union Regulatory Environment Knowledge
3. Legal Expertise
4. Technology Expertise
5. Marketing and Communications Expertise
6. Liquidity Management Expertise
7. Lending and Credit Expertise
8. Payment Expertise

Optional Individual Director Criteria

It is desirable that Directors:

1. Have considerable experience as a Director on a Board;
2. Have a demonstrated reputation of valuable community and professional involvement outside of their activities at the Credit Union;
3. Have core knowledge of or experience in the cooperative system and an understanding of the cooperative principles.
4. Have experience or familiarity with accounting and reporting standards including financial instruments and International Financial Reporting Standards (IFRS).
5. Have experience or familiarity with enterprise risk management.
6. Have experience or familiarity with strategic planning;
7. Have experience or familiarity with capital markets financing instruments (e.g. securitizations, interest rates, on balance sheet financing etc.), and
8. Have experience/expertise in the field of economics, finance, treasury or investment services.

Schedule E

Board of Directors Applicant Expertise/Experience Assessment

DUCA is committed to the principle of a high quality Board of Directors, and expects that each Director brings to the Board a certain level of knowledge and experience, demonstrates certain key attributes and adheres to certain principles.

In addition, Directors must meet the minimum requirements for Director's core competencies at a STRONG Competency Level as prescribed in the Guidance Note: Director Training and Qualifications for Complex Credit Unions found at the Financial Services Regulatory Authority of Ontario website (fsrao.ca) under "Credit Union Regulatory Framework." More information on a Director's core competency requirements can be found at fsrao.ca/industry under "Credit unions and caisses populaires sector" and "How Ontario Credit Unions are Regulated."

The following self-assessment will assist the Elections Committee in determining the degree of expertise that you bring as a Candidate.

Please indicate your level of expertise/experience in the table below. To assist you in answering please refer to the following definitions:

Expert (E): You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field.

Strong (S): You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities.

Good (G): You understand the basic fundamentals and concepts that are encountered in this skill area.

Basic (B): You have some knowledge of the competency

NA: You have no familiarity with the topic or area

***Please Note:** If you are elected to the Board, you will be expected to complete a more comprehensive self-assessment of specific competencies within 12 months of election. This assessment is used to help determine your training and self-development needs as well as your competency to continue serving the remainder of your term in order to fulfill the director training and qualifications requirements as established by the credit union.*

Schedule E (Continued)

Board of Directors Applicant Expertise/Experience Assessment

Competency/Area	Rating
1. Audit and Compliance - performance and regulatory standards; examination & auditing procedures	
2. Board & CEO Performance - setting and evaluating criteria and standards of performance of the Board, directors and the CEO	
3. Credit Union Operations - Cooperative business model; key components of operations (people, physical and technical infrastructure), operational risks	
4. Financial literacy/expertise - Reading and interpreting financial statements and financial performance indicators	
5. Governance and Ethics - Board roles and responsibilities; structure; decision making powers; Board policies and process; Committees (mandates; structure; process)	
6. Leadership - Leadership traits; skills and effective professional and personal attributes - Emotional and Social Intelligence	
7. Regulatory environment with respect to financial services & credit union sector - Governing legislation and guidance; regulatory bodies/organizations	
8. Risk Management Oversight; Enterprise Risk Management - Financial and operational risks; risk management and monitoring	
9. Strategic Planning - Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation	
10. Legal expertise	
11. Human Resource experience	
12. Professional designation	
13. Investment acumen	
14. Technology expertise	
15. Marketing and Communications acumen	
16. Liquidity Management acumen	
17. Negotiation expertise	
18. Project Management acumen	
19. Lending and Credit acumen	
20. Economics acumen	
21. Payments acumen	
22. General Management experience	
23. Other competencies; areas of expertise (e.g., mergers and acquisitions)	

Schedule F

Declaration of Economic Interests

Declaration Of Economic Interests By A Restricted Party And/Or A Related Party Of DUCA Financial Services Credit Union Ltd. ("DUCA")

Name: _____

Position with DUCA: _____

Definitions

Restricted Party (RP):

A person or entity is "restricted" in relation to DUCA if they are or have been within the last 12 months:

- A. a director or officer of DUCA;
- B. a spouse of a director or officer of DUCA;
- C. a relative of a person described in [A] or [B] above, if the relative lives in the home of the above and is financially dependent on the person described in [A] or [B];
- D. a corporation/partnership in which a person described in [A] beneficially owns, directly or indirectly, more than 10% of the voting shares; or
- E. a corporation/partnership controlled by a person described in {[A] [B] [C] or [D] above

Relative: Means a relative by blood, marriage or adoption.

Connected Persons (CP):

1. In relation to a Member, another person or entity is a "connected person", if he or she or it is one of the following:
 - A. a corporation in which the Member holds or beneficially owns, directly or indirectly, at least 35 per cent of the voting securities,
 - B. an affiliate* of a corporation described in [A],
 - C. a person or entity that has a 50 per cent interest in a partnership in which the Member also has a 50 per cent interest,
 - D. a partnership in which the Member is a partner,
 - E. a trust or estate in which the Member has a substantial beneficial interest,
 - F. a trust or estate in respect of which the Member serves as a trustee or in a similar capacity,
 - G. a person or entity on whose financial resources the Member depends to repay a loan to DUCA,
 - H. a person or entity who provides security to DUCA for a loan to the party.

* "affiliate" means when one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.

Schedule F (Continued)

Declaration of Economic Interests

2. In relation to a Member who is an individual, another individual is a connected person of the Member if that other individual is one of the following:
 - A. a spouse of the Member who is financially dependent on the Member,
 - B. a relative of the Member or of the Member's spouse who lives in the same home as the Member and who is financially dependent on the Member or the Member's spouse.

Conflict of Interest:

Applies when a Director or Officer is/has:

- A. a party to a material contract or proposed material contract with DUCA;
- B. a director or officer of an entity that is a party to a material contract or proposed contract with DUCA;
- C. a material interest in a person who is a party to a material contract or proposed material contract with DUCA; or
- D. a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with DUCA.

Related Party (RLT.PTY):

A person or entity is related to DUCA in connection with the preparation of its financial statements if:

- A. the person or a close member of that person's family has control or joint control over DUCA;
- B. the person or a close member of that person's family has significant influence over DUCA;
- C. the person or a close member of that person's family is a member of the key management personnel of DUCA (Executive leadership team; Board of Directors and Officers of DUCA; or
- D. the entity (a corporation/partnership) is controlled or jointly controlled by a person identified in [A], [B], or [C].

Close members of the family of a person described in {A} [B] or [C] above are those family members who may be expected to influence, or be influenced by, that person in their dealings with DUCA and include:

- A. that person's children and spouse or domestic partner;
- B. children of that person's spouse or domestic partner; and
- C. dependents of that person or that person's spouse or domestic partner

Schedule F (Continued)

Declaration of Economic Interests

Parents and siblings are by virtue expected to have influence or be influenced by the individual unless otherwise proven. Family members outside of the immediate family are normally not expected to influence or be influenced by the individual. Possible examples of where non-immediate family members would be considered under the definition of “close members of the family” include situations where they are dependents of the individual; live in the same household; have strong financial ties.

Control is the power to govern the financial and operating policies of DUCA so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of DUCA, directly or indirectly, including any director of DUCA.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

DECLARATIONS:

Restricted Parties: [RP] Connected Persons [CP] Conflicts of Interest [CONFLICT] Related Parties (RLT PTY]

Name of Spouse [RP & RLT.PTY]:

1. Is Spouse financially dependent on me? [CP] Yes _____ No _____

2. Names of Children and other Relatives financially dependent on me or my spouse and who live in my home [RP & CP]: Other “close family members” who are expected to influence or be influenced by me (whether or not they are financially dependent) [RLT.PTY]:

A. Names of children of self or spouse/domestic partner:

B. Names of dependents of self or spouse/domestic partner:

C. Names of other individuals who live in the same household as self:

D. Names of other individuals who have strong financial ties to self or spouse/domestic partner:

Schedule F (Continued)

Declaration of Economic Interests

3. Names of corporations whether or not they are Members of DUCA in which I beneficially own, directly or indirectly, more than 10 per cent of the voting shares, and the affiliates [CP] of said corporations: (state percentage) [>10=RP; >35=CP]:

4. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of DUCA in which I beneficially own 50 per cent or greater of the voting shares and their subsidiaries: (state percentage [50% = joint control; >50% = control]) [RLT. PTY]

5. Names of corporations whether or not they are Members of DUCA in which I or any one of my spouse, children and other relatives named above own shares which carry more than 50 percent of the votes for the election of directors: [RP]

6. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of DUCA in which any one of my spouse or close family members (identified above) own shares which carry 50 percent or greater of the voting shares and their subsidiaries: (state percentage [50% = joint control; >50 = control]) [RLT. PTY]

7. Names of corporations or unincorporated associations whether or not they are Members of DUCA for which I serve as a Director or Officer [CONFLICT]:

8. Names of partnerships whether or not they are Members of DUCA in which I am a partner: (state percentage interest and percentage interest of other partners)[CP]:

9. Names of trusts or estates which are Members of DUCA and in which I have a substantial beneficial interest [CP]; [RLT PTY]:

10. Names of trusts which are Members of DUCA and for which I act as trustee (including accounts on which I act as attorney for property) [CP]:

11. Names of non-relative Members for whom I have provided financial assistance, including a guarantee or co-signature for loans from the credit union [CP]:

Schedule F (Continued)

Declaration of Economic Interests

Acknowledgment:

I hereby:

- acknowledge that this declaration is given for the purposes of assisting DUCA in complying with statutory and regulatory requirements relating to transactions with Restricted Parties [RP]; Connected Persons [CP], Conflicts of Interest [CONFLICT] and Related Parties (RLT PTY).
- understand that the questions will not necessarily elicit answers that will disclose all of my relatives who may be “restricted parties” under s. 75 of the General Regulation under the Credit Unions and Caisses Populaires Act, nor all of my relatives who may be related parties under IFRS – IAS 24 – Related parties; and undertake to disclose to the Board my connection to any relative who has a material contract or loan with the credit union as soon as I become aware of it. I warrant that the information provided herein is complete and accurate in all material respects as of the date it is given, and
- I undertake to bring to the attention of the DUCA any subsequent information, which would necessitate the completion of a new Declaration.

Any declaration I have made above to the effect that I am a director or officer of a corporation/partnership/unincorporated association, or have a material interest in a person, shall be regarded as a general notice to the Board of Directors that I am interested in any contract made with that entity or person by DUCA.

Dated At _____, Ontario, This _____ Day Of _____, _____

Signature of Party

Schedule G

Requirements to Disclose

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

- Are a party to a material contract or proposed material contract with the credit union;
- Are a director or an officer of an entity that is a party to a material contract or proposed material contract with the credit union;
- Have a material interest in a person who is a party to a material contract or proposed material contract with the credit union; or
- Are a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the credit union.

Please provide details here if any of the above applies.

Dated At _____ Ontario, This _____ Day Of _____, _____.

Signature _____ Name _____

Witness Signature _____ Name _____

Schedule H

Background Information for Candidates

Preamble

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

The information found below identifies and briefly describes DUCA Committees, Director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a Director of DUCA. We hope that the information below will assist you in clarifying your obligations should you become a Director. However, if you have any questions regarding the information, or wish to learn more about DUCA Governance structure/practices, please contact the Chair of Elections or the CEO.

Committees

1 Full Board

The Board of Directors consists of 9 Directors, each elected by the Membership for a term of three years, subject to a term-limit of 15 years in office. The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring and delegating authority to the CEO.

2 Board Committees

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

The current Committees and their mandates are as follows:

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

Schedule H (Continued)

Background Information for Candidates

- D. **Elections Committee:** The Elections Committee is responsible to oversee the director Nomination, Evaluation, Selection and Election processes for Board Candidates, as well as the oversight of activities associated with the Annual General Meeting of Members, including the development of the Annual Report.
- E. **Human Resources and Compensation Committee:** The Human Resources and Compensation Committee has responsibility for overseeing DUCA's Human Resources policies. Its role is to oversee and assess compensation of the CEO and members of the Executive Leadership team and to manage the process of evaluating the CEO.
- F. **Risk Committee:** The Risk Committee is a standing committee of the Board to which the Board has delegated responsibility for overseeing the effective operation of all risk taking operations and risk management functions of the Credit Union and ensuring appropriate risk governance processes are executed effectively.

Meetings/Time Commitment

Board meetings are held quarterly. It is expected that, in addition to the actual time spent at a Board or Committee meeting, a Director will fully review all materials (e.g., Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are distributed electronically, generally one week prior to the scheduled meeting. Elected Directors are expected to be able to receive, print and communicate via electronic means. While the amount of time required for this task will vary for each individual it is not unusual for a Director to spend approximately 2–5 hours preparing for a Board or for some Committee meetings.

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

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

The following meeting summary shows the approximate time commitment for each Director during the course of a year:

Schedule H (Continued)

Background Information for Candidates

BOARD MEETINGS	The meetings are held in the corporate boardroom at 5255 Yonge St, Toronto, currently held quarterly.
ORIENTATION PROGRAM	For newly elected Directors; usually held following the election and no later than two months after having been elected. Allow minimum of one day.
AUDIT COMMITTEE	Meets approximately five times a year (allow 2–3 hours/meeting).
GOVERNANCE COMMITTEE	Meets approximately five times a year (allow 2–3 hours/meeting).
ELECTIONS COMMITTEE	Meets on as needed basis. A concentrated period usually occurs during December and January when Candidate interviews are conducted.
ANNUAL GENERAL MEETING	Usually held during the first or second week in April during the evening (3 hours).
PLANNING SESSIONS	Generally involves one full day on an annual basis.
CREDIT COMMITTEE	Meets on ad hoc basis (allow 2–3 hours/meeting).
HUMAN RESOURCES AND COMPENSATION COMMITTEE	Meets approximately 4 times per year, quarterly (allow 1–3 hours/meeting).
RISK COMMITTEE	Meets approximately five times a year (allow 2–3 hours/meeting).

Education

DUCA considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a Credit Union. Directors are required to complete various programs within certain time frames in order to achieve the minimum expectations for individual Director Competencies according to Financial Services Regulatory Authority standards (FSRA).

In addition, a new Director will be provided orientation no later than two months after being elected and prior to the first Board meeting.

Remuneration

Directors receive a monthly honorarium plus additional compensation for committee work. These payments are taxable as personal income. Kilometers are reimbursed over 20 for reasonable business expenses.

Schedule I

Election Campaign Policy

Campaigning is not permitted except as set out in 3.0 below. Non-compliance with the following policy may result in a candidate's disqualification, if the Elections Committee so determines.

1.0 Effective Date of the Policy

This policy takes effect as of the date that the candidate submits his/her nomination papers.

2.0 Candidate Information Provided to Members

The Elections Committee ensures that the following information about each candidate is made available to Members in branches and on its website:

- 2.1 **Picture** – Nominee to provide a digital, high resolution picture which will not be used in any of the election materials, but will be used for elected Board Member biography on the DUCA governance website.
- 2.2 **Biography** – As submitted by the candidate, subject to editing by the Chair of Elections Committee according to the requirements outlined in the Board Candidate Information Kit. Maximum length to be 250 words and must be written in third person.

3.0 Campaigning Rules

The Board of Directors believes that the above measures provide the opportunity for candidates to campaign in a fair, open and transparent manner. Campaigning activities beyond the above are strictly prohibited. For more clarity, these include but are not limited to:

- 3.1 No candidate shall interfere with the duties or seek assistance from any employee of DUCA or any member of the Elections Committee in connection with the election.
- 3.2 Candidates shall not campaign on DUCA premises or interfere with nor impede any members of DUCA.

4.0 Non-Adherence to the Policy

Non-adherence to the Election Campaign Policy may result in a candidate's disqualification. If disqualified, within 24 hours, the Elections Committee shall give written notice of such disqualification to the candidate and the notice shall specify the reason(s) for the disqualification.

- 4.1 **Impact of Candidate Disqualification** – Once a candidate has been disqualified, no vote cast in favour of this candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void.

Schedule I (Continued)

Election Campaign Policy

5.0 Clarification

Candidates who are unsure of the intent of any part of this policy shall contact the Chair of the Elections Committee for clarification.

6.0 Dispute

Any dispute regarding interpretation, application or alleged violation of this policy shall be dealt with by the Elections Committee. The decision of the Elections Committee shall be final, non-appealable and binding.

7.0 Roles and Responsibilities

The Board of Directors of DUCA is responsible, through the Elections and Governance Committees, to review this policy annually.

Schedule J

Sample Credit Information Form



Credit Information Form

As part of the employment application process, I hereby authorize DUCA Financial Services Credit Union Ltd. to obtain credit information about me from any source. I understand that DUCA's obtaining credit information about me will be part of the employment decision-making process and understand that, if deemed unsatisfactory by DUCA, this information may result in DUCA's deciding to withdraw its offer of employment.

Name (please print): _____

Address: _____ Town/City: _____ Postal Code: _____

S.I.N.: _____ - _____ - _____

D.O.B.: _____

As a financial institution, we make any offers of employment conditionally upon our obtaining a satisfactory credit report for candidates from the credit bureau(s). To the best of your knowledge, would there be any problem with your credit rating?

Yes No

Signature: _____ Date: _____

Important Notice: your personal credit information will be held in confidence by DUCA Financial Services Credit Union Ltd.

Schedule K

Sample Individual Fidelity Bond Application Form

CUMIS The Credit Union Bonding Program	Employee Name: _____
	Name of Employer: _____
	Criminal record check completed? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Reason for Application: <input type="checkbox"/> New Employee <input type="checkbox"/> Promotion
	<input type="checkbox"/> Other _____

INDIVIDUAL FIDELITY BOND APPLICATION FOR EMPLOYEE

Fidelity bonding is a firmly established business practice. The fidelity bond you are applying for, within its agreements, conditions and limitations, guarantees that your employer will not sustain a loss by reason of your dishonesty. It also serves notice that you meet the high standards required by the issuer of your bond. Compliance with your employer's rules and faithful and honest discharge of the duties of your position will assure your ability to obtain a bond in any future employment.

INSTRUCTIONS FOR APPLICANT

1. Complete this application only if you are currently employed by the entity requiring the bond or you have accepted an offer of employment with the entity.
2. Complete all questions fully and accurately, as all answers are material to this application. **PLEASE PRINT.**
3. Return the completed application to your employer.

INSTRUCTIONS FOR EMPLOYER

To ensure that there are no delays in the processing of this application please ensure that:

- a full 10 years of employment / personal experience is noted (age 18+). Gaps in history will require clarification.
- the applicant provides a detailed explanation for answering "Yes" to any questions #1-#11 on page 2
- the applicant provides a detailed explanation for any unfavourable items on their credit report such as collection items, R9, Beacon score under 600, judgments etc.

TO ENSURE THAT ALL REQUIRED INFORMATION HAS BEEN INCLUDED, PLEASE REVIEW THE APPLICATION IN FULL PRIOR TO SUBMITTING.

THE APPLICANT:

_____ Male
First Name Middle Name Last Name Female

Date of Birth _____ Social Insurance No. _____
(Year/Month/Day)

Current Address _____

Previous Address _____
(if less than 3 years at current address)

How many persons are dependent upon you for support (as per most recent income tax return) ? _____

POSITION:

Title of your new position _____ Date of Initial Employment/Promotion _____

Position Level: Clerical/Teller Supervisory position Management

Schedule K (Continued)

Sample Individual Fidelity Bond Application Form

OTHER EMPLOYMENT:

Do you have employment, other than at the credit union Yes No If "yes" complete the following:

Name of Employer _____ Position _____

Address _____

PREVIOUS EMPLOYMENT: (For the past 10 years for ages 18+ only)

Give full and complete names and addresses of previous employers, time engaged with each, position occupied, and reason for leaving. If there were periods when you were unemployed, please state what you did during that time. If you were not previously employed, provide general information regarding: **school attendance, leave of absence, illness or travel.** If more space is required, please continue on blank sheet and attach to this application.

Please ensure that there are no gaps in the full 10 year history provided, otherwise please provide an explanation.

Name and Address of Previous Employer	Dates Employed	Last Position Held	Reason for Leaving
1.	From:		
	To:		
2.	From:		
	To:		
3.	From:		
	To:		
4.	From:		
	To:		

For the following questions, if you answer "Yes" please provide us with a full explanation in a separate letter and attach it to this application.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Has any application for a bond ever declined by a surety company? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Has any person or surety company been compelled to pay a loss on your account? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Have you ever failed in your own business? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you ever voluntarily declared or been petitioned into personal bankruptcy? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has any part of your salary ever been garnished? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you been found guilty of an offence for which you have NOT received an unrevoked pardon under the Criminal Code, the Food and Drug Act, or the Narcotic Control Act? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Have you accepted responsibility for a criminal offence in an "Alternative Measures" or other similar "Restorative Justice Program"? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are you presently the subject of any civil action, or have you had a civil judgement rendered against you? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Have you been discharged or asked to resign from any position of employment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Has it been determined by a court of law, quasi-judicial tribunal, or Board of Arbitration that you have committed a dishonest or fraudulent act of any kind? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Are you related in any way to any individual currently employed by the credit union which has hired you? | <input type="checkbox"/> | <input type="checkbox"/> |

Schedule K (Continued)

Sample Individual Fidelity Bond Application Form

**IT IS IMPORTANT THAT THE APPLICANT READ AND FULLY UNDERSTAND THE CONTENTS OF THE AGREEMENT
HEREUNDER BEFORE SIGNING**

AGREEMENT OF APPLICANT

I hereby warrant that the foregoing statements are true and correct, and in consideration of CUMIS General Insurance Company, hereinafter called the Insurer becoming Insurer for me under this bond (the term "bond" shall include the bond herein applied for, every continuation or alteration thereof, and any new bond) in my present or any other position, I agree to unconditionally indemnify and save harmless the said insurer against all actions, proceedings, liabilities, damages, loss, cost and expense, including costs of realization and legal fees on a solicitor client basis, that it may sustain or become liable for by reason of dishonesty on my behalf.

I ALSO UNDERSTAND AND AGREE THAT:

- (a) In the event I am bonded and it is later discovered by the Insurer that any of the answers given are untrue or inaccurate, the insurer may, at its option, cancel the bond.
- (b) Should my circumstances change such that any of the answers given on this application (questions #1 to 11) by me are no longer accurate or true, then I shall immediately notify the Insurer of such change and any failure to do so may result in cancellation of the bond, at the option of the Insurer.
- (c) In the event that I am bonded, I am bound by the terms and provisions of this agreement.
- (d) The bond is automatically deemed cancelled and terminated on the discovery of any dishonest act on my part whether or not such dishonest act results in any monetary loss to the entity requiring the bond, the Insurer or any other person or organization.
- (e) The Insurer, its agent or the entity requiring the bond, may collect such additional information about me as may be necessary to review and verify the information contained on this bond application. Information may be obtained from sources such as: financial institutions, police forces (federal, provincial, municipal and foreign), current and former employers, credit bureaus, insurance companies, business associates, provincial and federal government departments and foreign governments. The information furnished on this form will be used by the Insurer to determine your eligibility for a bond.
- (f) I may be requested by the Insurer to periodically complete and file an updated "Employee's Application for Fidelity Bond" in substance, the same form as the one filed herewith, with such modifications as may be requested by the Insurer.

I further represent and warrant that I have not concealed or failed to disclose any facts which, if known to the Insurer, would cause the Insurer to decline the bond or which would make the Insurer's liability greater than would normally be expected and I understand and agree that if any such facts should become known to the Insurer, it may, at its option, cancel the bond.

Signature of Applicant

Date

**NOTE: PLEASE ENSURE ALL QUESTIONS ARE ANSWERED BEFORE SUBMITTING.
INCOMPLETE APPLICATIONS WILL NOT BE APPROVED**

Candidate Checklist

Checklist for Contents of Application for Nomination to the Board of Directors

- Application for Nomination Form signed by six qualified nominators (Page 5). (The nominators must meet the Nominator Eligibility Requirements outlined in Schedule C (Page 11).)
- Candidate's Undertaking – completed and signed (Page 6–7)
- Statement of Interest (max. 250 words) and digital colour photograph for inclusion in Election Materials for DUCA Members. (Detailed information on Page 6.)
- Resume with two professional references. (Detailed information on Page 6.)
- Applicant Expertise/Experience Assessment – completed and signed (Schedule E – Page 14–15)
- Declaration of Economic Interests – completed and signed (Schedule F – Pages 16–20)
- Digital colour photograph for identification purposes and successful candidate's biography section on the DUCA governance website.
- If applicable, Requirements to Disclose Form – completed and signed (Schedule G – Page 21)

Credit, Criminal, and Bond Forms sent by email from hr@duca.com once the Application is received by the Elections Committee must be submitted by 5 pm on December 11, 2020.

- Credit Information Form (Sample Schedule J – Page 27)
- Criminal Check (Online Form)
- Bonding Application Form (Sample Schedule K – Page 28–30)